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

Application will be made for the Ordinary Shares, issued and to be issued pursuant to the Placing, to be admitted to trading on AIM, a market operated by the London Stock Exchange plc ("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 ("UKLA"). 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. Neither The London Stock Exchange plc nor the UKLA has itself examined or approved the contents of this document. The AIM Rules are less demanding than those of the Official List of the UKLA. It is emphasised that no application is being made for the issue of the Ordinary Shares to the Official List of the UKLA. The Ordinary Shares are not dealt with on any other recognised investment exchange and no such applications have been made.

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

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 the Company's compliance with the 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 makes no omission likely to affect the import of such information. **The attention of investors is drawn to the risk factors set out in Part II of this document.**

Glen Group plc

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 5259846)

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

Nominated Adviser
Seymour Pierce Limited

Broker
Seymour Pierce Ellis Limited

SHARE CAPITAL IMMEDIATELY FOLLOWING ADMISSION

Authorised			Issued and fully paid	
Amount	Number		Amount	Number
£800,000	80,000,000	Ordinary Shares	£500,000	50,000,000

The Placing Shares will, on Admission, rank *pari passu* in all respects with the existing Ordinary Shares and rank in full for all dividends and other distributions declared, made or paid on the Ordinary Shares after Admission. It is expected that Admission will become effective and that dealings will commence in the Ordinary Shares on 1 December 2004.

The Ordinary Shares have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, or with any securities regulatory authority of any state or other jurisdiction of the United States or under the applicable securities laws of Australia, Canada, Japan or the Republic of Ireland. Subject to certain exceptions, the Ordinary Shares may not be offered or sold, directly or indirectly, in or into the United States, Australia, Canada, Japan or the Republic of Ireland or to or for the account or benefit of any national, resident or citizen of Australia, Canada, Japan or the Republic of Ireland or any person located in the United States. This document does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or buy, any Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

Seymour Pierce Limited and Seymour Pierce Ellis Limited, which are authorised and regulated in the United Kingdom by the Financial Services Authority, are acting as Nominated Adviser and Broker respectively exclusively for the Company in connection with Admission and the Placing 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 or Seymour Pierce Ellis Limited, or for advising any other person in connection with Admission. The responsibilities of Seymour Pierce Limited, as Nominated Adviser, are owed solely to the London Stock Exchange plc. No respresentation or warranty, express or implied, is made by Seymour Pierce Limited or Seymour Pierce Ellis Limited as to the contents of this document (without limiting the statutory rights of any relevant person).

Copies of this document will be available free of charge during normal business hours on any weekday (except Saturdays, Sundays and public holidays) at the offices of Seymour Pierce Limited, Bucklersbury House, 3 Queen Victoria Street, London EC4N 8EL from the date of this document and for a period of at least one month from Admission.

CONTENTS

DIRECTORS, SECRETARY AND ADVISERS

Directors:	Eric M Hagman, *Non-Executive Chairman* Graham J Duncan, *Chief Executive Officer* Peter J Ford, *Non-Executive Director* all of: Unit 32/7 Hardengreen Industrial Estate Dalkeith Midlothian EH22 3NX
Company Secretary:	Peterkins Solicitors 100 Union Street Aberdeen AB10 1QR
Registered Office:	8-10 New Fetter Lane London EC4A 1RS
Nominated Adviser:	Seymour Pierce Limited Bucklersbury House 3 Queen Victoria Street London EC4N 8EL
Broker:	Seymour Pierce Ellis Limited Talisman House Jubilee Walk Three Bridges Crawley West Sussex RH10 ILQ
Solicitors to the Company:	Neil C Hunter 100 Union Street Aberdeen AB10 1QR Charles Russell 8-10 New Fetter Lane London EC4A 1RS
Solicitors to the Placing:	Wedlake Bell 52 Bedford Row London WC1R 4LR
Auditors and Reporting Accountants:	Grant Thornton UK LLP 1-4 Atholl Crescent Edinburgh EH3 8LQ
Bankers:	Bank of Scotland 47 High Street Dalkeith Midlothian EH22 1JA
Financial PR:	Halogen Communications Limited 26 Forth Street Edinburgh EH1 3LH
Registrars:	Computershare Investor Services Plc PO Box 82 The Pavilions Bridgwater Road Bristol BS99 7NH

DEFINITIONS

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

"Act"	the Companies Act 1985 (as amended)
"Admission"	the admission of the Ordinary Shares, issued and to be issued pursuant to the Placing, to trading on AIM and such admission becoming effective in accordance with the AIM Rules
"ADSL"	asymmetric digital subscriber line
"AIM"	AIM, a market operated by the London Stock Exchange
"AIM Rules"	the rules of the London Stock Exchange governing admission to and the operation of AIM
"Articles"	the Articles of Association of the Company, further details of which are set out in paragraph 5 of Part IV of this document
"Company" or "Glen Group"	Glen Group plc
"CPS"	carrier pre-select
"CRM"	customer relationship management database
"CREST"	the computerised settlement system to facilitate the transfer of title to or interests in securities in uncertificated form, operated by CRESTCo Limited
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)
"Directors" or "Board"	the directors of the Company whose names are set out on page 3 of this document
"DSL"	digital subscriber line
"Glen Communications"	Glen Communications Limited, the operating company of the Group
"GPRS"	General Packet Radio System
"Group"	the Company and its subsidiaries
"IP"	internet protocol
"ISDN"	integrated services digital technology
"ISP"	internet service provider
"IT"	information technology
"LAN"	local area network
"London Stock Exchange"	London Stock Exchange plc
"Official List"	the Official List of the UKLA
"Ordinary Shares"	ordinary shares of 1p each in the capital of the Company

"PBX"	private branch exchange
"Placees"	those persons subscribing for Placing Shares at the Placing Price
"Placing"	the conditional placing by Seymour Pierce Ellis, as agent for the Company, of the Placing Shares at the Placing Price, pursuant to the terms of the Placing Agreement
"Placing Agreement"	the conditional agreement dated 25 November 2004 and made 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 9 of Part V of this document
"Placing Price"	3 pence per Placing Share
"Placing Shares"	the 250,000,000 new Ordinary Shares to be issued at the Placing Price by the Company pursuant to the Placing
"Seymour Pierce"	Seymour Pierce Limited, the Company's nominated adviser
"Seymour Pierce Ellis"	Seymour Pierce Ellis Limited, the Company's broker
"Shareholder"	a holder of Ordinary Shares
"SME"	a small and medium-sized enterprise (typically with less than 250 employees)
"UK"	the United Kingdom of Great Britain and Northern Ireland
"UKLA"	the 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
"uncertificated" or "in uncertificated form"	recorded on the register of Ordinary Shares as being held in uncertificated form in CREST entitlement to which, by virtue of the CREST Regulations, may be transferred by means of CREST
"VAT"	UK value added tax
"VPN"	virtual private network
"WAN"	wide area network
"VoIP"	Voice over internet protocol
"WiFi"	wireless fidelity, a wireless access technology

PLACING STATISTICS

Placing Price	3 pence
Number of Existing Ordinary Shares in issue at the date of this document	25,000,000
Number of Placing Shares being issued pursuant to the Placing	25,000,000
Number of Ordinary Shares in issue immediately following the Placing and Admission	50,000,000
Gross proceeds of the Placing	£750,000
Net proceeds of the Placing to be received by the Company	£515,000
Market capitalisation of the Company following Admission at the Placing Price	£1,500,000

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Admission and dealings expected to commence in the Ordinary Shares on AIM	1 December 2004
CREST accounts credited by	1 December 2004
Despatch of definitive share certificates by	8 December 2004

PART I

INFORMATION ON THE GROUP

Background to the Group

The Group is an IT and communications integration business, focused on providing a wide range of communications and IT services to SMEs in the United Kingdom. Glen Communications has been operating from Scotland since early 2002 and the Directors are now seeking to expand significantly its geographic base through both acquisitions and organic growth, to allow the Group's services to be made available across the UK. The Group is positioned at the customer end of the supply chain and manages customers across these services.

The Company is a recently-formed holding company that has acquired Glen Communications, the Group's current operating entity.

Glen Communications was established by Graham J Duncan, who has been involved in the communications industry at a senior level for over 20 years. Mr. Duncan was the founder and Executive Chairman of Atlantic Telecom Group PLC, which at its peak built or operated telecommunications networks in the "last mile" or "local loop" in three European countries and employed over 1,100 people. Atlantic Telecom, which developed out of a start-up cable TV business, was based in Aberdeen and grew both organically and through acquisitions and its shares were listed on the Official List in London in January 1995. The global downturn in the telecom industry in 2001 coupled with delays to Atlantic Telecom's network builds led to the markets ceasing to fund Atlantic Telecom's future growth strategy and Atlantic Telecom was placed in administration in October 2001 and into compulsory liquidation in April 2002.

The Glen Communications business was established to provide communications services and has been expanded to deliver a range of IT and communications services because in the opinion of its Directors, there was a gap in the market for delivering these services from a single supplier. In many cases, SMEs have to source IT and communications products and services from a range of suppliers and the ability to make all the technologies work together can be problematic. IT skills have, in the opinion of the Directors, become critical to delivering an integrated suite of communications and IT services to the SME target market, driven in part by the increasing take up of broadband services. Glen Communications acquired a small IT services company, Soluis IT Limited, in May 2004 to bring IT skills within the Group.

In relation to the Group's communications services, the Group connects customers to the appropriate third party network based on the individual customer's needs. This allows the customer to benefit from falling network prices brought about by competition. In this respect, the Group remains agnostic when it comes to the choice of suppliers and it takes advantage of the competitive climate that the Directors believe is, in general terms, driving down prices.

Marketing and Sales

The key objective of the Group is to manage customers across a wide range of integrated IT and communication services. Since its inception, the Group has utilised a CRM that is able to capture potential customer data and which can be used as a sales tool. The Group intends to continue to expand its CRM over the next twelve months to maximise customer acquisition and cross-selling opportunities.

To date, the Group's marketing has been limited to developing a presence on the internet, speaking at and attending local business-to-business events and undertaking targeted direct mail, in some cases to targets identified by call centres to whom customer identification has been outsourced.

The Directors are of the view that SME customers tend to source services from local suppliers. The Group's strategy is therefore to develop a local presence in a number of development regions, and expand the sales and IT skills set in these regions.

The Group's overall positioning capitalises on the well known strategy adopted by the communications and IT industry of creating "channel partners", or outlets, for network and other services. In return, the networks and value added suppliers provide income through commissions and, in certain but not all cases, a percentage of ongoing revenues to encourage the channel to expand the customer base. Channel partners in the communications and IT industry have historically tended to focus on a limited number of services. The Directors consider that the Group is different in that it intends to continue to develop the wide range of services which it offers, to suit the needs of SMEs. The Directors believe that not only does this create opportunities to sell specific services but it also gives the Group the opportunity to cross-sell the Group's service portfolio, thereby creating further opportunities. This "one-stop-shop" concept is paramount to the Group's strategy.

Products and Services

The Group offers an integrated suite of IT and communications products and services ranging from straightforward telecommunications connectivity to the development of complex IT systems. Many of the products and services focus on IP technology, where the Directors believe that the convergence of voice, data and video will offer the Group substantial opportunities to develop its business.

The current products and services offered by the Group are divided into the following seven categories:

- ***Networks and Technology***

  The Group offers IP-focused solutions for its clients' voice, data and video needs. The Group can work with a range of network operators, service providers and distributors to deliver to customers a suitable cost-effective IP solution.

  The Group can also offer customers advice on the use of external resources for data storage and retrieval, remote working solutions, disaster recovery and selected software applications.

- ***ISP Services***

  In the ISP area, SMEs have a wide choice in the provision of ISP services. To help SMEs, the Group offers two types of service, managed and self-installed.

  The managed services portfolio can be provided in conjunction with various suppliers who provide ISP services and connectivity across the UK. Alternatively, the Group can provide clients with self-installed ISP services using dial-up, ISDN and ADSL broadband.

