

30 June 2011

**Porta Communications plc
(the "Company" or "Porta")**

**Final Results
For the Year Ended 31 December 2010**

The Board of Porta Communications plc (AIM: PTCM) is pleased to announce its audited results for the year ended 31 December 2010. The Report and Accounts are being posted to shareholders today and a copy is available from the Company's website, <http://www.portacommunications.plc.uk/>.

Chairman's Statement

During 2010 we took the view that the strategy that had been previously adopted by the Group needed to change and we decided to dispose of TSE Consulting SA.

The Board was approached by David Wright, the former Chief Executive of Incepta plc with a strategy to build a fully integrated media business. As a result of these negotiations David Wright became Group Chief Executive and £2.75m gross was raised for the Group accompanied by a change of name to Porta Communications Plc.

Events after the reporting period

The new strategy was unveiled at our General Meeting on 17 December 2010 and a detailed business plan has been produced in line with the new direction of the Group. It was also decided to dispose of TSE Consulting SA to its management. This transaction was completed on 13 April 2011 for a cash consideration of CHF 450,000 and in addition the Group has retained the rights to conduct its business in Turkey. We are currently in the process of creating a local company in which to conduct that business.

Outlook

Since David's appointment a number of target companies and key individuals have been identified both in the UK and overseas specialising in public relations, advertising and related businesses, media independents and media bartering.

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Discussions are ongoing with a number of these companies but have taken longer than expected although the Board believes that some of these negotiations are beginning to gain traction. The Board is pleased to report that discussions with experienced industry individuals with a view to them joining the Company are at an advanced stage. Shareholders will be kept fully informed of all developments.

Adam Reynolds

Chairman

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PORTA COMMUNICATIONS PLC (FORMERLY KNOWN AS TSE GROUP PLC)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 £	2009 £ (Restated)
Continuing operations			
Revenue	2	-	-
Operating costs		(523,142)	(104,917)
Operating loss	5	(523,142)	(104,917)
Finance revenue	6	38	658
Loss before income tax		(523,104)	(104,259)
Income tax	7	-	-
Loss for the year from continuing operations		(523,104)	(104,259)
Discontinued operations			
Loss for the year from discontinued operations	13	(2,643,247)	(61,581)
Loss for the year		(3,166,351)	(165,840)
Other comprehensive income/(losses)			
Exchange differences on translating foreign operations		360,037	(199,698)
Total comprehensive losses for the year		(2,806,314)	(365,538)

Loss per share from continuing and discontinued operations attributable to equity holders of the Company during the year

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From continuing operations			
Basic and diluted	16	(0.057p)	(0.013p)
From discontinued operations			
Basic and diluted	16	(0.289p)	(0.007p)
From continuing and discontinued operations			
Basic and diluted	16	(0.3470p)	(0.020p)

PORTA COMMUNICATIONS PLC (FORMERLY KNOWN AS TSE GROUP PLC)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2010

	Notes	2010 £	2009 £
Non-current assets			
Intangible assets	8	-	2,312,269
Property, plant, and equipment	9	-	54,925
		-	2,367,194
Current assets			
Trade and other receivables	11	146,072	441,534
Cash and cash equivalents		2,200,501	48,997
Assets of disposal group classified as held for sale	13	838,279	-
		3,184,852	490,531
Current liabilities			
Trade and other payables	12	(185,633)	(371,615)
Liabilities of disposal group classified as held for sale	13	(580,712)	-
		(766,345)	(371,615)
Net current assets		2,418,507	118,916
Total assets less current liabilities		2,418,507	2,486,110

Equity attributable to owners

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Ordinary shares	15	4,373,600	1,457,600
Shares to be issued reserve		-	136,000
Share premium account		2,742,120	2,791,920
Retained losses		(5,677,907)	(2,520,067)
Translation reserve		980,694	620,657
TOTAL equity		2,418,507	2,486,110

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PORTA COMMUNICATIONS PLC (FORMERLY KNOWN AS TSE GROUP PLC)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2010

