PORTA COMMUNICATIONS PLC

(FORMERLY KNOWN AS TSE GROUP PLC)

Report and Accounts

For the year ended 31 December 2010

Contents

Company Information

Directors:	Adam Reynolds David Wright (Appointed on 17 December 2010) Paul Foulger Brian Blasdale Lars Haue-Pedersen (Resigned on 22 November 2010) Robin Courage (Resigned on 17 December 2010)
Secretary:	Paul Foulger
Registered Office:	14 Kinnerton Place South London SW1X 8EH
Registered Number:	05353387 (England & Wales)
Auditors:	Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD
Bankers:	Coutts & Co 440 Strand London WC2R 0QS
Nominated Advisor and Broker:	Zeus Capital Limited 3 Ralli Courts West Riverside Manchester M3 5FT

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.

Discussions are on-going 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

Report of the Directors

For the year ended 31 December 2010

The Directors have pleasure in presenting their report and audited financial statements for the year ended 31 December 2010.

Directors

Adam Reynolds, Executive Chairman

Adam began his career as a stockbroker in 1980, working first with Rowe Rudd and then Jacobson & Townsley as a commission salesman. In 1983, he established the London office of John Siddall & Son, becoming a director in 1987. In 1988, he brokered the sale of that office to Branston & Gothard, where he headed up the UK equity sales team that he had brought with him for the next five years. He remained at Branston & Gothard as a UK equity salesman until 1998, when he joined Basham & Coyle, a financial PR firm, as a director in charge of investor relations, specialising in developing the PR strategies of smaller companies. In February 2000 he established Hansard Group plc, a financial PR firm, listing it on AIM in November 2000, before successfully leading a management buy-out of the business in 2004 at which time Hansard group acquired a major division of Energem Resources Inc. which changed its name to FirstAfrica Oil plc. Adam also holds other directorships including EKF Diagnostics Holdings Plc, Wilton International Marketing Limited and Diablo Consulting Limited.

David Wright, Chief Executive

David began his career as a journalist and left the Financial Times in 1978 to start a new career in Financial Public Relations. He became Chief Executive of Streets Financial Strategy from 1986 to 1988 before establishing Citigate in late 1988. In 1997 he reversed Citigate into Incepta plc. David became Chief Executive of the enlarged Group later becoming Chairman. Between 1997 and 2003 when David left Incepta plc he built the largest international financial communications company in the world through a series of key acquisitions and an active recruitment programme.

Paul Foulger, Finance Director

Paul has considerable public and private company experience, having been a director of a number of successful businesses as well as being involved in a large variety of corporate transactions over the years. Paul previously worked in the publishing industry with Harper Collins Publishers and subsequently became Finance Director at Elsevier Science, a subsidiary of Reed Elsevier plc. He led a management buy-out of previously quoted financial communications group Hansard in 2004, of which he remains a Director. He holds several other Directorships including EKF Diagnostics Holdings Plc, Wilton International Marketing Limited and Diablo Consulting Limited. Paul is a qualified certified accountant and holds an MBA from Warwick Business School.

Brian Blasdale, Non-Executive Director

Following an early career with P&O Shipping Company, Brian held a number of senior sales & marketing roles with blue chip companies including Kodak Limited. Thereafter he formed his own IT outsourcing company, achieving success in attracting a number of major blue chip companies as clients. Subsequently he co-founded I-B Net Limited, which was listed on the AIM market as Deal Group plc in March 2000. Since this time Brian has actively been involved with a number of companies as Chairman and non-executive director for and on behalf of Lloyds Development Capital Private Equity (“LDC”).

Principal activity

On 17 December 2010 the principal activity of the Group changed from that of an international sports consultancy business to one of building an international communications and marketing business.

Report of the Directors (continued)

For the year ended 31 December 2010

Business review

As a result of the shareholders' approval of the change in the Group's strategy and in accordance with International Financial Reporting Standards, the Group's main business in 2010 of an international sports consultancy is shown as a discontinued operation. Consequently the consolidated statement of comprehensive income comparative figures have been restated to reflect such a change of strategy.

As a result of the change in Group strategy the Directors consider that a Group operating and financial review would be of limited value as it would report the operating costs of the holding company only.

Operational costs

During the year the Group incurred operational costs of £523,142 (2009: £104,917). The operational costs also include a one off consultancy fee payable to one of the Directors, David Wright, of £150,000. David was paid by the issue of 150,000,000 Ordinary shares of 0.1p in lieu of the consultancy fee and will be held in an escrow account and will revert back to the Company if David's service contract is terminated before 16 December 2012.

Discontinued operations

The Group incurred a loss of £2,643,247 (2009: £61,581) from discontinued operations of the international sports consultancy business. These are mainly made up of a pre-tax loss of £517,046 (2009: £61,626), loss on impairment of goodwill of £2,277,076 (2009: £nil) and the costs of disposal of the business of £87,619 (2009: £nil).

Loss before income tax

The Group generated a loss before income tax of £523,104 (2009: £104,259). The consolidated statement of comprehensive income for the year is set out on page 16.

Consolidated statement of financial position

The Group had cash and cash equivalents at 31 December 2010 of £2,200,501 (2009 – £48,997).

Assets and liabilities held for sale

The assets and the liabilities of the international sports consultancy business have been classified separately in the consolidated statement of financial position in accordance with the International Financial Reporting Standard. A net amount of £257,567 was receivable on disposal of the international sports consultancy business. The disposal proceeds were received on 13 April 2011.