- ***Mobile***

  The Group offers an account management service that manages customers' mobile accounts with any of the five mobile networks in the UK.

  The Group's processes involve the review of customers' bills and the Group has been able to save customers considerable sums by switching networks and/or by ensuring that they receive the best pricing and services from their existing network.

  The Group also offers a wide range of advice to clients on mobile devices, handsets, vehicle kits and accessories and through a specialist nationwide network of installation contractors, the Group can also provide hands-free vehicle kit installations.

- ***Telecom Solutions***

  The Group offers a wide range of telecoms-specific services, including advice on CPS and traditional voice-based technologies.

  In addition, Glen Communications owns and operates two branded prepaid phone card services: The "Pumpkin" card is distributed across the UK to schools, colleges, universities and businesses and the "Scotland Phonecard" is distributed in a number of Scottish tourist board premises and other shops that sell Scottish products.

It is the Group's intention to develop further the range of cards and pre-paid services using its existing facilities.

- ***Tracking***

  The Group offers a mobile SIM tracking service which allows business customers to track their mobile assets by polling the SIM card in a mobile phone or mobile device.

- ***Wireless***

  Group personnel have expertise in advising customers on wireless products such as WiFi.

- ***Broadband Voice (VoIP)***

  Broadband voice is a step-change technology that allows voice to travel over data networks. The Directors believe that this has profound implications for telecommunications costs and will help drive down costs and expand value-added services over the next few years.

  Historically, voice pricing has been a factor of distance and time. Over recent years, "packaged" voice bundles from various suppliers, including British Telecom ("BT"), have attempted to eliminate time-based charging by allowing calls to certain destinations to be made free, based on a fixed subscription charge. These bundled minute packages have been common in the mobile world for some time. As a result of competition, there is now a very confusing array of packages and prices in the market from a range of networks and resellers.

  Converging voice, data and video onto a single network using IP technologies allows for much easier administration and cheaper costs. Using a broadband telephone handset, an IP PBX or a gateway converter attached to a traditional PBX or phone instrument, voice can be carried over a broadband connection. As broadband is charged on a fixed monthly fee, calls that remain on the broadband network without having to be switched onto a conventional voice network are delivered free. Switching onto the conventional networks can also be achieved in a cost-effective fashion. Certain network architectures can allow the call to travel across the world before it switches back onto the traditional voice network for delivery to a non-broadband customer, achieving significant savings.

  The Group offers a suite of products available from a range of suppliers that allows the integration of voice services onto customers' broadband networks. The Group will be able to provide a full switching service that allows seamless integration into legacy systems. Voice in a broadband environment is, of itself, also non-geographic in nature. Customers can move their IP phones and the number programmed into the phone will go with them. This has the effect of allowing a UK non-geographic number (such as 0845) to be located anywhere in the world.

  With a fully functioned IP network at their disposal, the Directors believe that SMEs can obtain many benefits in terms of pricing, services and accessibility.

The Market Opportunity

The SME population in the UK is significant and is estimated to number 3.76 million businesses, defined as being those businesses with less than 250 employees. These account for 99% of the entire business population in the UK (source DTI).

Moreover, the market for convergence of voice, data and video onto a single network is estimated to increase from a market size in the UK of £150 million today to around £1.92 billion by 2010, a compound annual growth of 53% (source Gartner).

The take up of broadband in the UK has increased significantly over the last two years. It is estimated by BT that by mid 2005, 99% of telephone exchanges in the UK will be enabled for broadband. Take-up is also accelerating. BT announced on 4 November 2004 that broadband connections in the UK stood at nearly 3.3 million for BT Wholesale alone. By positioning itself in this market, the Directors believe the Group is well placed to capitalise on the take up of new technologies and services.

Competition

Competition exists in all product areas, particularly in individual service strands and in many cases competitors provide multiple services. In the opinion of the Directors, there are very few competitors who currently cover the entire range of services provided by the Group and fewer still who are adopting the end-to-end integration approach, including IT. It is expected, however, that this situation is likely to change over time.

The Directors believe that the IT and communications industries are fragmented and would benefit from consolidation both at an individual service level and across the services and that such consolidation would give the Group cross-selling and integration opportunities.

Current trading and prospects

The Group is currently loss-making as a result of the investment in its products and services required for revenue generation. In the opinion of the Directors, losses will continue for the foreseeable future as the Group continues to invest in the people and systems required to develop the Group's business.

The Directors intend to build a sales, sales support and IT service and support organisation across the UK, which will be key to the expansion of business.

The Group is focused on developing shareholder value through a combination of organic growth and acquisitions, where appropriate.

Approximately 8% of the Group's turnover for the year ended 30 September 2004 was derived from the use of pre-paid phone cards supplied to one customer who, in turn, provided them to one of its customers in the oil industry. Due to a change in policy of this particular customer, these sales ceased in September 2004. Otherwise, current trading is in line with expectations.

THE BOARD AND SENIOR MANAGEMENT

Brief biographies of the Directors are set out below. Paragraph 7.8 of Part V of this document contains further details of the current and past directorships and certain other important information regarding the Directors on Admission.

The Board

Eric Martin Hagman CA CBE, *Non-Executive Chairman, Aged 58*

Eric Hagman retired from the UK practice of Andersen in April 2002 after 32 years with the firm. He was latterly UK Senior Partner for Global Markets, and over the years held a number of senior positions including Regional Managing Partner.

Eric Hagman received a CBE in the 2003 Queen's Birthday Honours and is currently a Non-Executive Director of British Polythene Industries plc, Celtic plc, Scottish Rugby Union plc and a Board member of the Royal College of Art in London. He is a former member of the Council of CBI Scotland and of the Boards of Scottish Enterprise and Scottish Financial Enterprise.

Graham John Duncan MA CA, *Chief Executive Officer, Aged 53*

Graham J Duncan is the Group's founder and Chief Executive. After graduating MA from Aberdeen University in 1972, he qualified as a Chartered Accountant in 1975. He left the profession in 1984 to become a director of the company which had been awarded the franchise for broadband cable in the city of Aberdeen. After ten years of growth both organically and by acquisition the group, later renamed Atlantic Telecom Group PLC, listed its shares on the Official List in London in January 1995. Over the next several years, prior to it being placed into administration, Atlantic grew rapidly and by 2000 it was building or operating "last-mile" networks in three European countries, employing over 1,100 people.

Peter James Ford, *Non-Executive Director, Aged 47*

Peter Ford was born and educated in Edinburgh. He joined the family business of Ford's the Bakers in 1976. Ford's the Bakers was sold to Lyndale Foods in 1999. Peter Ford has been, in recent years, an investor in a number of companies in Scotland and has held directorships with Paragon Products Ltd, East Lothian Economic Developments Ltd, Thomas James Developments Ltd, and Zentel Telecom Group PLC. More recently he has been acting as an advisor to a number of businesses in the food sector. In 1999 he was elected as a member of East Lothian Council, a position that he still holds.

CORPORATE GOVERNANCE AND INTERNAL CONTROLS

The Directors recognise the importance of sound corporate governance and the guidelines set out in the Principles of Good Corporate Governance and Code of Best Practice (the "Combined Code"). The Directors therefore intend to comply with the Combined Code so far as is appropriate having regard to the size and nature of the various companies making up the Group. The Board will take such measures so far as practicable to comply with the Combined Code.

The Company has one executive Director and two non-executive Directors. The Board retains full and effective control over the Company. The Company intends to hold regular bi-monthly Board meetings at which financial and other reports are considered and, where appropriate, voted on. Apart from regular meetings, additional meetings will be arranged when necessary to review strategy, planning, operational, financial performance, risk and capital expenditure and human resource and environmental management. The Board is also responsible for monitoring the activities of the executive management.

The Directors have established an audit committee and a remuneration committee with formally delegated duties and responsibilities to operate with effect from Admission.

The audit committee, which will initially comprise Eric M Hagman and Peter J Ford (with Eric M Hagman acting as Chairman), will determine and examine any matters relating to the financial affairs of the Company including the terms of engagement of the Group's auditors and, in consultation with the auditors, the scope of the audit. In addition it will consider the financial performance, position and prospects of the Company and ensure they are properly monitored and reported on.

The remuneration committee, which will initially comprise Eric M Hagman and Peter J Ford (with Peter J Ford acting as Chairman), will review the performance of the executive Directors and set their remuneration, determine the payment of bonuses to the executive Directors and consider the Group's bonus and option schemes.

The Directors will comply with Rule 19 of the AIM Rules relating to Directors' dealings and will take all reasonable steps to ensure compliance by the Company's applicable employees. Accordingly, the Company has adopted and will operate a share dealing code for Directors and employees in accordance with the AIM Rules.

DIVIDEND POLICY

The Directors do not intend to declare or pay a dividend in the immediate foreseeable future but, subject to the availability of sufficient distributable profits, intend to commence the payment of dividends when it becomes commercially prudent to do so and will adopt a progressive dividend policy thereafter.

THE PLACING AND RELATED MATTERS

The Company is seeking to raise £750,000 (before expenses) by way of a placing of the Placing Shares at the Placing Price. Seymour Pierce Ellis has agreed, pursuant to the Placing Agreement and conditional, *inter alia*, upon Admission, to use its reasonable endeavours to place the Placing Shares at the Placing Price with investors. The Placing has been fully underwritten by Seymour Pierce Ellis.

The Placing is conditional, *inter alia*, upon Admission. Admission and dealings in the Ordinary Shares are expected to commence on 1 December 2004.

The Placing Shares will be in registered form and will be issued credited as fully paid and will, when issued, 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 on the Ordinary Shares after Admission.

Further details of the Placing Agreement are set out in paragraph 9 of Part IV of this document.

REASONS FOR THE PLACING AND ADMISSION AND USE OF PROCEEDS

The net proceeds of the Placing will be used by the Company to:

- develop a national sales team;
- establish IT sales and support offices;
- expand the Group's facilities in Dalkeith; and
- for general corporate purposes, including repayment of the bank overdraft.

In addition to the fundraising, Admission will:

- give the Company a higher profile and better access to capital than if it were an unquoted company, thereby assisting the development of the Group's business;
- facilitate the Group's strategy of expansion by acquisition through offering new sources of financing such acquisitions; and
- better position the Group to attract, recruit and retain key employees.

LOCK-IN ARRANGEMENTS

Each of the Directors, Margaret Duncan and Duncan Ventures Limited has undertaken to the Company, Seymour Pierce Ellis and Seymour Pierce (subject to certain limited exceptions, including disposals by way of acceptance of a recommended takeover offer for the entire issued share capital of the Company) not to dispose of the Ordinary Shares held by each of them following Admission or any other securities (or any interest in them or in respect of them) at any time prior to the first anniversary of Admission ("Lock-in Period") without the prior written consent of the Company, Seymour Pierce Ellis and Seymour Pierce.

Furthermore, each of the Directors, Margaret Duncan and Duncan Ventures Limited has also undertaken to the Company, Seymour Pierce Ellis and Seymour Pierce not to dispose of their Ordinary Shares following the expiry of the Lock-in Period otherwise than through Seymour Pierce Ellis for a period of twelve months following the Lock-in Period, provided that it shall remain broker to the Company and offer competitive pricing and terms.

Details of these arrangements are set out in paragraph 9 of Part IV of this document.

ADMISSION, SETTLEMENT AND DEALINGS

Application will be made to the London Stock Exchange for all of the Ordinary Shares, issued and to be issued pursuant to the Placing, to be admitted to trading on AIM. It is expected that Admission will become effective and dealings will commence in the Ordinary Shares on 1 December 2004. No application has or will be made for the Ordinary Shares to be admitted to trading or to be listed on any stock exchange.

No temporary documents of title will be issued. All documents sent by or to a Placee, or at its direction, will be sent through the post at the Placee's risk. Pending the despatch of definitive share certificates, instruments of transfer will be certified against the register of members of the Company.