	2010	2009
	£	£
		(Restated)
Cash flows from operating activities		
Loss before income tax including discontinued operations	(523,104)	(104,917)
Adjusted for:		
Loss from discontinued operations	(2,643,247)	(61,581)
Depreciation	33,632	41,336
Goodwill impairment charge	2,277,076	-
Interest receivable	(38)	(658)
Loss on disposal of property, plant and equipment	647	-
(Increase)/decrease in trade and other receivables	(86,347)	110,926
Increase/(decrease) in trade and other payables	394,730	(22,454)
Share based payments	8,511	17,452
Foreign exchange gain	9,406	-
Net cash used in operating activities	(528,734)	(19,896)
Cash flows from investing activities		
Purchase of property, plant and equipment	-	(60,645)
Interest received	38	658
Net cash from/(used in) investing activities	38	(59,987)
Cash flows from financing activities		
Proceeds from the issue of Ordinary shares (net of issue costs)	2,680,200	-
Net cash generated from financing activities	2,680,200	-

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Net increase/(decrease) in cash and cash equivalents	2,151,504	(79,883)
Cash and cash equivalents at 1 January 2010	48,997	155,523
Effect of exchange rate changes	-	(26,643)
Cash and cash equivalents at 31 December 2010	2,200,501	48,997

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PORTA COMMUNICATIONS PLC (FORMERLY KNOWN AS TSE GROUP PLC)

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2010

GROUP

	Share Capital £	Shares to be Issued Reserve £	Share premium £	Retained losses £	Translation reserve £	Total equity £
Balance at 1 January 2009	1,457,600	136,000	2,791,920	(2,371,679)	820,355	2,834,196
Comprehensive income						
Loss for the year	-	-	-	(165,840)	-	(165,840)
IFRS2 charge - Credited to reserves	-	-	-	17,452	-	17,452
Other comprehensive income						
Exchange difference	-	-	-	-	(199,698)	(199,698)
Balance at 1 January 2010	1,457,600	136,000	2,791,920	(2,520,067)	620,657	2,486,110
Comprehensive income						
Loss for the year	-	-	-	3,166,351	-	3,166,351
IFRS2 charge - Credited to reserves	-	-	-	8,511	-	8,511

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Other comprehensive income						
Exchange difference	-	-	-	-	360,037	360,037
Transactions with owners						
Proceeds from shares issued	2,916,000	(136,000)	120,000	-	-	2,900,000
Issue costs	-	-	(169,800)	-	-	(169,800)
Balance at 31 December 2010	4,373,600	-	2,742,120	(5,677,907)	980,694	2,418,507

1. ACCOUNTING POLICIES

Basis of preparation of the financial statements

a. Porta Communications Plc (formerly known as TSE Group plc) is a company incorporated in the United Kingdom. The Company is a public limited company, which is listed on the AIM market of the London Stock Exchange.

b. These financial results do not comprise statutory accounts for the year ended 31 December 2010 within the meaning of Section 434 of the Companies act 2006. These results have been extracted from the statutory accounts for the year ended 31 December 2010. The statutory accounts for the year ended 31 December 2010 were approved by the Board of Directors on 28 June 2010 and will be delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under Section 498 of the Companies Act 2006.

c. This financial information has been prepared in accordance with International Financial Reporting Standards ("IFRSs") and International Financial Reporting Interpretations Committee (IFRIC) interpretations as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

d. Certain statements in this announcement constitute forward-looking statements. Any statement in this announcement that is not a statement of historical fact including, without limitation, those regarding the Company's future expectations, operations, financial

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performance, financial condition and business is a forward-looking statement. Such forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially. These risks and uncertainties include, amongst other factors, changing economic, financial, business or other market conditions. These and other factors could adversely affect the outcome and financial effects of the plans and events described in this announcement and the Company undertakes no obligation to update its view of such risks and uncertainties or to update the forward -looking statements contained herein. Nothing in this announcement should be construed as a profit forecast.