Future Outlook

The Chairman's statement on page 3 gives information on the future outlook of the Group.

Key Performance Indicators ("KPIs")

The Group intends to disclose key performance indicators in due course once it has established itself in the international communications and marketing business. The Group does not use and does not at present intend to use non-financial key performance indicators.

Going concern

As a result of the change of strategic focus the Company raised £2.75m before costs through a share issue prior to the year end. The Group's forecast and projections, taking account of reasonable changes in achieving the objectives set at the General Meeting, show that the Group should be able to operate within the level of its current financial means, for at least twelve months from the signing of these financial statements.

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Therefore the Company and the Group continue to adopt the going concern basis in preparing the financial statements.

Report of the Directors (continued)

For the year ended 31 December 2010

Principal risks and uncertainties

The Directors identified a number of risks which they believe may affect the Group's ability to deliver its strategic goals. The Directors are of the opinion that, in general, the risks identified are relevant to the change in business. A list of these risks is given below. This list does not purport to be an exhaustive summary of the risks affecting the Group, is given in no particular order of priority and contains risks considered to be outside the control of the Directors.

- ***Future Acquisitions***

  The new strategy agreed at the General Meeting on 17 December 2010 stated that the Directors intend to grow the Group through acquisitions. There can be no guarantee that the Directors will be able to agree the acquisitions of further suitable companies and/or businesses on acceptable terms or any guarantee that the Group will be able to raise sufficient future finance at such time. Insofar as the Directors do agree further acquisitions on behalf of the Group, while they will seek to protect the Group by conducting full due diligence and agreeing suitable warranties and indemnities from the vendors, there can be no assurance that such new acquisitions could be successfully integrated into the enlarged Group. Finally, under the AIM Listing Rules, acquisitions over a certain size would constitute a reverse takeover, and therefore in the event that the Group announced such an acquisition prior to the publication of an admission document, the Company's Ordinary Shares would be suspended from trading on AIM.

- ***Management of Growth***

  The ability of the Group to implement its strategy requires effective planning and management control systems. The speed at which the business develops may place a significant strain on the Group's management, operational, financial and personnel resources. Failure to expand and improve operational, financial and management information and quality control systems in line with the Group's growth could have a detrimental impact on the trading performance of the Group. In mitigation the Group has an experienced management team and a clear strategy for the integration and management of the expected business growth.

- ***Attraction and Retention of Key Employees***

  The Group will depend on the continued service and performance of the new Chief Executive Officer and the Executive Directors and whilst it has entered into or will enter into, contractual arrangements with these individuals with the aim of securing the services of each of them, retention of these services cannot be guaranteed. The loss of the services of the Chief Executive Officer or other key employees could damage the Group's business. Equally the ability to attract new employees and senior executives with the appropriate expertise and skills cannot be guaranteed. The Group may experience difficulties in hiring appropriate employees and the failure to do so may have a detrimental effect upon the trading performance of the Group.

- ***Future Funding***

  Whilst the Directors have no current plans for raising additional capital as the working capital available to the Group will be sufficient for its present requirements, it is possible that the Company will need to raise extra capital in the future to develop fully the Group's business or to take advantage of future acquisition opportunities. No assurance can be given that any such additional financing will be available or that, if available, it will be available on terms favourable to the Company or the Shareholders.

  If further financing is obtained by issuing equity securities or convertible debt securities, the Shareholders' holdings of Ordinary Shares may be diluted and the new securities may carry rights, privileges and preferences superior to the Ordinary Shares. The Directors may seek debt finance to fund all or part of any future acquisition. There can be no assurance that the Company will be able to raise those debt funds, whether on acceptable terms or at all. If debt financing is obtained, the Company's ability to raise further finance and its ability to operate its business may be subject to restrictions.

  A number of factors (including changes in interest rates, conditions in the banking market and general economic conditions which are beyond the Company's control) may make it difficult for the Company to obtain new financing on attractive terms or even at all. If the Company's borrowings become more expensive, then the Company's profits will be adversely affected.

Report of the Directors (continued)

For the year ended 31 December 2010

Environment

The Directors consider that the nature of the Group's activities during the current business development stage is not inherently detrimental to the environment.

Dividends

The Directors do not propose to pay a dividend for the year ended 31 December 2010 (2009: £nil).

Directors' interests

The Directors who served the Company during the year together with their interests (including family interests) in the shares of the Company were as follows:

	Ordinary shares of 0.1p each	
	31 December 2010	*31 December 2009*
Adam Reynolds*	**58,441,295**	58,441,295
David Wright	**150,000,000**	150,000,000
Paul Foulger*	**58,441,296**	58,441,296
Brian Blasdale	**58,333,333**	8,333,333

* Adam Reynolds and Paul Foulger are also interested 200,000,000 Ordinary shares of 0.1p each through their 50% each interest in the share capital of Wilton International Marketing Limited.

Lars Haue-Pedersen and Robin Courage were also Directors during the year.

