

**This Admission Document is important and requires your immediate attention. The whole of the text of this Admission Document should be read. If you are in any doubt about the contents of this Admission Document or what action you should take you should consult a person authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.**

This Admission Document, which comprises an AIM Admission Document, is drawn up in compliance with the AIM Rules, although it does not constitute a prospectus for the purposes of Section 84(2) of the Financial Services and Markets Act 2000 and as such has not been approved by the Financial Services Authority as a prospectus pursuant to Section 85 of the Financial Services and Markets Act 2000. **Attention is drawn to the risks associated with an investment in the Shares, which are set out in Part III of this Admission Document.**

To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Admission Document is in accordance with the facts and there is no information the omission of which is likely to affect its import. The Directors, whose names are set out in Section 3 of Part II of this Admission Document, accept responsibility for the contents of this Admission Document accordingly.

No person has been authorised to give any information or make any representations other than those contained in this Admission Document and, if given or made, such information or representations must not be relied upon as having been so authorised. The delivery of this Admission Document or any subscriptions made hereunder shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Admission Document or that the information in this Admission Document is correct as of any time subsequent to the date of this Admission Document.

Application has been made for the whole of the issued ordinary share capital of the Company immediately following the Subscription to be admitted to trading on AIM, a market operated by the London Stock Exchange plc. It is expected that Admission will become effective and that dealings in the issued ordinary share capital of the Company will commence on 11 April 2006.

**AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk than that associated with larger or more established companies tends to be attached. AIM securities are not admitted to the Official List of the UK Listing Authority (the "Official List"). A prospective investor should be aware of the risks in investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with his or her own independent financial adviser. Neither the London Stock Exchange plc nor the UK Listing Authority has examined or approved the contents of this Admission Document. The rules of AIM are less demanding than those of the Official List. It is emphasised that no application is being made for admission of these securities to the Official List or to any other recognised investment exchange. For a discussion of risks and other factors that should be considered in connection with an investment in the Company, prospective investors should read the section entitled "Risk Factors" set out in Part III of this Admission Document.**

## **ALDGATE CAPITAL PLC**

*(Incorporated and registered in England and Wales under the Companies Act 1985*

*with registered number 5745526)*

### **Subscription of up to 50,000,000 Shares at 10p per Share and Admission to trading on AIM**

#### **Nominated Adviser and Broker Collins Stewart Limited**

Collins Stewart, which is authorised and regulated in the United Kingdom by the Financial Services Authority is acting as nominated adviser and broker to the company and is acting exclusively for Aldgate Capital Plc and no-one else in connection with the Subscription and Admission. Collins Stewart will not regard any other person as its customer or be responsible to any other person for providing the protection afforded to customers of Collins Stewart nor for providing advice in relation to the transactions and arrangements detailed in this Admission Document. Collins Stewart is not making any representation or warranty, express or implied, as to the contents of this Admission Document. Collins Stewart's responsibilities as the Company's nominated adviser and broker under the AIM Rules are owed solely to the London Stock Exchange plc and are not owed to the Company or to any Director or to any other person in respect of such person's decision to acquire shares in the Company in reliance on any part of this Admission Document.

In accordance with AIM Rules, Collins Stewart has confirmed to AIM that it has satisfied itself that the Directors have received advice and guidance as to the nature of their responsibilities and obligations to ensure compliance by the Company with the AIM Rules and that, in its opinion and to the best of its knowledge and belief, all relevant requirements of the AIM Rules have been complied with. No liability whatsoever is accepted by Collins Stewart for the accuracy of any information or opinions contained in this Admission Document or for the omissions of any material information, for which it is not responsible.