The Company has applied for the Ordinary Shares to be admitted to CREST and it is expected that the Ordinary Shares will be so admitted and accordingly enabled for settlement in CREST on the date of Admission. Accordingly, settlement of transactions in Ordinary Shares following Admission may take place within the CREST system if any individual Shareholder so wishes.

FURTHER INFORMATION

Your attention is drawn to Part II of this document which contains certain risk factors relating to any investment in the Company and to Parts III and IV of this document, which contain further additional information relating to the Group.

PART II

RISK FACTORS

The Directors believe that the following risk factors should be considered, prior to making an investment in the Group. It should be noted, however, that these risk factors are not exhaustive and there may be other risks pertaining to the Group which may need to be considered.

If any of the circumstances identified in the risk factors were to materialise, the Company's business, financial condition and results of operation could be materially affected.

An investment in the Company may not be suitable for all recipients of this document. Investors are accordingly advised to consult an independent financial adviser duly authorised under the Financial Services and Markets Act 2000 and who specialises in advising upon the acquisition of shares and other securities before making a decision to invest.

Dependence on key employees

The Company's future success is substantially dependent on the continued services and performance of its senior management and other key personnel in the various areas of the Group's business. Many of these individuals have still to be identified and recruited. The loss of the services of certain key employees or the inability to recruit sales, sales support and IT sales and support personnel of the appropriate calibre could have a significant adverse effect on the business of the Group.

Key man insurance of £150,000 is available to the Group in respect of the life of Graham J Duncan. In the event of a claim, the Group's bankers would have first call over the sum insured to the extent of any outstanding bank borrowing.

Dependence on suppliers

Some of the Group's services are dependent on the availablity of switching. The Group currently uses one company for the provision of switching and the termination of this contract would require the Group to source an alternative supplier and there is no guarantee that an alternative supplier would be found on acceptable terms or on a timeframe which would not cause customer loss or loss of revenue.

Certain of the Group's arrangements relating to the distribution of products and services of third parties are made on the third parties' standard terms and conditions which enable the relevant product or service provider to terminate the arrangements with the Group at short notice, without cause, and, in certain cases, also contain very broad post-termination restrictive covenants which could, if capable of enforcement, restrict the way in which the Group approaches the end customers should the existing arrangements be terminated.

Requirement for further funding

In the opinion of the Directors, having made due and careful enquiry and taking into account the net proceeds of the Placing, the working capital available to the Group will be sufficient for its present requirements, that is for at least the next 12 months from the date of Admission. However, it is likely that the Company will need to raise further funds in the future either to complete a proposed acquisition, to raise further working or development capital for such an acquisition or for general working capital for the Group. There is no guarantee that the then prevailing market conditions will allow for such a fundraising or that new investors will be prepared to subscribe for Ordinary Shares at the same price as the Placing Price or higher.

Growth management

The Directors anticipate that further expansion will be required to address the anticipated growth in the markets in which the Group's clients operate. The Group's future success will depend, in part, on its ability to manage this anticipated expansion. Such expansion is expected to place significant demands on management, support functions, accounting, sales and marketing and other resources. If the Group is unable to manage its expansion effectively, its business and financial results could suffer.

Competition

Severe competition exists in all product areas, particularly in individual service strands and in many cases competitors cover a range of services provided by the Group. The Group must compete successfully with these competitors and there is no guarantee that the Group can acquire a sufficient number of customers to sustain a long term business.

Sensitivity of the Group's revenues and margins to regulatory issues

Glen Communications generates many of its revenues through the reselling of telecommunications services, whose supply by Glen Communications' network and service providers is regulated by OFCOM. There is therefore a risk that such revenues, and associated margins of the Group, could be materially and adversely affected by any changes to the existing pricing structures of these telecommunications network and service providers or any decision by OFCOM to revoke or vary the terms of any licences or authorisations granted by it to the relevant telecommunications network and service providers. By way of example, as a result of a recent OFCOM review, the wholesale termination prices available in the market for the termination of mobile calls from fixed line callers are being reduced. This may adversely affect the reseller rates offered to Glen Communications by the relevant mobile telecommunications network operators under its distribution agreements with them. This could reduce both its sales and margins.

Investment in AIM securities

Investment in shares traded on AIM is perceived to involve a higher degree of risk and be less liquid than investment in companies whose shares are listed on the Official List and traded on the London Stock Exchange's market for listed securities. An investment in Ordinary Shares may be difficult to realise. Prospective investors should be aware that the value of Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may therefore realise less than, or lose all of, their investment.

Potentially volatile share price and liquidity

The share price of quoted emerging companies can be highly volatile and shareholdings illiquid. The price at which the Ordinary Shares are quoted and the price at which investors may realise for their Ordinary Shares may be influenced by a significant number of factors, some specific to the Company and its operations and some which affect quoted companies generally. These factors could include the performance of the Group, large purchases or sales of Ordinary Shares, legislative changes and general, economic, political or regulatory conditions.

Acceptability of Ordinary Shares as consideration

Although it is the Company's intention to issue Ordinary Shares to satisfy all or part of any consideration payable on an acquisition, vendors of suitable companies or businesses may not be prepared to accept Ordinary Shares traded on AIM or may not be prepared to accept Ordinary Shares at the quoted market price.

The risks referred to above do not necessarily comprise all those faced by the Group and are not intended to be presented in any assumed order of priority.

PART III

ACCOUNTANTS' REPORTS

A ACCOUNTANTS' REPORT ON THE COMPANY

Grant Thornton

Glen Group plc
8-10 New Fetter Lane
London
EC4A 1RS

Seymour Pierce Limited
3 Queen Victoria Street
LONDON
EC4N 8EL

25 November 2004

Dear Sirs

GLEN GROUP PLC ("THE COMPANY")

1 INTRODUCTION

1.1 We report on the financial information set out in paragraphs 3 to 5. This financial information has been prepared for inclusion in the Prospectus comprising the AIM admission document dated 25 November 2004 of the Company ("AIM admission document").

Basis of preparation

1.2 The financial information set out in paragraphs 3 to 5 below is based on management accounts of the Company for the period from incorporation to 15 November 2004 prepared on the basis set out in paragraph 3 to which no adjustments were considered necessary.

Responsibility

1.3 Such management accounts are the responsibility of the Directors of the Company who approved their issue.

1.4 The Directors of the Company are responsible for the contents of the AIM admission document dated 25 November 2004 in which this report is included.

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

Basis of opinion

1.6 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 management accounts underlying the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

1.7 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

1.8 In our opinion the financial information gives, for the purposes of the AIM admission document, a true and fair view of the state of affairs of the Company as at 15 November 2004.

Consent

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

2 STATUTORY INFORMATION

2.1 The Company was incorporated on 14 October 2004 in England and Wales as Glen Group plc, registration number 5259846. The Company did not trade during the period from incorporation to the balance sheet date and no audited financial statements have been produced.

3 ACCOUNTING POLICIES

Basis of accounting

The financial information was prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

Investments

Investments are included at cost less amounts written off.

Financial information

4 BALANCE SHEET

	Note	*At 15 November 2004 £'000*
Fixed assets		
Investment in subsidiaries	5.1	750
Net assets		750
Capital and reserves		
Called up share capital	5.2	250
Share premium account		500
Shareholders' funds : equity		750

The accompanying notes form an integral part of this financial information.

5 NOTES TO THE FINANCIAL INFORMATION

5.1 Investments

	At 15 November 2004 £'000
Investment in subsidiaries	750

The investment reflects the share for share exchange which took place on 15 November 2004 when Glen Group plc acquired all the issued share capital of Glen Communications Limited.

In addition the Company owns 100 per cent. of the issued shares in Glen Project Management Limited, a non trading company incorporated on 25 October 2004. The consideration was £2 for the subscriber shares.

5.2 Called up share capital

	At 15 November 2004 £'000
Authorised	
Equity: 65,000,000 Ordinary shares of 1p each	650
Allotted and fully paid	
Equity: 25,000,000 ordinary shares of 1p each	250

Upon incorporation, two subscriber shares of 1p ordinary shares were issued at par.

On 15 November 2004 24,999,998 ordinary 1p shares were issued at 3p per share in consideration for the transfer to the Company of the entire issued share capital of the subsidiary, Glen Communications Limited.

5.3 Share premium account

	At 15 November 2004 £'000
Premium on issue of shares	500

5.4 Post balance sheet events

On 24 November 2004 options over 666,667 shares were granted to Mr. E. Hagman at 3p per share.

On 25 November 2004 the Company entered into a placing agreement that was conditional, *inter alia*, upon admission, with Seymour Pierce Limited and Seymour Pierce Ellis pursuant to which Seymour Pierce Ellis Limited has agreed to place 25,000,000 ordinary shares of 1p each at a price of 3p per share on behalf of the Company. The admission to AIM and placing are expected to take place on 1 December 2004.

Yours faithfully,

Grant Thornton UK LLP

Grant Thornton

Glen Group plc
8-10 New Fetter Lane
London
EC4A 1RS

Seymour Pierce Limited
3 Queen Victoria Street
LONDON
EC4N 8EL

25 November 2004

GLEN COMMUNICATIONS LIMITED ("THE COMPANY") AND ITS SUBSIDIARY

1 INTRODUCTION

1.1 We report on the financial information set out in paragraphs 3 to 7. This financial information has been prepared for inclusion in the prospectus comprising the AIM admission document ("AIM admission document") dated 25 November 2004 of Glen Group plc, the ultimate parent undertaking of the Company.

Basis of preparation

1.2 The financial information set out in paragraphs 3 to 7 below is based on the unaudited statutory financial statements of the Company for the years ended 30 September 2002 and 30 September 2003 and the audited financial statements of the Company for the year ended 30 September 2004 and has been prepared on the basis set out in paragraph 3.

Responsibility

1.3 Such financial statements are the responsibility of the Directors of the company who approved their issue.

1.4 The Directors of Glen Group plc are responsible for the contents of the AIM admission document in which this report is included.

1.5 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

1.6 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 previously obtained by the auditors relating to the audit of the financial statements for the year ended 30 September 2004. The financial statements for the year ended 30 September 2002 and 30 September 2003 have not been formally audited. Our work 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.

1.7 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

1.8 In our opinion the financial information gives, for the purposes of the AIM admission document, a true and fair view of the results and cash flows of the Group for the three years ended 30 September 2004 and the state of affairs of the Group at the end of each of those periods.

Consent

1.9 We consent to the inclusion in the AIM admission document dated 25 November 2004 of this report and accept responsibility for this report for the purposes of paragraph 45(1)(b)(iii) of Schedule 1 to the Public Offers of Securities Regulations 1995.

2 STATUTORY INFORMATION

2.1 The Company was incorporated on 12 December 1986 as Place d'Or 102 Limited until 21 January 1987 when the name was changed to Aberdeen Golf Driving Range Limited. On 5 February 1987 the name was changed to Dry Golf Management Limited and on 25 January 1988 changed to Television Entertainment & Communication Systems Limited. On 2 November 1988 there was a further change of name to T.E.C.S Communications Limited and on 4 September 1999 the name was changed to DBS Communications Limited. The name was changed to Paul Parsons Racing Limited on 13 October 1999 and to Glen Communications Limited on 17 January 2002. The company commenced trading on 1 February 2002 as an integrated communications service provider largely to the small and medium sized business market.

3 ACCOUNTING POLICIES

Basis of accounting

The financial information was prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

The financial statements have been prepared on a going concern basis by the Directors. The Directors have prepared forecasts for the 12 months from the date of Board approval of these financial statements, which indicate that the Group is reliant on financial support from Glen Group plc that was formed on 14 October 2004. The Directors have obtained confirmation that Glen Group plc will provide financial support as required for the foreseeable future. As detailed in note (t), Glen Group plc entered into a placing agreement for ordinary shares on 25 November 2004.

For these reasons, the Directors believe that it is appropriate to prepare the financial statements on a going concern basis, which assumes the Group will continue in operational existence for the foreseeable future.