Report of the Directors (continued)
For the year ended 31 December 2010

Substantial shareholdings

As at 28 June 2011 notification has been received of the following interests in 3% or more of the issued share capital of the Company:

Name	*Number of Ordinary shares held*	*Percentage*
Barclayshare Nominees Limited	352,194,775	9.45%
Pershing Nominees Limited	315,698,595	8.47%
Prism Nominees Limited	301,000,000	8.08%
TD Waterhouse Nominees Europe Limited	290,403,377	7.79%
JIM Nominees Limited	247,803,377	6.65%
JM Finn Nominees Limited	231,733,333	6.22%
HSDL Nominees Limited	155,795,663	4.18%
James Capel Nominees Limited	148,726,400	3.99%
Pershing Nominees Limited	148,250,000	3.98%
HSDL Nominees Limited	140,345,540	3.77%
L R Nominees	126,779,971	3.40%

Creditor payment policy

The Group's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Trade creditor days based on creditors at 31 December 2010 were 30 days (2009: 30 days).

Charitable and political donations

The Group made no charitable or political donations during the year (2009: £nil).

Auditors

Kingston Smith LLP have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act 2006 it is proposed that they be re-appointed as auditors of the Company for the ensuing year.

Directors Indemnity Insurance

As permitted by Section 233 of the Companies Act 2006, the Company has purchased insurance cover on behalf of the Directors indemnifying them against certain liabilities which may be incurred by them in relation to the Company.

Report of the Directors (continued)
For the year ended 31 December 2010

Disclosure of information to the auditors

The Directors who hold office at the date of approval of this report confirm that so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make him aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations and International Financial Reporting Standards as adopted by the European Union.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and Parent Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the Company and of the profit or loss of the Company and Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to assume the Group and Company will continue in business.

The Directors confirm that they have complied with the above requirements.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Corporate Governance

The Company's statement of corporate governance can be found in the Corporate Governance Report on pages 11 to 13 of these financial statements. The Corporate Governance Report forms part of this Directors' Report and is incorporated into it by cross-reference.

Annual General Meeting

A notice convening the Annual General Meeting to be held on 26 July 2011 at 10am is enclosed with this report.

Report of the Directors (continued)

For the year ended 31 December 2010

Recommendation

The Board considers that the resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and it is unanimous recommendation that shareholders support these proposals as the Board intends to do in respect of their own holdings.

The Report of the Directors was approved by the Board on 29 June 2011 and signed on its behalf by:

Paul Foulger

Director

Corporate Governance Report

For the year ended 31 December 2010

Compliance

The directors recognise the value of the Principles of the Combined Code on Corporate Governance ("the Combined Code"). Although, as an AIM company, compliance with the Combined Code is not required the Group seeks to apply the Combined Code when practicable and appropriate for a Group of its size.

The following statement describes how the Group as at 31 December 2010 sought to address the principles underlying the Combined Code.

Board composition and responsibility

The Board consists of two executive Directors together with an Executive Chairman and one Non-Executive Director. All Directors are equally accountable for the proper stewardship of the Group's affairs.

In broad terms, the on-going remit of the Board is as follows:-

- Approval of the Group's annual budgets and forecasts and ongoing review of Group strategy and performance;
- Approval of the annual report and any statements made therein;
- Approval of any significant changes in accounting policies and practices;
- Appointment or removal of directors or the Company Secretary;
- Approval of appointment of senior staff and setting of their remuneration;
- Approval of any material expenditure or capital commitments;
- Ensure maintenance of robust systems of internal control – including all operating and financial systems through annual review and assessment;
- Review of the Board's own effectiveness; and
- Ensure continued compliance with any regulatory requirements.

The Non-Executive Director has a particular responsibility to scrutinize and assess the strategy proposed by the executive management, to evaluate performance, business risk and the integrity of financial information and controls, and to ensure appropriate remuneration and succession arrangements are put in place for the Executive Directors.

After careful review, giving particular consideration to the provision of the Combined Code in respect of the independence of Non-Executive Directors, the Board has concluded that Brian Blasdale, as the only Non-Executive Director at the date of signing the consolidated statement of financial position is independent in character, judgement and opinion.

Chairman's commitments

The commitments of the Chairman outside those relating to the Company are given in detail in the Board of Directors on page 4. The Chairman's commitments have not materially changed during the year.

Policy on election

Directors are required to offer themselves for election every 3 years and at least one third of the Board must offer itself for re-election each year.

At the forthcoming Annual General Meeting on 26 July 2011, David Wright and Paul Foulger will be offering themselves for re-election and their biographical details are given on page 4.

Corporate Governance Report (continued)

For the year ended 31 December 2010

Board meetings

Seven board meetings were held during the year. The Directors' attendance record during the year is as follows:-

Adam Reynolds – *Executive Chairman*	7
Paul Foulger – *Executive*	7
Lars Haue-Pedersen – *Executive* (resigned on 22 November 2010)	4
Robin Courage – *Executive* (resigned on 17 December 2010)	3
Brian Blasdale – *Non-Executive*	7
David Wright – *Executive* (appointed 17 December 2010)	1

Audit Committee

The Audit Committee is chaired by Brian Blasdale and comprises Paul Foulger and Brian Blasdale. Brian Blasdale is the senior Independent Director and has recent and relevant finance experience. The Audit Committee determines the terms of engagement of the Group's and Company's auditors and determines, in consultation with the Group's and Company's auditors, the scope of audits. It receives and reviews reports from management and the Group's auditors relating to the interim and annual accounts and the accounting and internal control systems in use by the Group. The Board has adopted a policy for the periodic review of the auditors' objectivity and independence.

The Audit Committee met once during the year in order to fully review the 2009 findings as well as the audit scope and process for the 2010 audit.

The Board considers that given the relative size of the Group and the relative costs and benefits that would ensue, there is no necessity for the Group to operate an internal audit function.