This Admission Document does not constitute an offer to sell or an invitation to subscribe for, or a solicitation of any offer to subscribe for or buy, any shares in the Company to any person in any jurisdiction in which such offer or solicitation is unlawful. This Admission Document should not be distributed, published, reproduced or otherwise made available in whole or in part or disclosed by recipients to any other person and, in particular, should not be distributed to persons with addresses in Canada, Australia, Japan, the Republic of South Africa or the Republic of Ireland or in any other country outside the United Kingdom where such distribution may lead to a breach of any law or regulatory requirements. No securities commission or similar authority in Canada has in any way passed on the merits of the securities offered hereunder and any representation to the contrary is an offence. No document in relation to the Subscription has been, or will be, lodged with, or registered by, The Australian Securities and Investments Commission, and no registration statement has been, or will be, filed with the Japanese Ministry of Finance in relation to the Subscription of the Shares. Accordingly, subject to certain exceptions, the Shares may not, directly or indirectly, be offered or sold within Canada, Australia, Japan, the Republic of South Africa or the Republic of Ireland or offered or sold to a resident of Canada, Australia, Japan, the Republic of South Africa or the Republic of Ireland.

The distribution of this Admission Document and the Subscription of the Shares in or into certain jurisdictions may be restricted by law. No action has been taken by the Company or by Collins Stewart that would permit a public offer of shares in the Company or possession or distribution of this Admission Document where action for that purpose is required. Persons into whose possession this Admission Document comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

**The Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "US Securities Act") or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, any US Person as that term is defined in Regulation S under the US Securities Act and in this Admission Document. The Company has not been registered and will not register under the United States Investment Company Act of 1940, as amended (the "US Investment Company Act").**

**The Company may force a shareholder to sell or may repurchase any Shares sold in contravention of any of the prohibitions contained in this Admission Document. In addition, the Company may force a shareholder to sell or may repurchase the Shares of any investor at any time if, at the Directors' discretion, they believe such sale or repurchase would be appropriate to protect the Company from a requirement to register as an Investment Company under the US Investment Company Act, from adverse tax consequences or from other adverse legal or regulatory consequences. The Company also may refuse to register a transfer of Shares on the foregoing grounds. The Company also may require information from any investor.**

The Subscription is conditional amongst other things on Admission taking place on or before 30 April 2006 (or a later date as the Company and Collins Stewart may agree). The Shares will rank in full for dividends or other distributions hereafter declared, made or paid on the ordinary share capital of the Company and will rank *pari passu* in all respects with all other Shares which will be in issue on Admission.

Copies of this Admission Document which is dated 6 April 2006 will be available free of charge to the public during normal business hours on any weekday (except Saturdays, Sundays and public holidays) from the registered office of the Company and from the offices of Collins Stewart, 9th Floor, 88 Wood Street, London EC2V 7QR from the date of Admission for not less than one month.



## NOTICE

The attention of potential investors is drawn to the Risk Factors set out in Part III of this Admission Document.

- 1 Investment in the Company will involve certain risks and special considerations. Investors should be able and willing to withstand the loss of their entire investment.
- 2 The investments of the Company are subject to market fluctuations and the risks inherent in all investments and there can be no assurance that an investment will retain its value or that appreciation will occur.
- 3 The price of the Shares can go down as well as up.
- 4 Investment in the Company is suitable only for institutional investors (which includes authorised or exempt persons under the Financial Services and Markets Act 2000 and other persons who fall within the exemptions contained in Articles 19 and 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005).
- 5 The Shares are only suitable for investors who understand, or who have been advised of, the potential risk of capital loss from an investment in the Shares and that there may be limited liquidity in the Shares and the underlying investments of the Company and for whom an investment in the Shares is part of a diversified investment portfolio and who fully understand and are willing to assume the risks involved with an individual investment in such a portfolio.

### Subscription size

Individual applications under the Subscription must be for a minimum of £10,000. The Directors may in their absolute discretion waive the minimum application requirement in respect of any particular application under the Subscription. The maximum number of Shares available under the Subscription should not be taken as an indication of the number of Shares expected finally to be issued.

### Company structure

The Company is a public limited company incorporated on 16 March 2006 and registered in England and Wales under the Act with registered company number 5745526.