Basis of Consolidation

The financial information for the year ended 30 September 2004 includes the financial information of the Company and its subsidiary undertaking. The trade and assets of the subsidary were transferred to the Company immediately following the acquisition in May 2004.

Turnover

Turnover is the total amount receivable by the company in the ordinary course of business with outside customers for goods supplied as a principal and for services provided, excluding VAT and trade discounts.

Turnover from the sale of phone cards is recognised when the cards are used, excluding VAT and trade discounts.

Deferred tax

Deferred tax is recognised on all timing differences where the transactions or events that give the Company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

Depreciation and amortisation

Depreciation and amortisation is calculated to write down the cost less estimated residual value of all tangible and intangible fixed assets by equal annual instalments over their expected useful lives. The period generally applicable is:

Office Equipment	3 years
Plant and machinery	3 years
Furniture and fixtures	3 years
Motor vehicles	3 years

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Where exchange differences result from the translation of foreign currency borrowings raised to acquire foreign assets they are taken to reserves and offset against the differences arising from the translation of those assets. All other exchange differences are dealt with through the profit and loss account.

Stock

Stock consists of goods for resale and is valued at the lower of cost and net realisable value.

Goodwill

Goodwill arising on acquisition of subsidiary companies is capitalised and amortised over its expected useful economic life which directors consider to be 10 years. The Directors consider the economic life of goodwill based on each acquisition made by the Company.

4 PROFIT AND LOSS ACCOUNTS

		For periods ended 30 September		
		2002	*2003*	*2004*
	Note	*£'000*	*£'000*	*£'000*
Turnover		92	265	374
Cost of sales		(41)	(165)	(244)
Gross profit		51	100	130
Administrative costs		(158)	(286)	(335)
Operating loss		(107)	(186)	(205)
Loss on ordinary activities before taxation		(107)	(186)	(205)
Tax on loss on ordinary activities	7 (b)	–	–	–
Loss for the financial period		(107)	(186)	(205)
Basic loss per share	7 (c)	(£0.27)	(£0.16)	(£0.06)

The Company has no recognised gains or losses other than the losses stated above.

All of the Company's activities continued during the periods.

The accompanying notes form an integral part of this financial information.

5 BALANCE SHEETS

	Note	*As at 30 September* 2002 £'000	2003 £'000	2004 £'000
Fixed assets				
Intangible assets	7 (d)	-	-	18
Tangible assets	7 (e)	4	10	11
		4	10	29
Current assets				
Stock- finished goods for resale		14	9	9
Debtors	7(f)	31	48	63
Bank and cash at hand		34	6	–
		79	63	72
Creditors: amounts falling due within 1 year	7(g)	(37)	(61)	(137)
Net current assets/(liabilities)		42	2	(65)
Creditors: amounts falling due after one year	7(g)	(52)	(50)	(108)
Net liabilities		(6)	(38)	(144)
Capital and reserves				
Called up share capital	7(h)	395	423	431
Share premium account	7(i)	-	126	217
Profit and loss account	7(i)	(401)	(587)	(792)
Shareholders' deficiency		(6)	(38)	(144)

The accompanying notes form an integral part of this financial information.

6 CASH FLOW STATEMENTS

	Note	*2002* *£'000*	*2003* *£'000*	*2004* *£'000*
		For periods ended 30 September		
Net cash (outflow) from operating activities	7(k)	(144)	(171)	(193)
Capital expenditure				
Purchase of tangible fixed assets		(4)	(10)	(5)
Acquisitions				
Cash transferred as part of acquisition		–	–	12
Financing				
Short term borrowings		–	–	100
Repayments of short term borrowing		–	–	(5)
Repayment of loan to related company		70	–	–
Repayment/(receipt) of loans from related party		–	(14)	6
Proceeds of issue of unsecured loan notes		–	96	–
Proceeds of issue of ordinary shares		75	58	56
Directors loan receipts/(repayments)		37	13	(23)
Net cash inflow from financing		182	153	134
Increase/(Decrease) in cash	7(l)	34	(28)	(52)

The accompanying notes form an integral part of this financial information.

7 NOTES TO THE FINANCIAL INFORMATION

(a) Directors and employees

Staff costs during the periods including Directors' fees were as follows:

	2002 *£'000*	*2003* *£'000*	*2004* *£'000*
Wages and salaries	70	176	203
Social security costs	7	18	23
	77	194	226

The average number of employees including Directors' during the periods were 7 (2003: 5, 2002: 4)

Remuneration in respect of Directors was as follows:

	2002 *£'000*	*2003* *£'000*	*2004* *£'000*
Aggregate emoluments	25	70	70
	25	70	70

No Directors participated in any pension scheme.

The emoluments paid to the individual Directors were as follows:

	2002 Salary and fees £'000	*2003 Salary and fees £'000*	*2004 Salary and fees £'000*
GJ Duncan	25	60	60
PJ Ford	–	10	10
	25	70	70

(b) Taxation

	2002 £'000	*2003 £'000*	*2004 £'000*
Current tax	–	–	–
UK Corporation tax on loss for the year	–	–	–

(i) Factors affecting the tax charge

The tax assessed for the period differs from the standard rate of corporation tax that would result from applying the standard rate of United Kingdom corporation tax to the loss on ordinary activities. The differences are explained as follows:

	2002 £'000	*2003 £'000*	*2004 £'000*
Loss on ordinary activities before tax	(107)	(186)	(205)
Loss on ordinary activities multiplied by standard rate of corporation tax of 19% (2003: 19%, 2002: 20%)	(21)	(35)	(39)
Effects of:			
Depreciation in excess of capital allowances	–	1	1
Expenses not deductible for tax purposes	1	1	2
Tax losses unutilised	20	33	36
Current tax charge	–	–	–

Tax losses of approximately £470,000 (2003, £275,000; 2002, £100,000) are available for carry forward against future taxable profits.

(c) Loss per ordinary share

The calculation of loss per ordinary share is based on the following:

	Loss for the year	*Weighted average number of shares*	*Loss per share*
2002	(£107,000)	395,000	(£0.27)
2003	(£186,000)	1,185,000	(£0.16)
2004	(£205,000)	3,479,891	(£0.06)

There is no dilutive effect on the loss per share and consequently this has not been calculated.

(d) Intangible fixed assets

	2002 £'000	2003 £'000	2004 £'000
Cost			
At start of period	–	–	–
Additions	–	–	19
At end of period	–	–	19
Amortisation			
At start of period	–	–	–
Charge	–	–	1
At end of period	–	–	–
Net book value at end of period	–	–	18

Intangible fixed asset cost comprises the goodwill created on the acquisition of Soluis IT Limited.

(e) Tangible fixed assets

	2002 £'000	2003 £'000	2004 £'000
Cost			
At start of period	–	4	14
Additions	4	10	8
Disposals	–	–	(1)
At end of period	4	14	21
Depreciation			
At start of period	–	–	4
Charge	–	4	7
Disposals	–	–	(1)
At end of period	–	4	10
Net book value at end of period	4	10	11

Tangible fixed assets include fixtures, fittings and I.T. equipment.

(f) Debtors

	2002 £'000	2003 £'000	2004 £'000
Trade debtors and accrued income	21	48	63
VAT recoverable	10	–	–
	31	48	63

(g) Creditors

	2002 £'000	2003 £'000	2004 £'000
Amounts due within 1 year:			
Bank overdraft	–	–	66
Trade creditors	31	39	41
Accruals and deferred income	6	21	29
Loan from related party	–	1	1
	37	61	137

	2002 £'000	2003 £'000	2004 £'000
Amounts due in more than 1 year:			
Term loan	–	–	75
Loan from related party	15	–	6
Directors Loans	37	50	27
	52	50	108

The bank overdraft is repayable on demand, carries interest at 2.75% over the Bank of Scotland base rate and is secured by a floating charge over all the assets and undertakings of the Company and also by personal guarantees given by the Directors of the Company.

The term loan relates to a facility of £100,000 repayable in 60 equal monthly instalments of £1,667. Interest is charged at 2.75% above the Bank of Scotland base rate and is secured by a floating charge over all the assets and undertaking of the Company and also by personal guarantees given by the Directors of the Company.

The loans from the Directors during the year ended 30 September 2004 were interest free.

(h) Share capital

	2002 £'000	2003 £'000	2004 £'000
Authorised:			
500,000 Ordinary shares of £1 each	500	500	500
3,624,380 Ordinary shares of £0.01 each (2003 – 3,771,172: 2002 – nil)	–	33	36
	500	533	536
Allotted, called up and fully paid:			
395,000 Ordinary shares of £1 each	395	395	395
3,624,380 Ordinary shares of £0.01 each (2003 – 2,771,172: 2002 – nil)	–	28	36
	395	423	431

Allotments during the period

During the year to 30 September 2004 the Company issued 501,411 ordinary shares of £0.01 each for a consideration of £62,000. The difference between the consideration of £62,000 and nominal value of £5,014 has been credited to share premium account after deducting issue costs.

On 14 May 2004 the Company acquired the entire issued share capital of Soluis IT Limited for a consideration of £43,500. The consideration was satisfied by the issue of 351,797 ordinary shares of £0.01 each. The difference between the consideration of £43,500 and the nominal value of £3,518 has been credited to share premium account after deducting issue costs of £6,000.

During the year to 30 September 2003, the Company raised £60,000 in equity capital via the issue of 1,580,000 ordinary shares of £0.01 each. The difference between the consideration of £60,000 and the nominal value of £15,800 has been credited to share premium account after deducting issue costs.

On 30 September 2003, the Company issued 1,191,172 ordinary shares of £0.01 each as a result of the capitalisation of 8% unsecured loan notes due in 2005 which had been created earlier in that financial year, totalling £96,500. The difference between the consideration of £96,500 and the nominal value of £11,922 has been credited to share premium account after deducting issue costs. The ordinary shares of £0.01 each rank pari passu in all respects with the ordinary shares of £1 each.

During the year to 30 September 2002, the Company issued 75,000 ordinary shares of £1 each for a cash consideration of £75,000.

(i) Share premium account and reserves

	Share premium account £'000	*Profit and loss account £'000*
At 30 September 2001	–	(294)
Retained loss for the year to 30 September 2002	–	(107)
At 30 September 2002	–	(401)
Retained loss for the year to 30 September 2003	–	(186)
Premium on issue of shares	128	–
Expenses of share issue	(2)	–
At 30 September 2003	126	(587)
Retained loss for the year to 30 September 2004	–	(205)
Premium on issue of shares	97	–
Expenses of share issue	(6)	–
At 30 September 2004	217	(792)

(j) Reconciliation of movements in shareholders' funds

	2002 £'000	*2003 £'000*	*2004 £'000*
Retained loss for the financial year	(107)	(186)	(205)
Issue of shares	–	154	99
Net decrease in shareholders' funds	(107)	(32)	(106)
Opening shareholders' funds	101	(6)	(38)
Closing shareholders' funds	(6)	(38)	(144)

(k) Net cash outflow from operating activities

	2002 £'000	2003 £'000	2004 £'000
Operating loss	(107)	(186)	(205)
Depreciation	–	4	7
(Increase)/decrease in stock	(14)	5	16
Increase/(decrease) in creditors	9	23	(8)
(Increase)/decrease in debtors	(32)	(17)	(3)
Net cash outflow from operating activities	(144)	(171)	(193)

(l) Reconciliation of net cash flow to movement in net debt

	2002 £'000	2003 £'000	2004 £'000
Increase/(decrease) in cash in the year	34	(28)	(52)
Cash (inflow)/outflow resulting from changes in debt	(37)	1	(78)
Movement in net debt in the year	(3)	(27)	(130)
Net Debt at 1 October	(15)	(18)	(45)
Net Debt at 30 September	(18)	(45)	(175)

(m) Analysis of changes in net debt

	At 30 Sept 2001 £'000	Cash- flow £'000	At 30 Sept 2002 £'000	Cash- flow £'000	At 30 Sept 2003 £'000	Cash- flow £'000	At 30 Sept 2004 £'000
Cash in hand and at bank	–	34	34	(28)	6	(6)	–
Overdrafts	–	–	–	–	–	(46)	(46)
	–	34	34	(28)	6	(52)	(46)
Other loans	(15)	(37)	(52)	1	(51)	(78)	(129)
Net debt	(15)	(3)	(18)	(27)	(45)	(130)	(175)

(n) Capital commitments

There were no capital commitments at 30 September 2004, 30 September 2003 or 30 September 2002.

