



Wyatt Group plc Announcement of results for the year ended 31 March 2005

Chairman's statement

I am pleased to report on what has been a very busy year for your Group. The operating loss from the original business before amortisation and exceptional items was £426,280 (2004: £435,372) on turnover of £476,679 (2004: £333,434). We have also taken the opportunity to write down significantly any debts owed to the Group which extend beyond normal trading periods.

In addition you will recall that we acquired a loss making business, Premier Employer Solutions Limited ('PES') and have funded the start up of the fingerprint and drug testing business which your Board genuinely believe to provide significant opportunities for shareholder value. The total loss before amortisation was £826,919. The operating loss after amortisation was £987,482.

The increase in costs relate mainly to wages and salaries as the Group gears up for the anticipated growth in business.

Acquisitions

On the 13 May 2004 the Group completed the acquisition of PES, which has enjoyed an excellent first year in the Group and is now profitable following a number of new product offerings.

In March 2005 the Group entered into a supply and evaluation agreement with a view to marketing and distributing drug testing equipment in the United Kingdom and Northern Ireland under a 20 year licensing agreement. We have since formed Wyatt Biotech Limited and recruited a management team who have commenced pre-marketing activities of the testing equipment and expect shortly to receive the first batch of samples to enable a full sales operation to progress. Further information on these acquisitions are contained in the notes to the accounts.

Operations

The Group operating subsidiaries RiskSmart and PES continue to meet our expectations.

The long awaited Fire Safety Legislation is still expected to become effective next month and we feel confident that this will bring long-term benefits to RiskSmart and fully justify the hard work put in by the team and the investment in this business.

PES has expanded its product range and client base. The results are very encouraging and we are delighted with progress being made by management and staff in this operation.

Prospects

The Group has made a substantial investment to date and in the past year has put time, effort and additional funds into building the infrastructure required to move to the next stage of development on a number of different fronts. We feel confident that we are in the right areas and have the right people in place to move forward.

I would like to thank all the people involved in Wyatt for their past efforts and their belief in our future.

R. Holt
Chairman
29 September 2005

Consolidated Profit and Loss Account

For the year ended 31 March 2005

	Note	2005 £	2005 £	2005 £	2004 £
		Continuing operations	Acquisitions	Total	
Turnover: Group and share of joint venture		476,679	170,270	646,949	333,434
Less: Share of joint venture's turnover		-	(10,669)	(10,669)	-
Turnover		<u>476,679</u>	<u>159,601</u>	<u>636,280</u>	333,434
Cost of sales		<u>(124,571)</u>	-	<u>(124,571)</u>	(11,850)
Gross profit		352,108	159,601	511,709	321,584
Operating charges					
Other operating charges		(778,388)	(309,069)	(1,087,457)	(756,956)
Amortisation		(61,495)	(99,068)	(160,563)	(61,495)
Exceptional item		(251,171)	-	(251,171)	-
Total operating charges		<u>(1,091,054)</u>	<u>(408,137)</u>	<u>(1,499,191)</u>	(818,451)
Operating loss		(738,946)	(248,536)	(987,482)	(496,867)
Share of operating loss in joint venture		-	(7,345)	(7,345)	-
Net interest		(16,383)	(3,097)	(19,480)	(3,915)
Loss on ordinary activities before taxation		<u>(755,329)</u>	<u>(258,978)</u>	<u>(1,014,307)</u>	(500,782)
Tax on loss on ordinary activities		-	-	-	(3,459)
Loss on ordinary activities after taxation		<u>(755,329)</u>	<u>(258,978)</u>	<u>(1,014,307)</u>	(504,241)
Equity minority interests		60,738	-	60,738	24,790
Loss for the financial year transferred from reserves		<u>(694,591)</u>	<u>(258,978)</u>	<u>(953,569)</u>	(479,451)
Basic loss per share	2			<u>(9.85)p</u>	<u>(7.22)p</u>

There were no recognised gains or losses other than the loss for the year.

The accompanying accounting policies and notes form an integral part of these financial statements.