2. SEGMENTAL REPORTING

The Board considers that the Group has a single business segment which delivers international sports consultancy services. The revenue, expenditure and result reported in the statement of comprehensive income and the assets and liabilities reported in the statement of financial position all relate to this single segment. No further analysis is provided as there is no revenue in 2010 and 2009 for the continuing operations.

3. EMPLOYMENT BENEFIT EXPENSE

	2010	2009
	£	£
		(restated)
Directors Remuneration and Fees	305,983	66,555
Social security costs	5,447	-
Share based payment	8,511	17,452
	319,941	84,007

The majority of the Directors remuneration is paid through the directors' service companies as detailed in Note 17.

The remuneration of the highest paid Director included above was £132,000 (2009: £30,555). In addition to the amounts disclosed within remuneration above which relate to continuing

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activities a further £151,000 (2009: £193,503) is included within the loss from discontinued activities.

The continuing operation has no employees except for the Directors at the year end.

The Directors are considered to be the key management personnel. Directors' remuneration and fees comprises the whole of the compensation for these individuals. The Directors hold no share options.

4. RETIREMENT BENEFITS

Porta Communications plc operates a defined benefit pension plan in respect of its Swiss employees into which contributions of £9,285 (2009: £13,288) were made during the year.

The contributions are paid into a multi-employer scheme. The proportion of the scheme's assets and liabilities to the Group's employees is not provided by the pension provider and no information about any scheme surplus and deficit is available. The Group makes contributions to the scheme in accordance with the annual recommendations of the scheme provider and provided the Group continues to make contributions at the correct level the provider guarantees the level of pension payable to the employee on retirement.

Since insufficient information is available to account for the pension plan as a defined benefit plan it is accounted for as if it were a defined contribution plan.

5. EXPENSES - ANALYSIS BY NATURE

The operating loss is stated after charging:

	2010	2009
	£	£
		(restated)
Employment benefit expense (See note 3)	79,941	84,007
Auditors remuneration		
- Audit of the parent company and consolidated financial statements	10,000	16,251
- Tax compliance services	1,000	1,000

6. FINANCE INCOME AND COSTS

	2010	2009
	£	£
Finance income		
Interest income on cash and short term deposits	38	658

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7. INCOME TAX EXPENSE

	2010	2009
	£	£
		(restated)
Analysis of charge in the year:		
Current tax	-	-

The tax assessed for the year differs from the standard rate of corporation tax in the UK at 28%. The differences are explained below:

Loss before tax	(523,104)	(104,259)
Loss before tax multiplied by the standard rate of corporation tax in the UK of 28%	(146,469)	(29,193)
Tax losses carried forward and disallowable items	(146,469)	29,193
	-	-

The total amount of unused tax losses for which no deferred tax asset is recognised in the statement of financial position is approximately £825,000 (2009 - £500,000).

8. INTANGIBLE FIXED ASSETS - GROUP

	Goodwill
	£
Cost	
At 1 January 2009	2,482,721
Translation difference	(170,452)
At 31 December 2009	2,312,269
Translation difference	345,555
Impairment review of disposal of subsidiary	(2,277,076)

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Transferred to disposal group held for sale	(380,748)
At 31 December 2010	-

On 23 November 2010, the Board announced a refocusing of the Company's strategy from that of an international sports consultancy business, to one of building an international communications and marketing business. As a result the Company announced on 23 April 2011 that it had completed the disposal of its trading subsidiary TSE Consulting SA. The carrying amount of the goodwill at the year-end has been reduced to its recoverable amount through recognition of an impairment loss. The remaining goodwill after disposal, all related to TSE Consulting SA, has been transferred to the disposal group classified as held for sale. Further details are laid out in note 13.