### General

No broker, dealer or other person has been authorised by the Company, its Directors or Collins Stewart to issue any advertisement or to give any information or to make any representation in connection with the offering or sale of the Shares other than those contained in this Admission Document and, if issued, given or made, that advertisement, information or representation must not be relied upon as having been authorised by the Company, its Directors or Collins Stewart.

This Admission Document does not constitute, and may not be used for the purposes of, an offer or an invitation to subscribe for Shares by any person in any jurisdictions: (i) in which such offer or invitation is not authorised; (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation.

Prospective investors should not treat the contents of this Admission Document as advice relating to legal, taxation, investment or any other matters. Prospective investors should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, repurchase or other disposal of Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer, repurchase or other disposal of Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer, repurchase or other disposal of Shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment and other related matters concerning the Company and an investment therein.

Statements made in this Admission Document are based on the law and practice currently in force in England and Wales and are subject to changes therein.

This Admission Document should be read in its entirety before any application for Shares is made.

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## **DIRECTORY**

### **ALDGATE CAPITAL PLC**

**Registered Office**  
20 Black Friars Lane  
London  
EC4V 6HD

#### **Directors**

David Williams (Non-Executive Chairman)  
James Corsellis (Executive Director)  
Mark Watts (Executive Director)  
Benjamin Shaw (Non-Executive Director)

#### **Financial Adviser**

Marwyn Capital LLP  
10th Floor, Bucklersbury House  
3 Queen Victoria Street  
London EC4N 8EL

#### **Nominated Adviser and Broker**

Collins Stewart Limited  
9th Floor  
88 Wood Street  
London EC2V 7QR

#### **Reporting Accountants and Auditors**

Deloitte & Touche LLP  
Hill House  
1 Little New Street  
London EC4A 3TR

#### **Legal Advisers to the Company and Collins Stewart**

Norton Rose  
Kempson House  
Camomile Street  
London EC3A 7AN

#### **Registrar**

Capita Registrars  
The Registry  
34 Beckenham Road  
Beckenham  
Kent BR3 4TU

### EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Dealings in Ordinary Shares to commence on AIM	11 April 2006
CREST accounts credited by	11 April 2006
Dispatch of definitive share certificates by	29 April 2006

### SUBSCRIPTION STATISTICS

Subscription Price	10p
Number of Ordinary Shares which are being subscribed for	50,000,000
Ordinary Shares in issue immediately following the Subscription	50,000,000
Market capitalisation at the Subscription Price	£5.0 million
Percentage of enlarged issued ordinary share capital being subscribed for	100%
Approximate net proceeds of the Subscription	£4.8 million

## DEFINITIONS

"Act"	the Companies Act 1985 (as amended);
"Admission"	the admission of the issued share capital of the Company to trading on AIM becoming effective in accordance with the AIM Rules;
"AIM"	the AIM market of the London Stock Exchange;
"AIM Rules"	the rules for AIM companies and their nominated advisers published by the London Stock Exchange;
"Articles"	the articles of association of the Company as amended from time to time;
"Auditors"	Deloitte & Touche LLP;
"CEA"	the US Commodity Exchange Act;
"Collins Stewart"	Collins Stewart Limited;
"Combined Code"	the Combined Code on Corporate Governance issued by the Financial Reporting Council;
"Company"	Aldgate Capital Plc;
"CREST"	the computerised settlement system (being the relevant system as defined in the Uncertificated Securities Regulations 2001 (S.I. 2001/3755)) to facilitate the transfer of title of shares in uncertificated form operated by CRESTCo;
"CRESTCo"	CRESTCo Limited;
"Directors" or "Board"	the directors of the Company for the time being and any duly constituted committee of the board of directors and as applicable any successors to those members as may be appointed from time to time;
"EIS"	enterprise investment scheme;
"FSA"	the Financial Services Authority of the United Kingdom;
"Initial Gross Proceeds"	the aggregate value of the Subscription Shares subscribed for cash pursuant to the Subscription;
"Lock-In Deed"	the lock-in deed and orderly market agreement relating to the Subscription Shares of the Company dated 6 April 2006 and made between Marwyn Neptune Fund, Collins Stewart and the Company;
"London Stock Exchange"	the London Stock Exchange plc;
"Marwyn"	Marwyn Investments Group and its subsidiary undertakings and affiliates from time to time including Marwyn Capital and Marwyn Investment Management;
"Marwyn Capital"	Marwyn Capital LLP;

