

<b>Overview</b>	<b>2005/6</b>	<b>2004/5</b>	<b>2003/4</b>	<b>2002/3</b>
Turnover – continuing operations	<b>11,334,385</b>	<b>6,614,785</b>	<b>4,633,070</b>	<b>3,376,000</b>
Increase in turnover %	<i>71.35%</i>	<i>42.77%</i>	<i>37.23%</i>	
Gross profit – continuing operations	<b>2,371,942</b>	<b>764,697</b>	<b>342,853</b>	<b>20,070</b>
Gross profit as % of turnover	<i>20.93%</i>	<i>11.56%</i>	<i>7.40%</i>	<i>0.60%</i>
Trading (loss) – continuing operations	<b>(1,114,684)</b>	<b>(1,394,797)</b>	<b>(1,732,055)</b>	<b>(1,568,157)</b>
Trading (loss) as % of turnover	<i>( 9.84%)</i>	<i>( 21.09%)</i>	<i>(37.39%)</i>	<i>(46.45%)</i>
Operating (loss) – continuing operations	<b>(1,115,782)</b>	<b>(941,088)</b>	<b>(977,925)</b>	<b>(2,622,000)</b>
Operating (loss) as % of turnover	<i>(9.85%)</i>	<i>(14.23%)</i>	<i>(21.11%)</i>	<i>(77.67%)</i>
Loss per share	<b>(15.24p)</b>	<b>(9.87p)</b>	<b>(19.44p)</b>	<b>( 29.54p)</b>

#### **Financial Highlights**

- Turnover and gross profit margin increased
- Trading loss decreased

#### **Restructuring Highlights**

- Merger of 2 classes of shares finalised
- Completion of planned capital restructuring

Although disappointed with the financial results, I am encouraged by the underlying trends such as, the increase in turnover of some £4.7M and increase in the gross profit margin of 81% coupled with a reduction in the trading loss over the previous year. Our forecasts for 2006/7 show further improvements, which I believe can and will be achieved.

The company has now completed the planned capital restructuring. This has taken considerable time, effort and cost. I am positive that the move to one class of share is already providing increased transparency and a more balanced market place for the shares.

#### **UK Trading**

These accounts now show the value of the investment in Modular Automation International Limited. For the full year, Modular has traded profitably and there are encouraging signs for the future. Bay Travel Limited also increased its profits and both Midway Precision Limited and Specialist Heavy Engineers Limited turned losses into near breakeven positions. However, P&D Electrical Services Limited unfortunately had further losses, which have impacted on the performance of the UK trading position.

### **Overseas Trading**

Although turnover has decreased at the hotel in Malta profits increased as a result of improved controls. The Maltese Government has finally released the 'North Harbour Local Plan' (NHLP), which is the master development plan for the local area and discussions with planners have been progressing. We have also met with third parties, who have shown an interest in either financing any development or entering into a joint venture.

In the most part the NHLP encompasses the outline plan we have submitted to the government planners for the development of the property. This outline plan has retail, commercial, residential and hotel accommodation of some 38,000 square metres. When the necessary planning permits are issued, we will be able to proceed to the next stage of the development.

In Tanzania, Beho Beho, the safari camp in the Selous Game Reserve has exceeded all forecasts in revenue and occupancy and this year looks to better last year. Mikumi Wildlife Camp and the Oyster Bay Hotel shopping complex have both increased revenues and contributed to profits, with Mikumi Wildlife Camp increasing revenues and occupancy by over 20%. During the year, the hotel in Dar es Salaam closed for refurbishment and work has now started to demolish the old fire damaged building in order to clear the site for redevelopment.

### **Balance Sheet**

You will note that during the course of the year, there has been little change in the balance sheet totals. This is largely due to the trading losses being offset by new requirements to carry investments available for sale at market value, as well as the company selling Treasury shares in its open offer to shareholders.

### **Investments**

For the most part, the investments performed well. The investments are broadly spread across Bonds, Hedge Funds and Stocks, the value of which continue to increase despite global market volatility.

### **Future**

I am encouraged with the current levels of trading. We are continuing to focus on our margins and overheads, following the diversification, repositioning and restructuring of the group with the aim of returning the group to profitability.

Finally, I would like to thank the management, staff and our advisors for their continued efforts.

Charles H.Bailey

Chairman

21<sup>st</sup> September 2006

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31st MARCH 2006**

		2006	Continuing	2005	
	Notes	Continuing	operations	Discontinued	Total
		£	£	£	£
<b>Turnover</b>	1	<b>11,334,385</b>	6,614,785	199,936	6,814,721
Cost of sales		<b>(8,962,443)</b>	(5,850,088)	(272,043)	(6,122,131)
<b>Gross profit (loss)</b>		<b>2,371,942</b>	764,697	(72,107)	692,590
Administrative expenses	5	<b>(3,486,626)</b>	(2,159,494)	(36,149)	(2,195,643)
<b>Trading (loss)</b>		<b>(1,114,684)</b>	(1,394,797)	(108,256)	(1,503,053)
Investment activities and other income	2	<b>(1,098)</b>	453,709	-	453,709
<b>Operating (loss)</b>		<b>(1,115,782)</b>	(941,088)	(108,256)	(1,049,344)
<b>Exceptional items</b>					
Profit on disposal of fixed assets		-			594,719
Restructuring costs		<b>(144,340)</b>			(284,003)
<b>(Loss) on ordinary activities before interest</b>		<b>(1,260,122)</b>			(738,628)
Interest receivable	3	<b>21,184</b>			42,583
Interest payable	4	<b>(127,743)</b>			(171,234)
<b>(Loss) on ordinary activities before taxation</b>	5	<b>(1,366,681)</b>			(867,279)
Taxation	6	<b>188,302</b>			73,432
<b>(Loss) on ordinary activities after taxation</b>		<b>(1,178,379)</b>			(793,847)
Minority interest		<b>(50,327)</b>			12,408