9. PROPERTY, PLANT AND EQUIPMENT - GROUP

	Office furniture and machinery £	IT equipment £	Total £
Cost			
At 1 January 2009	60,280	25,232	85,512
Translation difference	(4,106)	(1,718)	(5,824)
Additions	51,361	9,284	60,645
At 31 December 2009	107,535	32,798	140,333
Translation difference	15,931	4,859	20,790
Disposal	(2,747)	-	(2,747)
Transferred to disposal of group as held for sale	(120,719)	(37,657)	(158,376)
At 31 December 2010	-	-	-
Depreciation			
At 1 January 2009	22,906	24,387	47,293
Translation difference	(1,559)	(1,662)	(3,221)
Charge for the year	37,453	3,883	41,336
At 31 December 2009	58,800	26,608	85,408
Translation difference	11,771	3,943	15,714
Elimination on disposal	(2,100)	-	(2,100)
Charge for the year	29,436	4,196	33,632
Transferred to disposal of group as held for sale	(97,907)	(34,747)	(132,654)
At 31 December 2010	-	-	-

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Net Book Value

At 31 December 2009	48,735	6,190	54,925
At 31 December 2010	-	-	-

Property, plant and equipment transferred to the disposal group classified as held for sale amounts to £25,722 and relates to those that are used by TSE Consulting SA. See note 13 for further details regarding disposal group classified as held for sale.

10. INVESTMENTS IN SUBSIDIARIES - COMPANY

	Investment in Subsidiaries £
Cost and Net Book Value at 1 January 2009 and 31 December 2009	2,197,326
Impairment	(1,939,759)
Cost and Net Book Value at 31 December 2010	257,567

In the opinion of the directors, the aggregate value of the investments in subsidiaries is not less than the amount at which it is stated above and in the statement of financial position.

On 23 November 2010, the Board announced a refocusing of the Company's strategy from that of an international sports consultancy business, to one of building an international communications and marketing business. Subsequently on 13 April 2011 the Company completed the disposal of TSE Consulting SA for a total consideration of CHF 450,000 to Lars Haue-Pedersen and others. Lars Haue-Pedersen was a director of the Company.

At 31 December 2010 the subsidiaries were as follows:

Name of subsidiary	Country of Incorporation	Percentage shareholding	Principal activities during year
Wilton International Consulting Limited	England & Wales	100%	Dormant
TSE Consulting SA	Switzerland	100%	International sports consultancy

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11. TRADE AND OTHER RECEIVABLES - GROUP

	2010	2009
	£	£
Trade debtors: Gross	-	633,613
Less: provision for impairment of trade receivables	-	(199,382)
	-	434,231
Other debtors	139,822	5,661
Prepayments	6,250	1,642
	146,072	441,534

TRADE AND OTHER RECEIVABLES - COMPANY	2010	2009
	£	£
Other debtors	139,822	518
Prepayments	6,250	1,642
Amounts owed by group undertakings	-	46,550
	146,072	48,710

The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

Other debtors include £50,000 unpaid share capital (2009 : £nil)

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12. TRADE AND OTHER PAYABLES - GROUP

	2010	2009
	£	£
Trade payables	158,133	196,907
Taxes and social security costs	-	1,564
Other payables	-	15,004
Accrued expenses	27,500	158,140
	185,633	371,615

TRADE AND OTHER PAYABLES - COMPANY

	2010	2009
	£	£
Trade payables	158,133	30,124
Other payables	-	15,004
Accrued expenses	60,000	21,216
	218,133	66,344

Trade and other payables principally comprise amounts outstanding for trade purchases and on-going costs. The Directors consider that the carrying amount of trade payables approximates their fair value.

13. NON CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS - GROUP

The assets and liabilities related to TSE Consulting SA have been presented as held for sale following the approval of the shareholders on 20 December 2010 to sell the international sports consultancy business. The completion date for the transaction was on 13 April 2011.