(o) Contingent liabilities

There were no contingent liabilities at 30 September 2004, 30 September 2003 or 30 September 2002.

(p) Leasing commitments

Operating leases which expire:	2004 Land & buildings £'000	2004 Other items £'000
Within 1 year	12	1
Within 2 to 5 years	–	9
	12	10

There were no material finance lease commitments as at 30 September 2003 or 30 September 2002.

(q) Related party transactions

At 30 September 2004 Duncan Ventures Limited, a company in which Mr G J Duncan is a director, held 197,500 ordinary shares of £1 each (2003: 197,500, 2002: 197,500) and 575,155 ordinary shares of £0.01 each (2003: 348,711, 2002: nil). This represents 19.22% of the issued share capital of the Company (2003: 17.25%, 2002: 50%) The amount due to this related company at 30 September 2004 was £7,000 (2003: £1,000, 2002: £15,000). The sums were advanced for working capital.

(r) Financial instruments

The Company finances its operations by raising finance through equity and borrowings. No speculative treasury transactions and no derivative contracts were entered into. Financial assets and liabilities include those assets and liabilities of a financial nature, namely cash and borrowings. Short term debtors and creditors have been excluded from the following disclosures.

Interest rate risk

The Company finances its operations principally from equity funding, banking facilities and loans. Interest on the bank loan and overdraft are charged at 2.75% over Bank of Scotland base rate.

Liquidity risk

The Company seeks to manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

The Company's policy throughout the periods has been to ensure continuity of funding by a combination of equity funding and loans.

Maturity of financial liabilities

The Company's financial liabilities analysis was as follows:

In less than one year or on demand	2002 £'000	2003 £'000	2004 £'000
Bank overdraft	–	–	46
Term loan	–	–	20
Between 2-5 years			
Amounts owed to related company	15	1	7
Other loans	37	50	27
Term loans	–	–	75
	52	51	175

Borrowing facilities

The Company has a £50,000 overdraft facility in place which is due to expire on 31 December 2005.

(s) Acquisitions

On 14 May 2004 the Company acquired Soluis IT Limited for a consideration of £43,500 which was satisfied by the issue of 351,797 ordinary shares of £0.01 each in the Company. The purchase of the shares in Soluis IT Limited has been accounted for under the acquisition method of accounting. Immediately after acquisition the trade and assets were hived up to the Company.

	Book value	*Fair value*
	£'000	*£'000*
Net assets acquired		
Tangible fixed assets	3	3
Stock	16	16
Debtors	12	12
Cash at bank and in hand	12	12
Creditors	(18)	(18)
	25	25
Satisfied by:		
Shares	44	44
Goodwill	(19)	(19)
	25	25

(t) Post balance sheet events

On 15 November 2004, the Company's share capital was reorganised, and Glen Group plc accquired 100% of the shares in the Company by way of a share for share exchange. On 25 November 2004 the Glen Group plc entered into a placing agreement with Seymour Pierce Limited and Seymour Pierce Ellis Limited that was conditional, *inter alia* upon admission, and pursuant to which Seymour Pierce Ellis Limited has agreed to place 25,000,000 ordinary shares of 1p each at a price of 3p per share on behalf of Glen Group plc. The admission to AIM and placing are expected to take place on 1 December 2004.

Yours faithfully

GRANT THORNTON UK LLP

PART IV

ADDITIONAL INFORMATION

1 THE COMPANY

1.1 The Company is registered in England and Wales, having been incorporated on 14 October 2004 under the Act under the name Glen Group plc with company registration number 5259846 as a public limited company.

1.2 The principal legislation under which the Company operates is the Act.

1.3 The registered office of the Company is at 8-10 New Fetter Lane, London EC4A 1RS.

1.4 The liability of the members of the Company is limited.

1.5 The Company received a Certificate of Entitlement to do business and borrow under Section 117(1) of the Act on 15 November 2004.

2 SUBSIDIARIES

2.1 The Company is the holding company of the Group. The Company has the following wholly-owned subsidiaries:

Company	*Activities*	*Date incorporated*	*Shareholders*
Glen Communications Limited (number SC102302)	Provider of integrated IT and telecoms services	12 December 1986	Glen Group plc
Glen Project Management Limited (number SC275104)	Non-trading	25 October 2004	Glen Group plc
Soluis IT Limited (number SC234956)	Non-trading	5 August 2002	Glen Communications Limited

3 SHARE CAPITAL

3.1 At the date of incorporation the Company had an authorised share capital of £650,000 divided into 65,000,000 ordinary shares of £0.01.

3.2 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:

	Authorised		*Issued and credited as fully paid*	
	£	*Number of Ordinary Shares*	*£*	*Number of Ordinary Shares*
At the date of this document	800,000	80,000,000	250,000	25,000,000
On Admission	800,000	80,000,000	500,000	50,000,000

3.3 At an Extraordinary General Meeting of the Company held on 24 November 2004 by the passing of an ordinary resolution and a special resolution respectively:

3.31 the Directors were generally and unconditionally authorised in accordance with section 80 of the Act to exercise all the powers of the Company to allot revelent securities (as defined in section 80(2) of the Act) provided that:

(a) the authority was given in substitution for any equivalent authority which may have been given to the Directors prior to the date of the passing of the resolution;

(b) the authority shall be limited to the allotment of relevant securities up to an aggregate nominal value of £800,000; and

(c) unless previously revoked, varied or extended, the authority shall expire on the date of the first Annual General Meeting of the Company or the date falling 15 months after the date of the passing of the resolution, whichever is the earlier, except that the Company may at any time before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such an offer or agreement as if the authority had not expired.

3.3.2 the Directors were empowered pursuant to section 95 of the Act to allot equity securities (as defined in section 94(2) of the Act) for cash as if section 89(1) of the Act did not apply to such allotment provided that:

(a) the allotment, is of equity securities up to an aggregate nominal amount of £800,000; and

(b) unless previously revoked, varied or extended, this power shall expire on the earlier of the conclusion of the next Annual General Meeting of the Company and the date falling 15 months after the date of the passing of the resolution except that the Company may before the expiry of this power make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuant of such offer or agreement as if this power had not expired.

4 SHARE OPTION AGREEMENTS

4.1 An unapproved share option has been granted to Eric M Hagman over 666,667 Ordinary Shares pursuant to an agreement dated 24 November 2004 The principal terms of the unapproved option are summarised below:

4.1.1 Rights attaching to shares

Until the unapproved options are exercised, Mr Hagman shall have no voting or other rights in respect of the Ordinary Shares covered by his options. Ordinary Shares issued pursuant to the unapproved option shall rank pari passu in all respects with the Ordinary Shares already in issue. In the event of a variation in the Company's ordinary share capital by way of capitalisation, rights issue or any sub-division, reduction or consolidation of capital or otherwise, the option may be adjusted in respect of the number of Ordinary Shares comprised in options and the exercise price in such manner as the Board consider to be fair and reasonable subject (except in the case of a capitalisation) to the approval of the Company's auditors.

4.1.2 Exercise price

The exercise price of each of the unapproved options is the Placing Price.

4.1.3 Exercise of options

The unapproved options may be exercised at any time between 12 months following the date of Admission and the tenth anniversary of the date of Admission provided that Mr Hagman has not left the Company. Where Mr Hagman has left the Company, the Board may, in its absolute discretion, allow the option to be exercised on terms agreed by the Board. In the event that Mr Hagman dies, his personal representatives may exercise the option within a period of 12 months of his death, failing which it shall lapse.

In the event that the Company is the subject of a successful takeover bid, a reconstruction or a successful merger with another corporate entity, the option becomes exercisable on completion of such transaction to the extent that they are not already exercised. Alternatively, Mr Hagman may be given the right to exchange the unapproved option in the Company for options on similar terms in any new acquiring company.

4.1.4 Trading on AIM

The Company is subject to an obligation to admit any Ordinary Shares allotted to Mr Hagman pursuant to the exercise of the unapproved option to trading on AIM. The option is personal to Mr Hagman and is not tradable and cannot be quoted or dealt with on any exchange.

4.2 Save as stated above, there are no share options or share option plans relating to the Company. The Directors intend in due course to introduce an appropriate share option scheme for Directors and employees of the Company. Shareholders will be given an opportunity to approve the share option scheme at the appropriate time.

5 MEMORANDUM AND ARTICLES OF ASSOCIATION

5.1 Memorandum of Association

The Memorandum of Association of the Company provide that the Company's principal objects, are to act as a general commercial company and, without limiting the foregoing, act as a holding company for a group of companies providing integrated IT and telecoms services. The objects of the Company are set out in full in Clause 4 of its Memorandum of Association.

5.2 ARTICLES OF ASSOCIATION

5.2.1 Rights attaching to Ordinary Shares

The following is a description of the rights attaching to the Ordinary Shares based on the Company's Articles of Association (the "Articles") and English law. This description does not purport to be complete and is qualified in its entirety by the full terms of the Articles.

5.2.2 Voting

Subject to disenfranchisement in the event of:

(a) non-payment of calls or other monies due and payable in respect of Ordinary Share; or

(b) non-compliance with a statutory notice requiring disclosure as to beneficial ownership of Ordinary Shares,

and, without prejudice to any special rights previously conferred and subject to any special terms as to voting upon which any shares may be issued or may for the time being be held and to any other provisions of the Articles, on a show of hands every shareholder who is present in person at a general meeting of the Company shall have one vote, and on a poll every shareholder who is present in person or by proxy shall have one vote for every Ordinary Share held.

5.2.3 Dividends

Subject to the Statutes (as defined in the Articles), the Company at a general meeting may declare dividends to be paid to shareholders according to their rights and interests in the profits available for distribution, but no dividend shall be declared in excess of the amount recommended by the Board. Except insofar as the rights attaching to, or the terms of issue of, any Ordinary Share otherwise provide, all dividends shall be declared according to the amounts paid-up or credited as paid-up on the shares and apportioned and paid pro rata according to the amounts paid-up or credited as paid-up on the shares during any portion or portions of the period in respect of which the dividend is paid.

The Board may from time to time pay to the shareholders such interim dividends as appear to the Board to be justified by the position of the Company. Any dividend unclaimed after a period of 12 years from the date it became due for payment shall be forfeited and shall revert to the Company.

5.2.4 Distribution of assets on liquidation

On a winding-up, the liquidator may, with the sanction of an extraordinary resolution of the Company and subject to and in accordance with the Statutes, divide among the shareholders in specie or kind the whole or any part of the assets of the Company, subject to the rights of any shares which may be issued with special rights or privileges.

5.2.5 Transferability of Ordinary Shares

All transfers of Ordinary Shares which are in certificated form may be effected by transfer in writing in any usual or common form or in any other form acceptable to the Board. The instrument of transfer shall be executed by or on behalf of the transferor and (except in the case of fully-paid shares) by or on behalf of the transferee. All transfers of Ordinary Shares which are in uncertificated form may be effected by means of a relevant system (as defined in the Articles).

The Directors may, in the case of shares in certificated form, in their absolute discretion and without assigning any reason therefore refuse to register any transfer of shares (not being fully-paid shares), provided that any such refusal does not prevent dealings in partly-paid shares from taking place on an open and proper basis. In addition, the Directors may refuse to register a transfer of shares (whether fully-paid or not) in favour of more than four persons jointly or made to or by an infant or patient within the meaning of the Mental Health Act 1983.

The Directors may decline to recognise any instrument of transfer relating to shares in certificated form unless the instrument of transfer is duly stamped, is in respect of only one class of share and is lodged at the Transfer Office (as defined in the Articles) accompanied by the relevant share certificate(s) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer.

