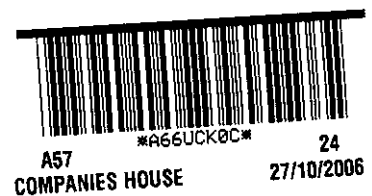


Company Registration No. 2821326 (England and Wales)

SEARCH MATTERS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2005



SEARCH MATTERS LIMITED

COMPANY INFORMATION

Directors	M Riddick D A S Penney A J Sommerville
Secretary	D A S Penney
Company number	2821326
Registered office	Nepicar House London Road Wrotham Heath, Sevenoaks Kent TN15 7RS
Auditors	Berg Kaprow Lewis LLP Chartered Accountants 35 Ballards Lane London N3 1XW
Business address	Nepicar House London Road Wrotham Heath, Sevenoaks Kent TN15 7RS
Bankers	HSBC Bank Plc West End Corporate Banking Centre 70 Pall Mall London SW1Y 5EZ

SEARCH MATTERS LIMITED

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SEARCH MATTERS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 December 2005

The directors present their report and financial statements for the period of 9 months ended 31 December 2005.

Principal activities

The principal activity of the company continued to be that of providing business and property related information and services.

On 27 May 2005, as part of a management buy out, the company's immediate parent company, The PSA Group Limited, became part of a larger group when that company was acquired by Propertyflow Limited. The directors believe that this acquisition will enable the company and its subsidiaries to grow the business and to take full advantage of the opportunities that exist in the personal search market.

On 1 January 2006 the trade of Search Matters Limited was transferred to The Property Search Agency Limited, a fellow subsidiary. The company then ceased to trade.

Directors

The following directors have held office since 1 April 2005:

M Riddick
D A S Penney
A J Sommerville

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 December 2005	1 April 2005
M Riddick	-	-
D A S Penney	-	-
A J Sommerville	-	-

Director's interests in the share capital of the parent company, Propertyflow Limited, are given in that company's financial statements.

Auditors

Berg Kaprow Lewis LLP were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

SEARCH MATTERS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 December 2005

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



M Riddick

Director

25/9/05

SEARCH MATTERS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SEARCH MATTERS LIMITED

We have audited the financial statements of SEARCH MATTERS LIMITED on pages 5 to 10 for the period ended 31 December 2005. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As described in the Statement of Directors' Responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records or if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

SEARCH MATTERS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SEARCH MATTERS LIMITED

Opinion

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2005 and of its profit for the period then ended ;
- the information given in the directors' report is consistent with the financial statements; and have been properly prepared in accordance with the Companies Act 1985.

Berg Kaprow Lewis LLP

Berg Kaprow Lewis LLP

13 October 2006

Chartered Accountants
Registered Auditor

Chartered Accountants
35 Ballards Lane
London
N3 1XW

SEARCH MATTERS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 2005

		9 Months ended 31 December 2005 £	Year ended 31 March 2005 £
	Notes		
Turnover		329,631	550,516
Cost of sales		(96,973)	(194,954)
Gross profit		232,658	355,562
Administrative expenses		(211,395)	(353,487)
Profit on ordinary activities before taxation	2	21,263	2,075
Tax on profit on ordinary activities	3	(4,100)	-
Profit on ordinary activities after taxation	8	17,163	2,075

SEARCH MATTERS LIMITED

BALANCE SHEET AS AT 31 December 2005

	Notes	December 2005		March 2005	
		£	£	£	£
Fixed assets					
Tangible assets	4		-		167
Current assets					
Debtors	5	81,279		65,299	
Cash at bank and in hand		155,878		14,494	
		<u>237,157</u>		<u>79,793</u>	
Creditors: amounts falling due within one year	6	<u>(242,223)</u>		<u>(102,189)</u>	
Net current liabilities			(5,066)		(22,396)
Total assets less current liabilities			<u>(5,066)</u>		<u>(22,229)</u>
Capital and reserves					
Called up share capital	7		1,000		1,000
Profit and loss account	8		(6,066)		(23,229)
Shareholders' funds			<u>(5,066)</u>		<u>(22,229)</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

Approved by the Board for issue on 25/9/05


M Riddick
Director

SEARCH MATTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2005

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

1.2 Compliance with accounting standards

On 1 January 2006 the company's trade was transferred to The Property Search Agency Limited, a fellow subsidiary. The company's trade is a going concern.

In light of the above, the financial statements have been prepared on a going concern basis.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment 25% straight line

2 Operating profit

	December 2005 £	March 2005 £
Operating profit is stated after charging:		
Depreciation of tangible assets	167	125
Auditors' remuneration	3,000	3,000
	<u> </u>	<u> </u>

3 Taxation

	December 2005 £	March 2005 £
Domestic current year tax		
U.K. corporation tax	4,100	-
	<u> </u>	<u> </u>
Current tax charge	<u>4,100</u>	<u>-</u>

SEARCH MATTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2005

4 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 April 2005 & at 31 December 2005	500
Depreciation	
At 1 April 2005	333
Charge for the period	167
At 31 December 2005	500
Net book value	
At 31 December 2005	-
At 31 March 2005	167

5 Debtors

	December 2005 £	March 2005 £
Trade debtors	79,605	58,910
Amounts owed by group undertakings and undertakings in which the company has a participating interest	1,674	-
Other debtors	-	6,389
	81,279	65,299

6 Creditors: amounts falling due within one year

	December 2005 £	March 2005 £
Trade creditors	3,039	21,528
Amounts owed to group undertakings and undertakings in which the company has a participating interest	202,222	62,992
Taxation and social security	22,347	-
Other creditors	14,615	17,669
	242,223	102,189

SEARCH MATTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2005

7	Share capital	December 2005 £	March 2005 £
	Authorised		
	1,000 Ordinary shares of £1 each	1,000	1,000
		<u> </u>	<u> </u>
	Allotted, called up and fully paid		
	1,000 Ordinary shares of £1 each	1,000	1,000
		<u> </u>	<u> </u>

8	Statement of movements on profit and loss account	Profit and loss account £
	Balance at 1 April 2005	(23,229)
	Profit for the period	17,163
		<u> </u>
	Balance at 31 December 2005	(6,066)
		<u> </u>

9 Contingent liabilities

The company has guaranteed the bank borrowings of The PSA Group Limited and Property Search Agency Limited (both of which are other group companies). At 31 December the bank borrowings in these companies were £nil (March 2005: £127,677) in Property Search Agency Limited.

The company is part of a group VAT registration and as such is jointly and severally liable for the VAT liabilities of the members of the group.

10 Control

At 31 December 2005 the company was a wholly owned subsidiary of Propertyflow Limited, a company registered in England and Wales. Propertyflow Limited was the ultimate parent undertaking and was controlled by M Riddick.

11 Related party transactions

At 31 December 2005, the company owed £202,222 (March 2005: £62,992) to Property Search Agency Limited a fellow subsidiary of Propertyflow Limited. In addition at 31 December 2005 the company was owed £1,674 (March 2005: £nil) by The Conveyancing Channel Limited, a fellow subsidiary. During the year a management charge was payable to Property Search Agency Limited of £199,000 (March 2005: £333,000).

SEARCH MATTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2005

12 Post balance sheet events

On 1 January 2006 the company transferred its trade to the Property Search Agency Limited, a fellow subsidiary of the Propertyflow group.

On 11 April 2006 the company's parent company, Propertyflow Ltd, was acquired by MacDonald Dettwiler & Associates Ltd, a company incorporated in Canada, whose shares are publicly traded on the Toronto Stock Exchange.