Cashflows	2010	2009
	£	£
Operating cash flows	(332,539)	94,102
Investing cash flows	-	(60,645)
	(332,539)	(33,457)

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Assets of disposal group classified as held for sale	2010	2009
	£	£
Property, plant and equipment	25,722	-
Intangible assets	380,748	-
Other current assets	431,809	-
	838,279	-

Liabilities of disposal group classified as held for sale	2010	2009
	£	£
Trade and other payables	580,712	-

Cumulative income and expense recognised in other comprehensive income relating to disposal group classified as held for sale

	2010	2009
	£	£
Foreign exchange translation adjustments	980,694	-

Analysis of the result of discontinued operations and result recognised on the measurement of assets or disposal group is as follows:

	2010	2009
	£	£
Revenue	1,236,889	1,577,617
Expenses	(1,513,935)	(1,639,243)
Loss before tax of discontinued operations	(277,046)	(61,626)
Tax	(1,506)	45
Loss after tax of discontinued operations	(278,552)	(61,581)
Loss recognised on the re-measurement of assets of disposal group	(2,364,695)	-
Loss for the year from discontinued operations	(2,643,247)	(61,581)

In accordance with the requirements of IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' the comparative figures included in the Consolidated Statement of Comprehensive Income have been restated.

14. FINANCIAL INSTRUMENTS - RISK MANAGEMENT

The Group and the Company in principle do not use or trade in derivative financial instruments.

Financial assets categorised as loans and receivables	Notes	Group 2010 £	Group 2009 £
Trade and other receivables	11	146,072	441,534
Cash and cash equivalents		2,200,501	48,997
		2,346,573	490,531
Financial liabilities measured at amortised cost			
Trade payables	12	158,133	196,907
Other payables	12	27,500	173,144
Taxes and social security	12	-	1,564
		185,633	371,615

Financial assets categorised as loans and receivables	Notes	Company 2010 £	Company 2009 £
Trade and other receivables	11	146,072	48,710
Cash and cash equivalents		2,200,501	18,135
		2,346,573	66,845
Financial liabilities measured at amortised cost			
Trade payables	12	158,133	30,124
Other payables	12	60,000	36,220
		218,133	66,344

The main risks arising from the financial instruments of the Group and of the Company are credit risk, fair value interest rate risk and liquidity risk. The Board reviews and agrees policies for managing these risks and they are summarised below. These policies have remained unchanged throughout the financial period.

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Credit risk

The exposure to credit risk of the Group and of the Company is limited to the carrying values of financial assets recognised at the statement of financial position date, as summarised below:

	Group 2010 £	Group 2009 £
Classes of financial assets - carrying amount		
Cash and cash equivalents	2,200,501	48,997
Trade and other receivables	146,072	441,534
	2,346,573	490,531

	Compan y 2010 £	Company 2009 £
Classes of financial assets - carrying amount		
Cash and cash equivalents	2,200,501	18,135
Trade and other receivables	146,072	48,710
	2,346,573	66,845

The maximum exposure to credit risk in relation to trade receivables is equivalent to the year end balance. It is the policy of the Group and of the Company to assess the credit risk of its customers. The Group and the Company closely monitor the credit worthiness of customers and other counterparties, and will require an advance payment if necessary. The Group and the Company will terminate business with a customer with a poor credit history.

The Directors consider that all the above financial assets that are not impaired for each of the reporting dates under review are of good credit quality, based on financial information and past trading history, including those that are past due.

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Neither the Group nor the Company are exposed to any significant credit risk exposure to any single counterparty or Group of counterparties having similar characteristics. The credit risk for cash and cash equivalents is considered negligible since the counterparties are reputable banks with high quality external credit ratings.

Liquidity risk

The objectives of the Group and of the Company are to maintain a balance between continuity of funding and flexibility through cash pooling and shareholder funding. The Group monitors its liquidity risk on an ongoing basis by undertaking rigorous cash flow forecasting procedures.

The financial liabilities of the Group and of the Company have contracted maturities, which are summarised below:

	Group 2010 £	Group 2010 £	Group 2009 £	Group 2009 £
	Within 6 months	6 to 12 Months	Within 6 months	6 to 12 months
Trade Payables	158,133	-	196,907	-

	Company 2010 £	Company 2010 £	Company 2009 £	Company 2009 £
	Within 6 months	6 to 12 months	Within 6 months	6 to 12 months
Trade Payables	158,133	-	30,124	-

Fair value interest rate risk

The Group and the Company finance themselves using their own cash balances which comprise cash and short-term deposits, and therefore has no significant fair value interest rate risk.