<b>"Marwyn Investment Management"</b>	Marwyn Investment Management LLP;
<b>"Marwyn Investments Group"</b>	Marwyn Investments Group Limited;
<b>"Marwyn Neptune Fund"</b>	Marwyn Neptune Fund LP;
<b>"Marwyn Partners"</b>	Marwyn Partners Limited;
<b>"Memorandum"</b>	the memorandum of association of the Company as amended from time to time;
<b>"Model Code"</b>	the model code on dealing on securities as defined in the listing rules of the London Stock Exchange;
<b>"Pounds Sterling", "£" or "Sterling"</b>	the lawful currency of the United Kingdom;
<b>"Prospectus Rules"</b>	the Prospectus Rules published by the FSA from time to time;
<b>"Registrar"</b>	Capita Registrars Limited;
<b>"Shares" or "Ordinary Shares"</b>	the ordinary shares of 10 pence par value in the capital of the Company;
<b>"Shareholder"</b>	a person recorded as a holder of Shares in the Company's register of shareholders;
<b>"Subscription"</b>	the subscription for up to 50,000,000 Subscription Shares at the Subscription Price;
<b>"Subscription Price"</b>	10p;
<b>"Subscription Shares"</b>	the 50,000,000 Ordinary Shares being issued and allotted by the Company at the Subscription Price pursuant to the Subscription;
<b>"UK GAAP"</b>	Accounting Principles Generally Accepted in the United Kingdom;
<b>"United Kingdom" or "UK"</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>"United States" or "US"</b>	the United States of America (including the states and District of Columbia) and any of its territories, possessions and other areas subject to its jurisdiction;
<b>"US Dollar", "\$" or "Dollar"</b>	the lawful currency of the United States; and
<b>"US Securities Act"</b>	the United States Securities Act of 1933, as amended.

## PART I

### KEY INFORMATION

**The following information is derived from, and should be read in conjunction with, the full text of this Admission Document. Potential investors should read the whole of this Admission Document, including the risk factors set out in Part III and not rely solely on the following summarised information.**

#### Introduction

The Company is a newly incorporated company established to acquire and manage companies and businesses in sectors where the Directors believe there are opportunities for consolidation, with particular focus on those sectors undergoing structural, technological and/or regulatory change. From a geographic perspective, the Company will focus on businesses based in the UK and Europe but will also consider acquisition opportunities in North America and Asia, as appropriate.

#### Strategy

- The Directors believe that structural and regulatory change within industry sectors and companies create opportunities for capital returns.
- The Directors believe that these returns can be realised with the assistance of experienced executives with strong track records of building and operating businesses.
- The Company's general strategy is to create value by acquiring platform businesses or companies and using these as a basis for further industry consolidation.
- The Directors believe they have the experience to implement the strategy and will recruit experienced management in advance of or simultaneous with acquisitions.

#### Directors

- The Directors have a wide range of experience in successfully establishing, acquiring, developing and managing businesses.
- The Directors are directors of Marwyn Investments Group and associated subsidiaries.
- In the last 18 months, Marwyn has launched six AIM companies to pursue similar acquisition led strategies across a variety of industry sectors.
- The Directors as at Admission are David Williams, Mark Watts, James Corsellis and Benjamin Shaw.

## PART II

### INFORMATION ON THE COMPANY

#### 1 Introduction

The Company is a newly incorporated company established to acquire and manage companies and businesses in sectors where the Directors believe there are opportunities for consolidation, with particular focus on sectors undergoing structural, technological and/or regulatory change. The Directors intend to take an active approach to investments made by the Company.

The Company's initial intention is to acquire one or more profitable businesses or companies and to use these as a platform for further acquisitions; it is the Director's belief that if properly executed, shareholder value can be created through market consolidation.