5.2.6 Variation of rights

Subject to the Statutes, the special rights attached to any class of shares for the time being issued may from time to time (whether or not the Company is being wound-up) be altered or abrogated with the written consent of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the issued shares of that class at which a quorum of two or more persons holding or representing by proxy not less than one-third of the issued shares of that class (or in the case of an adjourned meeting such quorum as is specified by the Articles) is present. The special rights conferred upon the holders of any shares or class of share shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be altered by the creation or issue of further shares ranking pari passu therewith or the purchase by the Company of any of its own shares.

5.2.7 Changes in capital

Subject to the provisions of the Statutes and to any special rights conferred on the holders of any shares or class of shares, the Company may issue redeemable shares.

Subject to the provisions of the Statutes and to any special rights previously conferred on the holders of any existing shares, any share may be issued with such special rights or such restrictions as the Company may determine by ordinary resolution. The Company may by ordinary resolution increase its share capital, consolidate and divide its share capital into shares of a larger amount, sub-divide its share capital into shares of a smaller amount (subject to the provisions of the Statutes) and cancel any shares which have not been taken or agreed to be taken by any person and diminish the amount of its authorised share capital by the amount of the shares so cancelled.

Subject to the provisions of the Statutes, the Company may reduce share capital, any capital redemption reserve and any share premium account in any manner. The Company may also, subject to the requirements of the Statutes, purchase its own shares.

5.2.8 Untraced Shareholders

Subject to the Statutes, the Company may sell any shares of a member or person entitled thereto who is untraceable, if during a period of 12 years, at least three dividends in respect of the shares in question have become payable and the cheques or warrants for all amounts payable to such member or person in respect of his shares have remained uncashed or mandated dividend payments have failed and the Company has received no indication of the existence of such member or person. The net proceeds of sale shall belong to the Company but the member or person who had been entitled to the shares shall become a creditor of the Company in respect of those proceeds.

If on two consecutive occasions notices or other communications (including dividend payments) have been sent through the post to any holder of shares to his registered or other specified address but returned undelivered or mandated dividend payments have failed, or following one such occasion and enquiries by the Company fail to establish a new address or account, the Company may cease to send such notices or other such communications or mandated payments until the person entitled thereto otherwise requires.

5.2.9 Non-UK Shareholders

There are no limitations in the Memorandum or Articles on the rights of non-UK shareholders to hold, or exercise voting rights attaching to, Ordinary Shares. However, no shareholder is entitled to receive notices from the Company (whether electronically or otherwise), including notices of general meetings, unless he has given an address in the UK to the Company to which such notices may be sent.

5.2.10 Sanctions on Shareholders

A holder of Ordinary Shares loses his rights to vote in respect of Ordinary Shares if and for so long as he or any other person appearing to be interested in those shares fails to comply with a request by the Company under the Act requiring him to give particulars of any interest in those Ordinary Shares within 14 days. In the case of shareholdings representing 0.25 per cent. or more, in nominal amount, of the share capital of the company then in issue, or any class thereof, the sanctions which may be applied by the Company include not only disenfranchisement but also the withholding of the right to receive payment of dividends and other monies payable on, and restrictions on transfers of, the Ordinary Shares concerned.

5.2.11 Directors' Fees

The Directors (other than those holding executive office with the Company or any subsidiary of the Company) shall be paid by way of fees for their services at such rate and in such proportion as the Board may resolve, a sum not exceeding an aggregate of £75,000 per annum or such larger amount as the Company may by ordinary resolution determine or, in the case of such Directors who are resident outside the UK, such extra remuneration as the Board may determine. Any Director who holds executive office or who performs duties outside the ordinary duties of a Director, may be paid such remuneration or extra remuneration by way of salary, commission or otherwise as the Board may determine.

The Directors shall also be paid all expenses properly incurred by them in attending meetings of the Company or of the Board or otherwise in connection with the business of the Company.

5.2.12 Directors' Interests

A Director who is in any way, whether directly or indirectly, interested in any contract or proposed contract with the Company shall declare the nature of his interest in accordance with the Statutes.

A Director shall not vote, and shall not be counted in a quorum, in respect of any contract, arrangement or proposal in which he has an interest which (together with any interest of any person connected with him) is to his knowledge a material interest (otherwise than by virtue of shares or debentures or other securities of or otherwise through the Company), except that this prohibition shall not apply to:

(a) The giving of any security, guarantee or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiaries;

(b) The giving of any security, guarantee or indemnity in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

(c) Any contract or arrangement by a Director to participate in the underwriting or sub-underwriting of any offer of shares, debentures or other securities of the Company or any of its subsidiaries for subscription, purchase or exchange;

(d) Any contract or arrangement concerning any other company in which the Director and any persons connected with him do not to his knowledge hold an interest in shares (as that term is used in sections 198 to 211 of the Act) representing one per cent. or more of either any class of the equity share capital, or the voting rights, in such company. For the purpose of this paragraph, there shall be disregarded any shares held by a Director as bare or custodian trustee and in which he has no beneficial interest, any shares comprised in a trust in which the Director's interest is in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director is interested only as a unit holder;

(e) Any arrangement for the benefit of employees of the Company or any of its subsidiaries which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates;

(f) Any proposal concerning any insurance which the Company is empowered to purchase and/or maintain for or for the benefit of inter alia any Directors of the Company,

and the Company may in general meeting at any time suspend or relax any such prohibitions or ratify any transaction not duly authorised by reason of a contravention of a prohibition.

5.2.13 Directors' Interests in Transactions

Subject to the provisions of the Statutes, and provided that he had disclosed to the Board the nature and extent of any material interest of his, a Director notwithstanding his office may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested, may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested and shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit. Any Director may act by himself or by his firm in any professional capacity (other than auditor) and he or his firm shall be entitled to remuneration as if he were not a Director.

5.2.14 Retirement Age

The provisions of Section 293 of the Act as to the retirement of Directors on reaching 70 apply to the Company.

5.2.15 Qualification Shares

The Directors are not required to hold qualification shares.

5.2.16 Retirement

At each annual general meeting of the Company one-third (or the nearest number to one-third) of the Directors shall retire from office by rotation. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. In addition, any Director who would not otherwise be required to retire shall retire by rotation at every third Annual General Meeting after his last appointment or re-appointment. A retiring Director shall be eligible for re-election. The Company may from time to time by ordinary resolution appoint any person to be a Director. The Directors may also from time to time appoint one or more Directors but any Director so appointed shall retire at or at the end of the next annual general meeting of the Company but shall then be eligible for re-election and any Director who so retires shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

5.2.17 Executive Office

The Board may from time to time appoint one or more Directors to be the holder of any executive office for such period and on such terms as it decides.

6 BORROWING POWERS

The Articles provide that the aggregate principal amount from time to time remaining undischarged of all moneys borrowed by the Company (exclusive of intra-group borrowings) shall not, without the previous sanction of an ordinary resolution of the Company, exceed the greater of £1.5m and an amount equal to four times the aggregate of the issued share capital and reserves of the Company adjusted in the manner set out in the Articles.

7 DIRECTORS' AND OTHER INTERESTS

7.1 Directors' Interests

The interests (all of which are beneficial unless stated otherwise) of the Directors and their immediate families and the persons connected with them (within the meaning of Section 346 of the Act) which have been notified to the Company pursuant to Sections 324 and 328 of the Act or are required to be disclosed in the Register of Directors' interests pursuant to Section 325 of the Act in the issued share capital of the Company and the existence of which is known to, or could with reasonable due diligence be ascertained by, any Director as at the date of this document and at Admission are as follows:

	At the date of this document		
Name	*No. of Ordinary Shares*	*Per cent. of Issued Share. Capital*	*No. of Ordinary Shares over which Options granted*
Eric Martin Hagman	Nil	Nil	666,667
Graham John Duncan[1]	12,039,208	48.16	Nil
Peter James Ford	9,232,369	36.93	Nil

1 Of the 12,039,208 Ordinary Shares which Mr Duncan is interested in, 4,422,324 Ordinary Shares are registered in the name of Margaret Duncan, Mr Duncan's wife and 4,682,967 Ordinary Shares are registered in the name of Duncan Ventures Limited, an entity in which Mr and Mrs Duncan are interested.

Name	No. of Ordinary Shares	On Admission Per cent. of Issued Share Capital	No. of Ordinary Shares over which Options granted
Eric Martin Hagman	Nil	Nil	666,667
Graham John Duncan[1]	12,039,208	24.08	Nil
Peter James Ford	9,232,369	18.46	Nil

1 Of the 12,039,208 Ordinary Shares which Mr Duncan is interested in, 4,422,324 Ordinary Shares are registered in the name of Margaret Duncan, Mr Duncan's wife and 4,682,967 Ordinary Shares are registered in the name of Duncan Ventures Limited, an entity in which Mr and Mrs Duncan are interested.

7.2 Save as disclosed above, none of the Directors (or persons connected with the Directors within the meaning of Section 346 of the Act) has any interest, whether beneficial or non-beneficial, in any share or loan capital of the Company.

7.3 At the date of Admission, the following amounts remain outstanding in respect of unsecured loans which have been granted by the Directors or persons connected with them to Glen Communications:

Lender	*Amount (£)*
Graham J Duncan	8,000
Duncan Ventures Limited	12,000
Peter J Ford	20,000

These loans are repayable 12 months from the date of Admission and carry interest at an interest rate of 2.75 per cent. above the base rate of the Bank of Scotland from time to time.

There are no outstanding loans granted or guarantees provided by the Company to or for the benefit of any of the Directors.

7.4 Save as disclosed in this document no Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company since its incorporation and which remains in any respect outstanding or un-performed.

7.5 None of the Directors or any person connected with them (within the meaning of section 346 of the Act) is interested in any related financial product referenced to the Ordinary Shares (being a financial product whose value is, in whole or in part, determined directly or indirectly by reference to the price of the Ordinary Shares including a contract for difference or a fixed odds bet).

7.6 Directors' service agreements and letters of appointment

The terms of the Directors' service contracts or letters of appointment are as follows:

7.6.1 Pursuant to an agreement dated 24 November 2004 between the Company and Graham John Duncan, Mr Duncan agrees to serve the Company as Chief Executive with effect from 1 December 2004. The agreement is terminable by either party at any time on one year's written notice. Effective from 1 December the basic annual salary payable to Mr Duncan will be £90,000. He will also receive a pension contribution of 12.5 per cent. of basic salary and other benefits (medical expenses insurance; "death in service" insurance cover; motor car allowance; and permanent health insurance) and be entitled to a bonus of up to 100 per cent. of basic salary, payable in cash and shares in the Company in the ratio of 1:3. The bonus will be performance related according to criteria determined from time to time by the remuneration committee of the Board of the Company.

7.6.2 Pursuant to a letter of appointment dated 24 November 2004 by the Company in favour of Peter James Ford, Mr Ford agrees to serve the Company as a non-executive director with effect from 1 December 2004. The appointment is for an initial term of 12 months, following which it is terminable by either party at any time on three months' written notice. The current annual director's fee payable to Mr Ford is £15,000.

7.6.3 Pursuant to a letter of appointment dated 24 November 2004 by the Company in favour of Eric Martin Hagman, Mr Hagman agrees to serve the Company as non-executive chairman with effect from 1 November 2004. The appointment is for an initial term of 12 months, following which it is terminable by either party at any time on three months written notice. The current annual director's fee payable to Mr Hagman is £20,000.

Save as disclosed in paragraph 7.6 above, there are no service contracts, existing or proposed, between any Director and any member of the Group.

7.7 The aggregate remuneration, including benefits in kind, of the Directors paid by Glen Communications for the 12 month period ended on 30 September 2004 amounted to £70,000. It is estimated that under the arrangements currently in force, the aggregate remuneration and benefits in kind to be paid to the Directors by the Company for the period from incorporation and ending on 30 September 2005 will be approximately £123,708.