Remuneration Committee

The Remuneration Committee is chaired by Brian Blasdale and comprises Adam Reynolds and Brian Blasdale. The Remuneration Committee reviews the scale and structure of both the Executive Directors' and other key employees' future remuneration and the terms of their service agreements with due regard to the interests of shareholders.

The Remuneration Committee met once during the year in order to review the scale and structure of the share options for key employees and the pay for the new Chief Executive Officer.

Board appointments

The appointment of Directors is overseen by the full Board. There is no formal Nominations Committee, the appointment of new Directors being considered by the full Board.

Internal control and risk

The Directors are responsible for establishing and maintaining the Group's system of internal control and reviewing its effectiveness. By its nature, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Group continually reviews its internal controls and procedures and corrective actions taken to mitigate risks are identified and implemented where thought necessary.

Corporate Governance Report (continued)
For the year ended 31 December 2010

Board effectiveness

For the time being, the Board itself considers its effectiveness, and that of its committees and Directors, on an ongoing basis. It considers this appropriate to a company of this size.

Shareholder communication

The Board encourages regular dialogue with the Group's shareholders and has a policy of making itself available to shareholders at the Annual General Meeting to which all shareholders are invited to attend. The Non-Executive Director is regularly briefed by executive management on developments within the Group in order to facilitate his continued understanding of the Group's products and processes.

Corporate social responsibility

The Board recognises that it has a duty to be a good corporate citizen and is conscious that its business processes minimise harm to the environment, contributes as far as is practicable to the local community and takes a responsible and positive approach to employment practices.

Independent Auditors' Report

to the Members of Porta Communications Plc

We have audited the financial statements of Porta Communications Plc for the year ended 31 December 2010 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statement of Financial Position, the Consolidated and Parent Company Statement of Cash Flows, the Consolidated and Parent Company Statements of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Respective responsibilities of directors and auditors

As explained more fully in the directors' responsibilities statement set out in the Directors' report, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and Parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2010 and of the Group's loss and Group's and Parent Company's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditors' Report

to the Members of Porta Communications Plc (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Mark Twum-Ampofo
(Senior Statutory Auditor)
For and behalf of Kingston Smith LLP
Statutory Auditor
London

29 June 2011

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			
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	**(0.347p)**	(0.020p)

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			
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

The financial statements were approved by the Board of Directors and authorised for issue on 29 June 2011.

Paul Foulger

Director

Porta Communications Plc
Company registration number: 05353387

Company Statement of Financial Position

As at 31 December 2010

	Notes	*2010*	*2009*
		£	*£*
Non-current assets			
Investments in subsidiaries	10	**257,567**	2,197,326
Current assets			
Trade and other receivables	11	**146,072**	48,710
Cash and cash equivalents		**2,200,501**	18,135
		2,346,573	66,845
Current liabilities			
Trade and other payables	12	**(218,133)**	(66,344)
Net current assets		**2,128,440**	501
Total assets less current liabilities		**2,386,007**	2,197,827
Equity			
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		**(4,729,713)**	(2,187,693)
Total equity		**2,386,007**	2,197,827

The financial statements were approved by the Board of Directors and authorised for issue on 29 June 2011.

Paul Foulger

Director

Porta Communications Plc
Company registration number: 05353387

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**	–
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

Company Statement of Cash Flows

For the year ended 31 December 2010

	2010	*2009*
	£	**£**
Cash flows from operating activities		
Loss before income tax	**(2,550,531)**	(145,803)
Adjusted for:		
Impairment of investments	**1,939,759**	–
Interest received	**(38)**	(658)
(Increase)/decrease in trade and other receivables	**(47,362)**	36,253
Increase/(decrease) in trade and other payables	**151,789**	(21,232)
Share based payments	**8,511**	17,452
Net cash used in operating activities	**(497,872)**	(113,988)
Cash flows from investing activities		
Interest received	**38**	658
Net cash generated from investing activities	**38**	658
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**	–
Net increase/(decrease) in cash and cash equivalents	**2,182,366**	(113,330)
Cash and cash equivalents at 1 January 2010	**18,135**	131,465
Cash and cash equivalents at 31 December 2010	**2,200,501**	18,135

Consolidated and Company's 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
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**

Company	*Share Capital* £	*Shares to be Issued Reserve* £	*Share premium* £	*Retained losses* £	*Total equity* £
Balance at 1 January 2009	**1,457,600**	**136,000**	**2,791,920**	**(2,059,342)**	**2,326,178**
Comprehensive income					
Loss for the year	–	–	–	(145,803)	(145,803)
IFRS2 charge – credited to reserves	–	–	–	17,452	17,452
Balance at 1 January 2010	**1,457,600**	**136,000**	**2,791,920**	**(2,187,693)**	**2,197,827**
Comprehensive income					
Loss for the year	–	–	–	(2,550,531)	(2,550,531)
IFRS2 charge – credited to reserves	–	–	–	8,511	8,511
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**	**(4,729,713)**	**2,386,007**

Notes to the financial statements
For the year ended 31 December 2010

1. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation of the financial statements

The Consolidated and Company financial statements of Porta Communications Plc have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), IFRIC Interpretations and the Companies Act 2006 applicable to Companies reporting under IFRS.

The Consolidated and Company financial statements have been prepared under the historical cost convention, as modified by the revaluation of available for sale assets at fair value through income statement and share based payment, and on a going concern basis.

The financial statements have been prepared in accordance with IFRS and IFRIC interpretations issued and effective or issued and early adopted as at the time of preparing these statements.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and parent company financial statements are disclosed under accounting policies note (r).