	Notes	Group		Company	
		2006	2005	2006	2005
			(as restated)		(as restated)
<b>Fixed Assets</b>		£	£	£	£
Intangible assets	10	761,319	857,357	-	7,500
Tangible assets	11	7,512,405	7,358,426	5,698	13,583
Investments	12	-	-	8,201,632	8,201,632
		<u>8,273,724</u>	<u>8,215,783</u>	<u>8,207,330</u>	<u>8,222,715</u>
<b>Current assets</b>					
Stock and work in progress	13	402,154	771,957	-	-
Debtors	14	4,552,212	2,429,646	3,047,072	2,681,419
Investments	15	2,402,750	2,763,446	931,925	790,146
Cash at bank and in hand		<u>279,552</u>	<u>873,718</u>	<u>585,958</u>	<u>726,372</u>
		<u>7,636,668</u>	<u>6,838,767</u>	<u>4,564,955</u>	<u>4,197,937</u>
<b>Creditors: amounts falling due within one year</b>	16	<u>6,064,838</u>	<u>5,372,877</u>	<u>5,205,563</u>	<u>5,935,490</u>
<b>Net current assets (liabilities)</b>		<u>1,571,830</u>	<u>1,465,890</u>	<u>( 640,608)</u>	<u>( 1,737,553)</u>
<b>Total assets less current liabilities</b>		<u>9,845,554</u>	<u>9,681,673</u>	<u>7,566,722</u>	<u>6,485,162</u>
<b>Creditors: amount falling due after more than one year</b>	17	893,444	925,420	-	-
Provision for liabilities and charges	18	245,608	102,513	210,488	50,000
<b>Net assets</b>		<u>8,706,502</u>	<u>8,653,740</u>	<u>7,356,234</u>	<u>6,435,162</u>
<b>Financed by:</b>					
<b>Capital and reserves</b>	20				
Called up share capital	19	833,541	4,830,414	833,541	4,830,414
Share premium account		609,690	-	609,690	-
Capital redemption reserve		5,163,332	1,166,459	5,163,332	1,166,459
Investment in own shares		( 187,528)	( 274,084)	( 187,528)	( 274,084)
Revaluation reserve		1,717,035	1,705,051	-	-
Other reserves		743,143	615,840	-	-
Investment revaluation reserve		707,854	232,235	309,495	142,955



	Notes	2006		2005	
		£	£	£	£
<b>Net cash (outflow) from operating activities</b>	24		( 315,452)		( 1,422,611)
<b>Return on investments and servicing of finance</b>					
Interest received		21,184		42,583	
Interest paid		<u>( 127,743)</u>		<u>( 171,234)</u>	
			( 106,559)		( 128,651)
<b>Taxation</b>			( 6,821)		( 4,945)
<b>Capital expenditure and financial investment</b>					
Purchase of tangible fixed assets		( 358,371)		( 544,665)	
Sale of tangible fixed assets		15,257		2,044,054	
Sale of intangible fixed assets		<u>7,500</u>		<u>-</u>	
			( 335,614)		1,499,389
<b>Acquisitions</b>					
Purchase of Modular Automation International Limited		-		( 286,365)	
Overdraft acquired from Modular Automation International Limited		-		( 385,234)	
Other goodwill acquired		<u>-</u>		<u>( 55,000)</u>	
			-		( 726,599)
<b>Cash (outflow) before use of liquid resources and financing</b>			( 764,446)		( 783,417)
<b>Equity dividends paid</b>			-		-
<b>Management of liquid resources</b>					
Purchase of investments		( 318,083)		( 1,411,322)	
Sale of investments		1,048,299		3,196,697	
Movement in short term deposits		<u>387,822</u>		<u>( 395,598)</u>	
			1,118,038		1,389,777
<b>Financing</b>					
Sale of investment in own shares		696,246		( 969,825)	
Directors' loans		<u>( 711,001)</u>		<u>034,504</u>	

**CONSOLIDATED STATEMENT OF  
TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31st MARCH 2006**

	2006	2005 (as restated)
	£	£
(Loss) for the financial year	( 1,228,706)	( 781,439)
Revaluation of investments held for resale	475,619	-
Exchange rate adjustments	58,879	204,795
Total recognised (loss) for the year	<u>( 694,208)</u>	<u>( 576,644)</u>
Revaluation of investments held for resale - prior year adjustment	232,235	-
Total recognised (loss) since last annual report	<u>( 461,973)</u>	<u>( 576,644)</u>
Purchase of investment in own shares	( 187,528)	-
Sale of investment in own shares	883,774	( 969,825)
Net movement in shareholders' funds	<u><u>234,273</u></u>	<u><u>( 1,546,469)</u></u>