7.8 Additional Information on the Directors

7.8.1 In addition to the directorships in the Group the Directors hold or have held the following directorships or partnerships within the five years immediately prior to the date of this document:

Director	*Current Directorships/Partnerships*	*Past Directorships/Partnerships*
Eric Martin Hagman[1]	British Polythene Industries PLC Celtic PLC Scottish Rugby Union PLC	Andersen Consulting Limited Arthur Andersen & Co Arthur Andersen Services Arthur Andersen Services (1) BH Administration Services Binder Hamlyn Nominees Limited Binder Hamlyn Services Limited Binder Hamlyn Trustee Company Limited National Housing Federation Investments Limited Precis (1286) Limited Precis (1287) Limited Scottish Enterprise SG Archibald Limited
Graham John Duncan	Aberdeen Cable Services Ltd[2] ATG Holdings Ltd[2] Atlantic Telecom Group PLC[2] Atlantic Telecom Holdings Ltd[2] Atlantic Telecommunications Ltd[2] Cerbernet Ltd[2] Collie Communications Ltd[2] Devanha Group PLC[2] Duncan Group Ltd Duncan Project Management Ltd Duncan Ventures Ltd First Telecom Group PLC[2] First Telecom PLC[2] Logicall Telecommunications Ltd Optica Investments Ltd	1st Telecom Ltd Atlantic Broadcasting Ltd Atlantic Cable Ltd Atlantic Cablecom Ltd Atlantic Logicall Ltd Atlantic Mobile Communications Ltd Atlantic Networks Ltd Atlantic Online Ltd Atlantic Technologies Ltd Atlantic-e.com Ltd Cable Television Projects Ltd Caledonian Telecommunications Ltd CFW Securities Ltd Faststill Ltd First Telecom Direct Ltd First Telecom International Ltd Furst Telecom Ltd Framlington NetNet Inc PLC Host Europe plc Hull Cablevision Ltd

Director	*Current Directorships/Partnerships*	*Past Directorships/Partnerships*
Graham John Duncan *(continued)*		Lo Telecommunications Ltd Logicall Ltd Media Zeros PLC[3] Multi-Channel Television Ltd Omniphone Ltd Telecom Atlantic Ltd The Media and Income Trust PLC[3]
Peter James Ford	Thomas James Developments Ltd	East Lothian Developments Ltd Ford's the Bakers Ltd FTB 1999 Limited Paragon Products Ltd Zentel Telecom Group PLC

1 Eric Martin Hagman is a board member of the Royal College of Art in London and is a former member of the Council of CBI Scotland and of the Boards of Scottish Enterprise and Scottish Financial Enterprise.

2 Graham John Duncan has been a director of Atlantic Telecom Group PLC since 10 January 1995. Joint interim managers were appointed on 5 October 2001 and Administrators of Atlantic Telecom Group PLC were appointed on 12 October 2001. The Atlantic Telecom Group PLC was then placed into compulsory liquidation and a Liquidator was appointed on 2 April 2002. Pursuant to the joint Administrators proposals dated 30 November 2001 the deficiency to creditors of Atlantic Telecom Group plc was estimated to be £364,449,000 which includes an estimated £208,253,000 due to the noteholders of Atlantic Telecom Group PLC (the "Noteholders")

Mr Duncan was also a director of the following subsidiaries of Atlantic Telecom Group PLC that have also been placed in liquidation and/or administration:

(a) Mr Duncan has been a director of Aberdeen Cable Services Ltd since 13 September 1990, which has been placed in creditors' voluntary liquidation and a Liquidator was appointed on 5 October 2001. No statement of affairs has been filed at Companies House by the Liquidator and, accordingly, the estimated deficiency to creditors is not known;

(b) Mr Duncan has been a director of ATG Holdings Ltd since 18 February 1998 which has been placed in compulsory liquidation and a Liquidator was appointed on 30 April 2002. No statement of affairs has been filed at Companies House by the Liquidator and, accordingly, the estimated deficiency to creditors is not known;

(c) Mr Duncan has been a director of Atlantic Telecom Holdings Ltd since 3 July 1998 which has been placed in compulsory liquidation and a Liquidator was appointed on 30 April 2002. No statement of affairs has been filed at Companies House by the Liquidator and, accordingly, the estimated deficiency to creditors is not known;

(d) Mr Duncan has been a director of Atlantic Telecommunications Ltd since 29 March 1995. An Administrator was appointed for Atlantic Telecommunications Ltd on 5 October 2001, Atlantic Telecommunications Limited has now been placed in creditors' voluntary liquidation and a Liquidator was appointed on 19 December 2002. Pursuant to the statement of affairs dated 19 December 2002, the deficiency to creditors was estimated to be £674,970,673, which includes an estimated £220,953,086 due to the Noteholders;

(e) Mr Duncan has been a director of Cerbernet Limited since 18 September 2000 which has been placed in creditors' voluntary liquidation and a Liquidator was appointed on 13 August 2002. Pursuant to statement of affairs dated 13 August 2002, the deficiency to creditors was estimated to be £201,768,620, which includes an estimated £200,953,086 due to the Noteholders;

(f) Mr Duncan has been a director of Collie Communications since 3 February 2000 which has been placed in compulsory liquidation and a Liquidator was appointed on 16 November

2001. No statement of affairs has been filed at Companies House by the Liquidator and, accordingly, the estimated deficiency to creditors is not known;

(g) Mr Duncan has been a director of Devanha Group PLC since 27 September 1991 which has been placed in compulsory liquidation and a Liquidator was appointed on 30 April 2002. No statement of affairs has been filed at Companies House by the Liquidator and, accordingly, the estimated deficiency to creditors is not known;

(h) Mr Duncan has been a director of First Telecom Group PLC since 13 June 2000 which has been placed in creditors' voluntary liquidation and a Liquidator was appointed on 1 August 2002. Pursuant to statement of affairs dated 1 August 2002, the deficiency to creditors was estimated to be £202,317,052, which includes an estimated £200,953,086 due to the Noteholders;

(i) Mr Duncan has been a director of First Telecom plc since 26 July 2000, which has been placed in creditors' voluntary liquidation and a Liquidator was appointed on 10 October 2001. Pursuant to statement of affairs dated 10 October 2001, the deficiency to creditors was estimated to be £272,139,407, which includes an estimated £202,000,000 due to the Noteholders; and

(j) Mr Duncan has been a director of Logicall Telecommunications Ltd since 9 September 1996, which has been placed in creditors' voluntary liquidation and a Liquidator was appointed on 1 August 2002. Pursuant to statement of affairs dated 13 August 2002 the deficiency to creditors was estimated to be £203,578,005, which includes an estimated £200,953,086 due to the Noteholders.

3 Graham John Duncan was a director of The Media and Income Trust PLC, a split capital investment trust, from 23 August 2000 until his resignation on 2 September 2002. Administrative Receivers were appointed for The Media and Income Trust PLC on 10 July 2002. The Media and Income Trust PLC is currently in Administrative Receivership. Pursuant to statement of affairs dated 10 July 2002, the deficiency to creditors was estimated to be £14,676,437. In addition, Graham John Duncan was also a director of Media Zeros PLC, a wholly-owned subsidiary of The Media and Income Trust PLC from 23 August 2000 until his resignation on 2 September 2002. Administrative Receivers were appointed for Media Zeros PLC on 8 July 2003. Media Zeros PLC is currently in Administrative Receivership. Pursuant to statement of affairs dated 8 July 2003 the deficiency to creditors was estimated to be £72,991.

7.8.2 Save as disclosed, none of the Directors has:

(a) any unspent convictions in relation to indictable offences; or

(b) had any bankruptcy order made against him or entered into any voluntary arrangements; or

(c) been a director of a company which has been placed in receivership, compulsory liquidation, creditors voluntary liquidation, administration, been subject to a company(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 in that company; or

(d) 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

(e) owned, or been a partner in a partnership which owned, any asset which while he owned that asset, or while he was a partner or within 12 months after his ceasing to be a partner in the partnership which owned that asset, entered into receivership; or

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

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

8 SUBSTANTIAL SHAREHOLDERS

Save as disclosed in paragraph 7.1 above, the Company is only aware of the following persons who, at the date of this document have and following Admission will have an interest within the meaning of Part VI of the Act directly or indirectly in 3 per cent. or more of the Company's issued share capital or exercise or could exercise control over the Company (disregarding any Ordinary Shares to be subscribed pursuant to the Placing):

	At the date of this document		***Following Admission***	
	Ordinary Shares		*Ordinary Shares*	
	Number	*%*	*Number*	*%*
Kenneth Thomas Jan Ford*	1,228,424	4.91	1,228,424	2.46
Elizabeth Ann Ford*	1,228,424	4.91	1,228,424	2.46
Keith David Skilling	833,337	3.33	833,337	1.67
Ian George Robertson Hogg	833,337	3.33	833,337	1.67
Orleen Heather Skilling	833,325	3.33	833,325	1.67

*of those 1,228,424 shares 614,212 are registered in the name of Kenneth Thomas Jan Ford and 614,212 are registered in the name of Elizabeth Ann Ford, the wife of Kenneth Thomas Jan Ford.

Save as disclosed in this paragraph 8 and paragraph 7.1, the Directors are not aware of any person or persons who is, directly or indirectly, jointly or severally, at the date of this document exercising or immediately following Admission exercises, will exercise or could exercise control over the Company.

9 MATERIAL CONTRACTS

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

(a) An agreement dated 14 May 2004 between Glen Communications and Keith David Skilling, Ian George Robertson Hogg and Orleen Heather Skilling, pursuant to which Glen Communications agreed to acquire the entire issued share capital of Soluis IT Limited in consideration for the issue, credited as fully paid at £0.12365, of 351,797 Ordinary shares of £0.01 each in Glen Communications. The agreement contained limited general and taxation representations and warranties and provided for the granting of a tax deed of indemnity in favour of Glen Communications.

(b) An agreement dated 14 May 2004 between Glen Communications and Soluis IT Limited pursuant to which Glen Communications agreed to acquire the business and assets of Soluis IT Limited in consideration for the payment of a sum representing the value of the net assets of Soluis IT Limited, as set out in the accounts of Soluis IT Limited at the date of completion of the transaction. The agreement contained no representations or warranties.

(c) An agreement dated 15 November 2004 between the Company and Peter James Ford, Duncan Ventures Limited, Margaret Helen Duncan, Graham John Duncan, Keith David Skilling, Ian George Robertson Hogg, Orleen Heather Skilling, Kenneth Thomas Jan Ford and Elizabeth Ann Ford, pursuant to which the Company agreed to acquire the entire issued share capital of Glen Communications in consideration for the issue, credited as fully paid at a price of £0.03 per share, of 24,999,998 Ordinary shares of £0.01 each in the Company. The agreement contained warranties to the Company in respect of capacity and title only.

(d) An agreement (the “Nominated Adviser Agreement”) dated 25 November 2004, made between the Company, Eric Hagman, Graham Duncan, Peter Ford and Seymour Pierce, under which Seymour Pierce has agreed, subject to the Admission taking place on or before 8.00 a.m. on 31 December 2004, to act as the Company’s nominated adviser. The Nominated Advisor Agreement will continue for 12 months from the date of Admission and thereafter until terminated by either party giving the other 3 months notice in writing. Under the Nominated Adviser Agreement the Company has agreed to pay Seymour Pierce for its services an annual fee of £20,000 plus VAT.

(e) An agreement (the “Broker Agreement”) dated 25 November 2004, made between the Company, Eric Hagman, Graham Duncan, Peter Ford and Seymour Pierce Ellis, under which Seymour Pierce Ellis has agreed to act as the Company’s broker for a period of 12 months and thereafter until terminated by either party giving the other 3 months notice. For so long as Seymour Pierce Ellis is appointed as broker to the Company, the Company shall not appoint any other financial adviser or broker, except for a nominated adviser. Under the Broker Agreement the Company has agreed to pay Seymour Pierce Ellis for its services an annual fee of £10,000 plus VAT.