New and amended standards adopted by the group

The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2010 and have been applied to and impacted the financial information presented:

- Improvements to IFRSs 2009- This is the second set of amendments published under the IASBs annual improvements process and incorporates minor amendments to twelve standards and interpretations. The amendments are effective for annual periods beginning on or after 1 January 2011.

- IFRS 3 (revised), 'Business combinations' and consequential amendments to IAS 27, 'Consolidated and separate financial statements', IAS 28, 'Investments in associates' and IAS 31, 'Interests in joint ventures', are effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009.

- IFRS 5 (amendment) "Non-current assets held for sale and discontinued operations". The amendment clarifies that IFRS 5 specifies the disclosures required in respect of non-current assets classified as held for sale or discontinued operations.

The following new standards, amendments to standards or interpretations are mandatory for the first time for the financial year beginning 1 January 2010, but are not currently considered to be relevant to the Group (although they may affect the accounting for future transactions and events).

- IFRIC 16 'Hedges of a net investment in a foreign operation', effective for annual periods beginning on or after 1 July 2009.

- IFRIC 17, 'Distributions of non-cash assets to owners', effective for annual periods beginning on or after 1 July 2009.

- IFRIC 18, 'Transfers of assets from customers', effective for transfer of assets received on or after 1 July 2009.

Notes to the financial statements (continued)

For the year ended 31 December 2010

- IAS 1 (amendment), 'Presentation of financial statement'. The amendment clarifies that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current.

- IAS 36 (amendment) "Impairment of assets", effective 1 January 2010 clarifies that the largest cash generating unit (or group of units) to which goodwill should be allocated for the purposes of impairment testing is an operating segment, as defined by paragraph 5 of IFRS 8, "Operating segments".

- IFRS 2 (amendments), 'Group cash-settled share based payment transactions'; was effective from 1 January 2010 and expands the guidance contained in IFRIC 11 to address the classification of group arrangements that were not covered by that interpretation.

Standards, interpretations and amendments to published standards that are not yet effective and have not been adopted early by the Group

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning 1 January 2010 and have not been early adopted:

- Improvements to IFRSs 2010 – This is the third set of amendments published under the IASBs annual improvements process and incorporates minor amendments to seven standards and interpretations. The amendments are effective for annual periods beginning on or after 1 January 2011.

- Amendments to IFRS 1 'First-time Adoption of International Financial Reporting Standards – These amendments provide limited exemption for comparative IFRS 7 disclosures for first-time adopters. The amendments are effective for annual periods beginning on or after 1 July 2010.

- Amendments to IFRS 7 'Financial Instruments: Disclosures' – These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period. The amendments are effective for annual periods beginning on or after 1 July 2011.

- IFRS 9, 'Financial instruments', issued in November 2009. This addresses the classification and measurement of financial assets and may affect the Group's accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption. The Group is yet to assess IFRS 9's full impact.

- Revised IAS 24 (revised), 'Related party disclosures', issued in November 2009. It supersedes IAS 24 (revised), 'Related party disclosures', issued in 2003. The revised IAS 24 is required to be applied from 1 January 2011 and clarifies and simplifies the definition of a related party. The Group will apply the revised standard from 1 January 2011 and when applied the Group and the parent will need to disclose any transactions between its subsidiaries.

- 'Classification of rights issues' (amendment to IAS 32), issued in October 2009. The amendment addresses the accounting for rights issues that are denominated in a currency other than the functional currency of the issuer and should be applied for annual periods beginning on or after 1 February 2010. The Group will apply the amended standard from 1 January 2011.

- IFRIC 19, 'Extinguishing financial liabilities with equity instruments'. This clarifies the requirements of IFRSs when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially. The interpretation is effective for annual periods beginning on or after 1 July 2010. The Group will apply the interpretation from 1 January 2011.

Notes to the financial statements (continued)
For the year ended 31 December 2010

- 'Prepayments of a minimum funding requirement' (amendments to IFRIC 14), issued in November 2009. The amendments are effective for annual periods beginning 1 January 2011.

(b) Basis of consolidation

The consolidated statement of comprehensive income and statement of financial position include the financial statements of the Company and its subsidiary undertakings made up to 31 December 2010. The results of subsidiaries sold or acquired are included in the consolidated statement of comprehensive income up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

A subsidiary is an entity controlled, directly or indirectly, by Porta Communications Plc. Control is regarded as the power to govern the financial and operating policies of the entity so as to obtain the benefits from its activities.

(c) Going concern

As a result of the change of strategic focus the Company raised £2.75m before costs through a share issue prior to the year end. The Group's forecast and projections, taking account of reasonable changes in achieving the objectives set at the General Meeting, show that the Group should be able to operate within the level of its current financial means for at least twelve months from the signing of these financial statements.

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for foreseeable future. Therefore the Company and the Group continue to adopt the going concern basis in preparing the financial statements.

(d) Foreign currency translation

Amounts included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

The consolidated financial statements are presented in pounds sterling, the Company's functional and presentation currency. Transactions in foreign currencies are translated into the functional currency using the exchange rate prevailing at the date of the transaction. Foreign exchange gains and losses resulting from settlement of such transactions, and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement except when deferred in equity as qualifying cash flow and net investment hedges.