15. SHARE CAPITAL

	2010	2009
	£	£
Allotted, called up and fully paid:		
3,725,600,000 (2009: 809,600,000) Ordinary shares of 0.1p each	3,725,600	809,600
	0	
72,000,000 Deferred shares of 0.9p each	648,000	648,000
	4,373,600	1,457,600
	0	

On 17 December 2010 the following Ordinary shares were issued:

1. 2,750,000,000 Ordinary shares of 0.1p each at 0.1p were issued at a Placing.
2. 16,000,000 Ordinary shares of 0.1p each were issued as part of deferred consideration shares agreed on 20 August 2007 relating to the acquisition of TSE Consulting SA. The shares were issued equally to Robin Courage and Lars Haue-Pedersen, both former Directors of the Company.
3. 150,000,000 Ordinary shares of 0.1p were issued to the new Director, David Wright in settlement of fees due under a consultancy agreement. These shares will be held in an escrow account and will revert back to the Company if David's service contract is terminated within 24 months of its commencement date.

Deferred Shares

The special rights, privileges, restrictions and limitations attached to the Deferred shares are as follows:

- a) A holder of Deferred shares shall have no right to receive notice of or to attend or vote at any General meeting of the company.
- b) A holder of Deferred shares shall have no right to receive any dividend or distribution
- c) A holder of Deferred shares shall on a return of capital in a liquidation, but not otherwise, be entitled to receive only the amount credited as paid up on each share but only after the holder of each Ordinary share shall have received the amount paid up or credited as paid up on such share, together with a payment of 0.1 pence per share but the holders of Deferred shares shall not be entitled to any further participation in the assets or profits of the Company.

Warrants

Neil McClure's, a former Director of the Company, 8,800,000 Warrants expired during the year.

Beaumont Cornish Limited currently holds 7,500,000 Warrants. Each Warrant entitles Beaumont Cornish to receive, upon exercise of the Warrants, one Ordinary Share at an exercise price of 0.85p per Ordinary Share. The Warrants may be exercised at anytime before the expiry of a five year period from the date of grant.

16. LOSS PER SHARE - GROUP

The basic loss per share is calculated by dividing the loss for the financial year attributable to shareholders by the weighted average number of Ordinary shares in issue during the year.

	2009	2009
	Number	Number
Weighted average number of shares (ordinary)	913,457,534	809,600,000
Weighted average number of shares (dilutive)	913,457,534	809,600,000
	£	£
Loss for the year attributable to equity holders of the Company	(3,166,351)	(165,840)
Loss from continuing operations attributable to equity holders of the Company	(523,104)	(104,259)
Loss from discontinued operations attributable to equity holders of the Company	(2,643,247)	(61,581)
Basic loss per share	(0.347p)	(0.020p)
Basic loss per share from continuing operations	(0.057p)	(0.013p)
Basic loss per share from discontinued operations	(0.289p)	(0.007p)

In the current year the basic and diluted loss per share is the same, as the exercise of share options and warrants would increase the loss per share and is therefore, anti-dilutive. Details of the options and warrants which are outstanding and potentially dilutive are given in note 19.

17. RELATED PARTY TRANSACTIONS

GROUP AND COMPANY

During the year the Company was invoiced by Diablo Consulting Limited and Wilton International Marketing Limited, companies of which both Adam Reynolds and Paul Foulger are Directors for directors fees, administration and consulting fees of £41,000 (2009: £39,000). In addition £240,000 was invoiced by Wilton International Marketing Limited for consultancy services during the year and £24,800 for services in relation to the issue of shares. At the year end £5,004 balance existed within trade payables (2009: £nil).