(f) An agreement dated 25 November 2004 made between the Company (1) the Directors (2) Seymour Pierce Ellis (3) and Seymour Pierce (4), Seymour Pierce Ellis has agreed, conditional upon, inter alia, Admission taking place on or before 8.00am on 1 December 2004 (or such later time and/or date as the Company, Seymour Pierce Ellis and Seymour Pierce may agree, not being later than 31 December 2004 to use its reasonable endeavours as agent for the Company to procure subscribers for the Placing Shares proposed to be issued by the Company at the Placing Price. Seymour Pierce Ellis has undertaken to underwrite the Placing.

The Placing Agreement contains indemnities and warranties from the Company and the Directors in favour of Seymour Pierce Ellis and Seymour Pierce, together with provisions which enable Seymour Pierce Ellis or Seymour Pierce to terminate the Placing Agreement in certain circumstances before Admission, including circumstances where any of the warranties are found not to be true or accurate in any material respect. The liability of the Directors for breach of warranty is limited.

The Company has agreed to pay Seymour Pierce Ellis a fee of £10,000 together with commission equal to 3.5 per cent of the aggregate value at the Placing Price of the Placing Shares. The Company has agreed to pay Seymour Pierce a fee of £65,000 for corporate finance services.

(g) Pursuant to agreements dated 24 November 2004, each of the Directors, Margaret Duncan and Duncan Ventures Limited has undertaken to the Company, Seymour Pierce Ellis and Seymour Pierce (subject to certain limited exceptions, including disposals by way of acceptance of a recommended takeover offer for the entire issued share capital of the Company) not to dispose of the Ordinary Shares held by each of them following Admission or any other securities (or any interest in them or in respect of them) at any time prior to the first anniversary of Admission (“Lock-in Period”) without the prior written consent of the Company, Seymour Pierce Ellis and Seymour Pierce.

Furthermore, each of the Directors, Margaret Duncan and Duncan Ventures Limited has also undertaken to the Company, Seymour Pierce Ellis and Seymour Pierce not to dispose of their Ordinary Shares following the expiry of the Lock-in Period otherwise than through Seymour Pierce Ellis for a period of twelve months following the Lock-in Period, provided that it shall remain broker to the Company and offer competitive pricing and terms.

Save as set out in this paragraph 9, there are no contracts (not being in the ordinary course of business) entered into by any member of the Group which are or may be material.

10 TAXATION

The following comments are intended as a general guide to the certain aspects of current tax law and United Kingdom Revenue Practice. This should not be a substitute for individual advice from an appropriate professional adviser. Any shareholder who is in any doubt as to his or her tax position or who is subject to tax in a jurisdiction other than the United Kingdom should consult a professional adviser without delay. In particular, all Shareholders, including all UK resident shareholders, are advised to consider the potential impact of any relevant double tax treaty.

The comments are based on the law and understanding of the practice of the tax authorities in the UK at the date of this document.

10.1 **Taxation of Chargeable Gains**

For the purposes of UK tax on chargeable gains, the issue of Ordinary Shares pursuant to the Placing will be regarded as an acquisition of a new holding in the share capital of the Company. To the extent that a Shareholder acquires Ordinary Shares allotted to him, the Ordinary Shares so allotted will, for the purpose of tax on chargeable gains, be treated as acquired on the date of allotment. If a Shareholder disposes of all or some of his Ordinary Shares, a liability to tax on chargeable gains may, depending on his circumstances, arise.

10.2 **Taxation of Dividends**

Under current United Kingdom legislation, no tax is required to be withheld from dividend payments by the Company. A shareholder (other than a company) receiving a dividend from the Company also receives a tax credit in respect of the dividend of an amount equal to one ninth of the amount of the dividend which is 10 per cent. of the sum of the dividend and the tax credit. Generally, the liability to United Kingdom income tax is calculated on the sum of the dividend and the tax credit ("the dividend income"). Individual shareholders whose income is within the starting rate or basic rate tax bands will be subject to income tax at the rate of 10 per cent. on their dividend income, so that such shareholders will have no further liability to income tax on that dividend income. The higher rate of income tax is 32.5 per cent. in respect of dividend income. A higher rate tax payer may set the tax credit against his liability to income tax on the dividend income and will have further tax to pay of 22.5 per cent. of the dividend income. A shareholder who is not liable to income tax on the dividend income (or any part of it) may not generally claim payment of the tax credit (or part of it) from the Inland Revenue.

A United Kingdom resident corporate shareholder is not normally liable to United Kingdom taxation on any dividend received. United Kingdom resident shareholders (including authorised unit trusts and open-ended investment companies) and pension funds are not entitled to payment in cash of the tax credit. Whether shareholders who are resident for tax purposes in countries other than the United Kingdom are entitled to a payment from the Inland Revenue of a proportion of the tax credit in respect of dividends on their Shares depends in general upon the provisions of any double taxation convention or agreement which exists between such countries and the United Kingdom. In addition, individual shareholders who are resident in countries other than the United Kingdom but who are Commonwealth citizens, nationals of member states of the European Economic Area or fall within certain other categories of person within Section 278 of the Income and Corporation Taxes Act 1988 are entitled to the entire tax credit which they may set against their total United Kingdom income tax liability or, in appropriate cases, reclaim in cash.

Non-United Kingdom resident shareholders should consult their own tax advisers on the possible application of such provisions and the procedure for claiming any relief or credit in respect of such tax credit in their own jurisdictions. However, in general, no cash payment will be recoverable from the Inland Revenue in respect of the tax credit.

10.3 **Stamp Duty and Stamp Duty Reserve Tax ("SDRT")**

No stamp duty or SDRT will be payable on the issue of shares save that special rules apply to persons operating clearance services or depository receipt services. A transfer or sale of shares will generally be subject to ad valorem stamp duty at the rate of 0.5 per cent. rounded up to the nearest multiple of £5 on the amount or value of the consideration paid by the purchaser. If an unconditional agreement for the transfer of such Shares is not completed by a duly stamped transfer to the transferee by the seventh day of the month following the month in which the agreement becomes unconditional, SDRT will be payable on the agreement at the rate of 0.5 per cent. of the amount of value of consideration paid. Liability to SDRT is generally that of the transferee. Where a purchase or transfer is effected through a member of the London Stock Exchange or a qualified dealer, the said member or dealer will normally account for the SDRT. When Shares are transferred to a CREST member who holds those shares in uncertificated form as a nominee for the transferor, no stamp duty or SDRT will generally be payable. When Shares are transferred by a CREST member to the beneficial owner (on whose behalf it has held them as nominee), no stamp duty or SDRT will generally be payable. Where a change in beneficial ownership of shares held in uncertificated form occurs and such change is for consideration in money or money's worth (whether the transferee will hold those shares in certificated or uncertificated form) a liability to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration will arise. This will generally be met by the new beneficial owner.

10.4 **Section 574 Relief**

Section 574 of the Income and Corporation Taxes Act 1988 permits a loss on investment incurred by an individual in ordinary shares subscribed for in a qualifying trading company to be relieved against an individual investor's taxable income as an alternative to setting the loss against capital gains. Upon making the appropriate claim, relief is given against income on the tax year in which the loss arises, or the preceding year.

10.5 **Inheritance Tax ("IHT") Relief**

Unquoted ordinary shares in companies whose shares are listed on AIM and whose business does not consist wholly or mainly of dealing in securities, stocks or shares, land or buildings, or making or holding investments, qualify for 100 per cent. IHT Business Property Relief provided that they have been held for two years prior to an event giving rise to a potential charge of IHT. Any shareholder who has any doubts as to his IHT position should consult a professional adviser, especially before making any gift or transfer of shares.

10.6 **Enterprise Investment Scheme (EIS)**

The Company has applied for provisional assurance from the Inland Revenue that, on the information supplied to them, the Company's activities make it a "Qualifying Business" for the purposes of the requirements of EIS.

11 WORKING CAPITAL

The Directors are of the opinion that, having made due and careful enquiry and taking into account the existing available facilities and the proceeds of the Placing, the working capital available to the Group will be sufficient for its present requirements, that is, for at least the next twelve months from the date of Admission.

12 LITIGATION

There are no legal or arbitration proceedings (including, to the knowledge of the Directors, any such proceedings which are pending or threatened or being brought by or against the Company and its subsidiaries) which may have or have had during the 12 months immediately preceding the date of this document a significant effect on the financial position of the Company and its subsidiaries, taken as a whole.

13 GENERAL

13.1 Seymour Pierce has given and not withdrawn its written consent to the issue of this document including references to its name in the form and context in which they appear.

13.2 Seymour Pierce Ellis has given and not withdrawn its written consent to the issue of this document including references to its name in the forms and context in which they appear.

13.3 Grant Thornton UK LLP have given and not withdrawn their written consent to the inclusion in this document of their reports in Part III of this document and to the issue of this document and the references to their name in the form and context in which they appear.

13.4 Save as disclosed in this document, there has been no significant change in the financial or trading position of Glen Communications since 30 September 2004, being the date to which the last audited financial statements of Glen Communications were published or of the Company since 14 October 2004, being its date of incorporation.

13.5 Save as disclosed in this document, there are no investments by the Group in progress which are significant.

13.6 Save as disclosed in this document, the Directors are not aware of any exceptional factors which have influenced the Company's recent activities.

13.7 The total costs and expenses payable by the Company in connection with or incidental to Admission including registration and London Stock Exchange fees, printing, advertising and distribution costs, legal and accounting fees and expenses, are estimated to amount to approximately £188,500 (excluding VAT).

13.8 The total commission payable by the Company in connection with and incidental to the Placing and Admission are estimated to be £26,250 excluding VAT and are payable by the Company.

13.9 The minimum amount which, in the opinion of the Directors, must be raised under the Placing to provide the sums required in respect of the matters specified in Schedule 1 of the POS Regulations is £750,000, divided as follows:-

13.9.1	Purchase price of property:	£Nil
13.9.2	Commissions expenses and expenses of the Placing:	£235,000
13.9.3	Repayment of sums borrowed in relation to 13.9.1 and 13.9.2 above:	£Nil
13.9.4	Working capital:	£515,000

13.10 No person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has:

13.10.1 received, directly or indirectly, from the Group within 12 months preceding the Company's application for Admission; or

13.10.2 entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from the Group on or after Admission any of the following:

(a) fees totalling £10,000 or more; or

(b) securities in the Company with a value of £10,000 or more; or

(c) any other benefit with a value of £10,000 or more at the date of Admission.

13.11 The Company's accounting reference date is 30 September.

13.12 The financial information set out in this document does not constitute statutory accounts within the meaning of section 240 of the Act.

13.13 The Placing Price represents a premium over nominal value of two pence per Ordinary Share.

13.14 The period within which placing participations may be accepted pursuant to the Placing and arrangements for the payment and holding of subscription monies pending Admission are set out in the Placing Agreement.

13.15 The Placing Shares are not being offered generally and no applications have or will be accepted other than under the terms of the Placing Agreement. The Placing is being underwritten by Seymour Pierce.

13.16 Save for the "Pumpkin" Trade Mark and save as disclosed in this document, there are no patents or other intellectual property rights, licences or particular contracts which are, or may be, of fundamental importance to the business of the Company.

13.17 Other than the proposed 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 and there is not intended to be made any other arrangements for dealings in the Ordinary shares on any exchange. Trading in the Company's shares on AIM is expected to commence on 1 December 2004.

14 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the offices of Charles Russell, 8-10 New Fetter Lane, London EC4A 1RS, during normal working hours on any week day (Saturdays, Sundays and public holidays excepted) from the date of this document and shall remain available for at least one month after the date of Admission:-

14.1 The Memorandum and Articles of Association of the Company;

14.2 A copy of the Accountants' Reports in Part III above;

14.3 A copy of the audited accounts for Glen Communications for the period ended 30 September 2004;

14.4 The material contracts referred to in paragraph 9 above;

14.5 The letters of consent referred to in paragraph 13 above; and

14.6 A copy of this Document.

Dated 25 November 2004

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