The results and financial position of all Group companies that have a functional currency other than sterling are translated as follows:

- income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rate prevailing on the transaction date, in which case income and expenses are translated at the date of the transaction);
- assets and liabilities are translated at the closing exchange rate at the balance sheet date; and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and from borrowings and other currency instruments designated as hedges of such investments, are taken to equity. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale. Goodwill and fair value adjustments on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rate.

Notes to the financial statements (continued)
For the year ended 31 December 2010

(e) Revenue and revenue recognition

Revenue represents the turnover, net of discounts, derived from services provided to and invoiced to customers. Long-term contracts are accounted for in accordance with the contractual terms either on a percentage of completion basis or on a time as incurred basis.

Both fee income and recharged costs are billed in the period in which the work was completed or the costs incurred. Where there are exceptions to this income is deferred or accrued as necessary. For projects falling over the financial year end, income is recognised to reflect the partial performance of the contractual obligations.

(f) Intangible assets – Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the identifiable net assets (including intangible assets) of the acquired subsidiary, associate or joint venture at the date of acquisition.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill and intangibles on acquisition of associates and joint ventures is included in the carrying value of the investment. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on disposal of an entity include the carrying amount of goodwill relating to the entity or investment sold.

(g) Investments

The Group classifies its investments depending on the purpose for which the investments were acquired. Management determines the classification of its investments on purchase and re-evaluates this designation at every reporting date. Fixed asset investments in subsidiaries are shown at cost less any provision for impairment.

(h) Provisions

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(i) Property, plant and equipment

Property, plant and equipment are stated at cost, net of depreciation and provision for any impairment. Depreciation is calculated to write down the cost of all tangible fixed assets to estimated residual value by equal annual instalments over their expected useful lives as follows:

IT equipment	25% reducing balance
Office furniture and machinery	25% reducing balance

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in the statement of comprehensive income.

Notes to the financial statements (continued)

For the year ended 31 December 2010

(j) Impairment of assets

Non-current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use is based on the present value of the future cash flows relating to the asset, and is determined over periods which are deemed to appropriately reflect the minimum expected period that the cash generating unit will operate for. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

(k) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows. The amount of the provision is recognised in the statement of comprehensive income.

(l) Cash and cash equivalents

Cash and cash equivalents comprise current bank balances which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. This definition is also used for the cash flow statement.

(m) Leasing commitments

Leases where the lessor retains a significant portion of the risks and rewards of ownership are classified as operating leases. Rentals payable under operating leases (net of any incentives received) are charged to the statement of comprehensive income on a straight-line basis over the lease term.

(n) Finance costs

Finance costs, which include interest, bank charges and the unwinding of the discount on deferred consideration, are recognised in the statement of comprehensive income in the year in which they are incurred.

(o) Share capital and share premium

Ordinary shares are classified as equity.

Share premium represents the amounts received in excess of the nominal value of the ordinary shares less costs of the shares issued and is classified as equity.

(p) Pensions and similar obligations

The Group operates a defined benefit plan. It is a multi employer plan and the assets of the scheme are not directly attributable to an individual employee. In accordance with IAS 19 this scheme has been accounted for as if it were a defined contribution scheme. Payments to defined contribution pension plans are charged as an expense to the income statement, as incurred, when the related employee service is rendered. The Group has no further legal or constructive payment obligations once the contributions have been made.

Notes to the financial statements (continued)
For the year ended 31 December 2010

(q) Taxation including deferred taxation

Tax on Company profits is provided for at the current rate applicable in each of the relevant territories.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. This is reviewed annually.

(r) Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- ***Estimated impairment of goodwill***

  Goodwill is subject to an impairment review both annually and when there are indications that the carrying value may not be recoverable, in accordance with the accounting policy stated above. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations which require the use of estimates.

- ***Deferred taxation***

  Deferred tax assets are recognised to the extent that the Group believes it is probable that future taxable profit will be available against which temporary timing differences and losses from previous periods can be utilised. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred tax asset is realised.

(s) Share-based payments

The Group makes equity-settled and cash-settled share-based payments to its employees. Equity-settled share-based awards are measured at fair value at the date of grant using an options pricing methodology and expensed over the vesting period of the award. At each statement of financial position date, the Group reviews its estimate of the number of options that are expected to vest. Cash-settled share-based payments are accrued over the vesting period of the award, based on the current fair market value at each balance sheet date. When share options are exercised, the proceeds received, net of any transaction costs, are credited to share capital (nominal value) and share premium.

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.

Notes to the financial statements (continued)
For the year ended 31 December 2010

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 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

Notes to the financial statements (continued)
For the year ended 31 December 2010

6. Finance income and costs

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

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:

	2010	2009
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)
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.

Notes to the financial statements (continued)

For the year ended 31 December 2010

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	–	–	–
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.

Notes to the financial statements (continued)
For the year ended 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. 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

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)

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

Notes to the financial statements (continued)
For the year ended 31 December 2010

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)

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**	–

Notes to the financial statements (continued)
For the year ended 31 December 2010

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

Notes to the financial statements (continued)
For the year ended 31 December 2010

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.

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

	Company 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.

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.

Notes to the financial statements (continued)
For the year ended 31 December 2010

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

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

	Company 2010 £ Within 6 months	*Company 2010 £ 6 to 12 Months*	*Company 2009 £ Within 6 months*	*Company 2009 £ 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
72,000,000 Deferred shares of 0.9p each	**648,000**	648,000
	4,373,600	1,457,600

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.