Consolidated Balance Sheet

For the year ended 31 March 2005

	Note	2005 £	2004 £
Fixed assets			
Intangible assets		1,385,943	445,838
Tangible assets		304,307	370,395
Investments		67,574	100,673
Investment in joint venture:			
Share of gross assets	2,064		
Share of gross liabilities	(9,409)		
Transfer to creditors due in less than one year	7,345		
		<u>-</u>	<u>-</u>
		<u>1,757,824</u>	<u>916,906</u>
Current assets			
Stocks		33,972	-
Debtors		141,236	306,322
		<u>175,208</u>	<u>306,322</u>
Creditors: amounts falling due within one year		<u>(452,578)</u>	<u>(608,847)</u>
Net current liabilities		<u>(277,370)</u>	<u>(302,525)</u>
Total assets less current liabilities		1,480,454	614,381
Creditors: amounts falling due after more than one year		<u>(1,401,911)</u>	<u>(625,875)</u>
		<u>78,543</u>	<u>(11,494)</u>
Capital and reserves			
Called up share capital		126,594	66,400
Share premium account		1,902,700	858,550
Merger reserve		41,802	41,802
Profit and loss account		<u>(1,913,566)</u>	<u>(959,997)</u>
Shareholders' funds		157,530	6,755
Equity minority interests		<u>(78,987)</u>	<u>(18,249)</u>
		<u>78,543</u>	<u>(11,494)</u>

Consolidated Cash Flow

For the year ended 31 March 2005

	Note	2005 £	2004 £
Net cash outflow from operating activities		(607,701)	(277,708)
Returns on investments and servicing of finance			
Interest paid		<u>(19,480)</u>	<u>(3,915)</u>
Net cash outflow from returns on investments and servicing of finance		<u>(19,480)</u>	<u>(3,915)</u>
Taxation		-	(3,459)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(30,081)	(100,499)
Purchase of intangible fixed assets		<u>(153,335)</u>	<u>-</u>
Net cash outflow from capital expenditure and financial investment		<u>(183,416)</u>	<u>(100,499)</u>
Acquisitions and disposals			
Purchase of subsidiary undertaking		(62,671)	-
Net cash acquired with subsidiary undertaking		<u>(9,056)</u>	<u>-</u>
		<u>(71,727)</u>	<u>-</u>
Financing			
Issue of ordinary share capital		1,138,500	-
Issue costs		(34,156)	-
Increase in short term borrowings		8,000	-
Repayment of borrowings		(32,365)	-
Receipts from borrowings		<u>-</u>	<u>150,000</u>
Net cash inflow from financing		<u>1,079,979</u>	<u>150,000</u>
Increase/(Decrease) in cash		<u>197,655</u>	<u>(235,581)</u>

Notes

1 Statutory accounts

The financial information does not constitute statutory accounts as defined in section 240 of the Companies Act 1985, but has been extracted from the statutory accounts for the year ended 31 March 2005, on which an unqualified audit report has been issued and which will be delivered to the Registrar following their adoption at the Annual General Meeting.

The statutory accounts for the financial year ended 31 March 2004 have been delivered to the Registrar of Companies with an unqualified audit report thereon.

2 Loss per share

The basic loss per share is based upon an equity loss of £953,569 (2004: £479,451) and 9,683,501 (2004: 6,640,000) ordinary shares of 1p each, being the weighted average number of shares in issue during the period.

The diluted loss per share is identical to the basic loss per share as the loss attributable to ordinary shareholders and weighted average number of ordinary shares for the purpose of calculating the diluted earnings per ordinary share are identical to those used for basic earnings per ordinary share. This is because the exercise of share options would have the effect of reducing the loss per ordinary share and is therefore not dilutive under the terms of FRS 14 Earnings per Share.

3 Copies of the financial accounts

Copies of the financial statements may be obtained by writing to Wyatt Group plc, The Leaze, Salter Street, Berkeley, Gloucestershire, GL13 9DB.

4 Annual general meeting

The Annual General Meeting will be held on 2 November 2005 at Arbuthnot Securities Ltd, Arbuthnot House, 20 Ropemaker Street, London, EC2Y 9AR at 4pm.