During the year the Company was invoiced £12,000 (2009: £12,000) by CICS Limited, a company of which Brian Blasdale is a Director, for Director's fees earned. At the year end a balance existed within trade payables of £16,000 (2009 - £4,000).

Matham Investments Limited, a company of which David Wright has an interest, invoiced the company £150,000 in consultancy fees which have been settled by the issue of 150 million 0.1p Ordinary shares. The balance owed at the year end was £26,250 being the VAT balance only.

Hub Capital Partners Limited, a company of which Adam Reynolds and Paul Foulger are directors, invoiced the company £75,000 for corporate finance advice in the year which has been set off against the share premium account. The balance owed at the year end was £nil.

Made in Isle of Wight Limited, a company of which Robin Courage is a director, invoiced the company £17,500 in the year in respect of consultancy fees for Robin Courage. The balance owed at the year end was £nil. Included in accrued expenses is £32,500 invoiced post year end by Made in Isle of Wight Limited in respect of consultancy fees for Robin Courage.

18. PROFIT ACCOUNTED FOR IN THE PARENT COMPANY

As permitted under Section 408 of the Companies Act 2006, the statement of comprehensive income of the parent Company is not presented as part of the financial statements. The company's loss for the year was £2,550,531 (2009 - £145,803).

19. SHARE BASED PAYMENTS

As at 31 December 2010, the following share options and warrants were outstanding over the Ordinary shares of the Company.

	Date of grant	Vesting date	Expiry date	Balance at 31 December 2010 Number	Exercise price Pence	Fair value of option at grant date Pence
Warrants						
2007 Warrants	26/07/07	26/07/07	26/07/12	7,500,000	0.85p	0.0p
Total warrants outstanding				7,500,000		
Share option scheme:						
2007 Options	21/08/07	21/08/09	21/08/17	4,500,000	1.00p	0.325p
2009 Options	18/02/09	18/02/11	18/02/14	26,000,000	0.23p	0.735p
Total share options outstanding				30,500,000		
Total equity instruments outstanding				38,000,000		

In February 2009, the Company awarded in aggregate options over 26 million New Ordinary Shares to key employees of its wholly owned subsidiary, TSE Consulting SA, in accordance with the terms of the Company's share option scheme. The options will vest on 18 February 2011 and must be exercised on or before 18 February 2014 at an exercise price of 0.23p per Ordinary share. On 13 April 2011 these options were cancelled on the disposal of the TSE Consulting SA.

The exercise price of the warrants is the lowest average closing price for a preceding quarter or the current exercise price, whichever is the lower.

The fair value of share options and warrants at grant date has been determined using the Black-Scholes formula. The assumptions and other inputs used in the models in respect of share options issued during the year were as follows:

	Share option scheme 2007	Share option scheme 2009
Share price on date of grant	0.395p	0.20p
Exercise price	1.00p	0.23p
Expected volatility	30%	30%
Expected dividends	Nil	Nil
Option life	3 years	5 years
Risk free interest rate	5.0%	5.0%

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At the dates of issue of shares under the various share option schemes, there was insufficient historical data to calculate a reliable estimate of expected share volatility in respect of the Company itself and accordingly expected volatility has been based on the average volatility of a range of similar UK listed companies operating in similar markets.

The following tables reconcile the outstanding warrants and share options granted under the employee share option schemes at the beginning and end of the financial year.

	Number 2010	Weighted average exercise price 2010	Number 2009	Weighted average exercise price 2009
Balance at beginning of the financial year	46,800,000	0.38p	37,300,000	0.76p
Granted during the year	-	-	32,000,000	0.23p
Cancelled	(8,800,000)	0.10p	(22,500,000)	0.79p
Balance at end of the financial year	38,000,000	0.44p	46,800,000	0.38p
Exercisable at end of the financial year	38,000,000	0.44p	20,800,000	0.56p

No warrants were exercised during the year.

20. The Company's Annual General Meeting will be held at 35 New Broad Street, London EC2M 1NH on 26 July 2011 at 10.00 am.