Notes to the financial statements (continued)
For the year ended 31 December 2010

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 *Number*	*2009* *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 and administration 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 payable (2009: £nil).

Notes to the financial statements (continued)

For the year ended 31 December 2010

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 payable 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.

Notes to the financial statements (continued)
For the year ended 31 December 2010

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%

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.

PORTA COMMUNICATIONS PLC (the "Company")

(incorporated and registered in England and Wales with registered number 05353387)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting (AGM) of Porta Communications plc (Company) will be held at 35 New Broad Street, London EC2M on 26 July 2011 at 10 a.m. for the following purposes:

Ordinary Business

Resolution 1

THAT the Audited Accounts for the 12 months ended 31 December 2010, together with the Directors' Report and Auditors' Report thereon, be received and adopted.

Resolution 2

THAT Kingston Smith LLP be re-appointed as auditors of the Company and the Directors be authorised to fix their remuneration.

Resolution 3

THAT Paul Foulger be re-elected as a Director of the Company retiring by rotation in accordance with the Articles of Association.

Resolution 4

THAT David Wright be re-elected as a Director of the Company retiring by rotation in accordance with the Articles of Association (having been appointed by the board on 17 December 2010).

Special Business

Resolution 5

THAT the Board be and is hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (Act) to exercise all the powers of the Company to allot relevant securities in the Company and to grant rights to subscribe for or to convert any security into shares in the Company (Rights) up to an aggregate nominal amount equal to £500,000 provided that this authority shall expire on the date of the next AGM of the Company after the passing of this Resolution save that the Company may before such expiry make an offer or agreement which would or might require shares to be allotted or Rights to be granted after such expiry and the Board may allot shares or grant Rights in pursuance of such an offer or agreement as if the authority conferred hereby had not expired. (Ordinary Resolution)

Resolution 6

THAT subject to the passing of Resolution 5 set out above, the Board be and is hereby authorised, pursuant to section 570 of the Act, to allot equity securities (within the meaning of section 560 of the Act) for cash during the period referred to in Resolution 5 as if sub-section (1) of section 561 of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

(a) in connection with a rights issue, open offer or other offer of securities in favour of the holders of ordinary shares on the register on a fixed record date in proportion (as nearly as may be) to their respective holdings of such securities or in accordance with the rights attached thereto subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory or any other matter whatever; and

PORTA COMMUNICATIONS PLC (the "Company") (continued)

(b) (otherwise than pursuant to sub-paragraph (a) above) up to an aggregate nominal amount of £500,000 (representing 50,000,000 ordinary shares of 0.1p) (Special Resolution).

BY ORDER OF THE BOARD

Paul Foulger
Secretary

35 New Broad Street
London EC2M

30 June 2011

NOTES:

1. As a member of the Company, you are entitled to appoint one or more proxies to exercise all or any of your rights to attend, speak and vote at the AGM and you should have received a Form of Proxy with this notice of AGM. You can only appoint a proxy using the procedures set out in these notes and the notes to the Form of Proxy. Appointment of a proxy does not preclude you from attending the AGM and voting in person. If you have appointed a proxy and attend the AGM in person, your proxy appointment will automatically be terminated.

2. A proxy does not need to be a member of the Company but must attend the AGM to represent you. If you wish your proxy to speak on your behalf at the AGM you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

3. To appoint a proxy using the Form of Proxy, the form must be: (i) completed and signed; (ii) sent or delivered to the Company's Registrars, SLC Registrars, Thames House, Portsmouth Road, Esher, Surrey, KT10 9AD marked "Proxy Return"; and (iii) received by the Company's Registrars no later than 48 hours before the appointed time of the AGM.

4. Any power of attorney or any other authority under which the Form of Proxy is signed (or a duly certified copy of such power or authority) must be included with the form of proxy.

5. In order to facilitate voting by corporate representatives at the AGM, arrangements will be put in place at the AGM so that: (i) if a corporate shareholder has appointed the Chairman of the AGM as its corporate representative to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the AGM, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the AGM but the corporate shareholder has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated from those corporate representatives who attend and that designated corporate representative will vote on a poll. The other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure.

6. As at 29 June 2011 (being the last business day prior to the publication of this Notice) the Company's issued share capital consists of 3,741,600,000 ordinary shares of 0.1p, carrying one vote each and of 72,000,000 deferred share of 0.9p which carry no right to vote. Therefore the total number of voting rights in the Company as at 5.00pm on the date immediately prior to the posting of this circular is 3,741,600,000.

PORTA COMMUNICATIONS PLC (the "Company") (continued)

7. Pursuant to regulation 41(1) of the Uncertificated Securities Regulations 2001 (2001 No. 3755) the Company has specified that only those members registered on the Register of Members of the Company at 6.00pm on 24 July 2011 shall be entitled to attend and vote at the AGM in respect of the number of ordinary shares registered in their name at that time. Changes to the Register of Members after 6.00pm on 24 July 2011 shall be disregarded in determining the rights of any person to attend and vote at the AGM.

8. There will be available for inspection at the Company's registered office during normal business hours from the date of this notice to the date of the AGM and for 15 minutes prior to and during the AGM the following:

   (a) the Register of Directors' interests;

   (b) the Memorandum and Articles of Association; and

   (c) copies of the Directors' Service Contracts with the Company or its subsidiaries and the terms and conditions of appointment of Non-Executive Directors.

Explanatory Notes

Resolution 1

The Directors are required by law to present to the AGM the Audited Accounts and the Directors' and the Auditors' Reports for the 12 months ended 31 December 2010.

Resolution 2

The auditors are required to be re-appointed at each AGM at which Audited Accounts are presented. The Directors, on the recommendation of the Audit Committee (which has evaluated the effectiveness and independence of the external auditors), is proposing the re-appointment of Kingston Smith LLP.

Resolution 3

The Articles of Association require one third of the Board to retire every year, with the longest serving retiring first. As he is one of the two longest serving directors, Paul Foulger will retire by rotation and offer himself for re-election.

Resolution 4

The Articles of Association require any Director appointed after the previous AGM to retire at the AGM following their appointment. As he was appointed by the board on 17 December 2010, David Wright will retire and offer himself for re-election.

Resolution 5

The authority sought by this Resolution is for the Directors to be authorised to allot ordinary shares comprising up to a total aggregate nominal amount of £500,000. The Directors will therefore be seeking annual renewal of this authority in accordance with best practice and to ensure the Company has maximum flexibility in managing its capital resources. This authority will expire at the next AGM.

Resolution 6

When shares are to be allotted for cash, Section 561 of the Act provides that existing shareholders have pre-emption rights and that any new shares are offered first to such shareholders in proportion to their existing shareholdings. This Resolution is seeking to authorise the Directors (pursuant to section 570 of the Act) to allot ordinary shares of up to an aggregate nominal amount of £500,000 otherwise than on a pro-rata basis. The Directors are seeking annual renewal of this authority in accordance with best practice and to ensure the Company has maximum flexibility in managing its capital resources. This authority will expire at the next AGM.

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PORTA COMMUNICATIONS PLC

(Registered Number: 05353387)

FORM OF PROXY

For use at the AGM of Porta Communications plc to be held at 35 New Broad Street, London EC2M on 26 July 2011 at 10.00 a.m.

RESOLUTIONS	FOR	AGAINST	VOTE WITHHELD (SEE NOTES)
ORDINARY BUSINESS: Resolution 1: To receive and adopt the Directors' and Auditors' Report and Audited Accounts for the 12 months ended 31 December 2010.			
Resolution 2: To re-appoint Kingston Smith LLP as auditors and to authorise and approve the Directors to fix their remuneration.			
Resolution 3: To re-elect Paul Foulger as a Director.			
Resolution 4: To re-elect David Wright as a Director.			
SPECIAL BUSINESS: Resolution 5: To authorise the Directors to allot relevant securities generally pursuant to Section 551 of the Companies Act 2006.			
Resolution 6: To disapply the statutory pre-emption rights conferred by Section 561 of the Companies Act 2006.			

For use by members only.

I/We ....

of ....

....

being a member of the Company:

(1) I/we hereby appoint .... or, failing him/her, the Chairman of the AGM to act as my/our proxy to vote for me/us and on my/our behalf at the AGM of the Company to be held on 26 July 2011 and at any adjournment thereof.

(2) I/we direct my/our proxy to vote as set out above:

(PLEASE INDICATE WITH AN X IN THE BOXES ABOVE)

Signature .... Date 2011

Notes

1. Please indicate how you wish your votes to be cast on a poll in respect of the Resolutions to be proposed at the AGM. If you do not indicate how you wish your proxy to use your votes, the proxy will exercise his/her discretion both as to how he votes and as to whether or not he abstains from voting. Your proxy will have the authority to vote at his discretion on any amendment or other motion proposed at the AGM, including any motion to adjourn the AGM.
2. To appoint as a proxy a person other than the Chairman of the AGM insert the full name in the space provided. A proxy need not be a member of the Company. You can also appoint more than one proxy provided each proxy is appointed to exercise the rights attached to a different share or shares held by you. The following options are available:
   a. To appoint the Chairman as your sole proxy in respect of all your shares, simply fill in any voting instructions in the appropriate box and sign and date the Form of Proxy.
   b. To appoint a person other than the Chairman as your sole proxy in respect of all your shares, delete the words 'or, failing him/her, the Chairman of the AGM' and insert the name and address of your proxy in the space provided. Then fill in any voting instructions in the appropriate box and sign and date the Form of Proxy.
   c. To appoint more than one proxy, you may photocopy this form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. If you wish to appoint the Chairman as one of your multiple proxies, simply write 'the Chairman of the AGM'. All forms must be signed and should be returned together in the same envelope.
3. Unless otherwise indicated the proxy will vote as he thinks fit or, at his discretion, abstain from voting.
4. The Form of Proxy must arrive at SLC Registrars during usual business hours accompanied by any power of attorney under which it is executed (if applicable) no later than 10.00 a.m. on 24 July 2011.
5. A corporation must execute the Form of Proxy under either its common seal or the hand of a duly authorised officer or attorney.
6. The 'Vote Withheld' option is to enable you to abstain on any particular Resolution. Such a vote is not a vote in law and will not be counted in the votes 'For' and 'Against' a Resolution.
7. As permitted by Regulation 41 of the Uncertificated Securities Regulations 2001, only those persons whose names are entered on the Register of Members of the Company at 6.00 p.m. on 24 July 2011 shall be entitled to attend and vote in respect of the number of shares registered in their names at that time. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and/or vote at the AGM.
8. Completion and return of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently decide to do so.

PLEASE USE THE REPLY PAID ENVELOPE PROVIDED

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New Broad Street House
London EC2M 1NH
Tel: 020 7065 7045
www.portacommunications.plc.uk

Registered number 05353387 (England & Wales)