The Directors intend to recruit experienced executives to provide additional capability in the key areas of mergers and acquisitions, finance and business integration and, if required, to restructure these businesses to maximise the benefits of consolidation.

The principal purpose of this Admission Document is to provide information on the Company's strategy and management and to give details of the Subscription. The Subscription is expected to raise £5 million before expenses to provide funds for the implementation of initial acquisition opportunities and to meet general working capital requirements.

The Directors intend that the first acquisition made by the Company will be subject to the prior approval of Shareholders in a general meeting.

Application will be made for the Ordinary Shares to be admitted to trading on AIM and the Subscription is conditional on Admission.

#### 2 Strategy

The Directors believe that opportunities exist to create value for shareholders through properly executed acquisition led strategies, particularly in sectors undergoing structural, technological and/or regulatory change. The Directors believe that companies and management teams with the right strategy and executional capability can profit from shifting market dynamics created by structural and/or technological change. In addition, the Directors believe that regulatory and legislative change can create new markets and drive demand in existing markets. The Company will consider the following sectors in particular: financial services; media and communications; and leisure.

The Directors intend to pursue these opportunities through the acquisition of companies and businesses based in the UK and Europe and by consolidating these businesses or companies with subsequent acquisitions over time. The Company will also consider acquisition opportunities in North America and Asia. Following receipt of the proceeds from the Subscription, the Company intends to make its first acquisition within 12 months of Admission. The initial target is likely to have a UK presence but may include substantial overseas operations and will act as a consolidation platform for further acquisitions. Whilst the Directors believe that significant value can be created through multiple acquisitions and subsequent consolidation, it is their intention that the initial acquisition will be capable of delivering good returns to Shareholders on a stand alone basis. The Directors then intend to pursue further acquisitions over the subsequent 18 month period and, as appropriate, beyond.

It is the Directors' intention that the Company will make acquisitions with an aggregate value of up to £250 million within 18 months of Admission, although this aggregate value of the acquisitions may be greater.

Due diligence of proposed acquisitions will be undertaken by the Directors assisted by the Company's legal, financial and other professional advisers.

The Directors intend that the first acquisition made by the Company will be subject to the prior approval of Shareholders in a general meeting. If the Company fails to make an acquisition or otherwise establish a material trading activity, as outlined above, within 12 months of Admission, the Directors will, at the next annual general meeting of the Company, consider whether to continue exploring acquisition opportunities or to wind up the Company and return funds (after payment of the expenses and liabilities of the Company) to Shareholders.

### **3 Directors**

The Directors are responsible for the overall management and control of the Company. The Directors will review the operations of the Company at regular meetings and it is the current intention of the Directors to meet at least once a calendar month. For the purposes of this Admission Document, the address of each of the Directors is the registered office of the Company. In line with the Company's strategy, the Directors have significant collective experience in mergers and acquisitions and industry consolidation. Each of James Corsellis, David Williams and Mark Watts have either directly or indirectly invested in Marwyn Neptune Fund.

#### ***David Williams (Non-Executive Chairman)***

David (53) has 35 years experience in the investment market. He has served as Chairman in both executive and non-executive capacities for a number of companies, both public and private. He has overseen the development of these companies through both organic and acquisitive growth as well as dealing with turnaround situations. For example, in 1994 David, as Chairman, worked with the executive team to float Waste Recycling Group plc at an initial value of £8 million. During his seven years as Chairman, its value grew to £550 million. David was also Chairman of RAL on its management buy out in 1996 from the Rank Group (a position from which he resigned in 2000). David is currently Chairman of Augean Plc, Talarius PLC, Marwyn Value Investors Limited, Concateno Plc and Zetar Plc as well as Marwyn Investments Group and its subsidiary companies.

#### ***James Corsellis (Executive Director)***

James (36) has a BA (Hons) from London University and was Chief Executive Officer of icollector plc, a leading provider of live auction trading platforms. Over the past 18 months, James has, together with Mark Watts, undertaken 13 transactions raising an amount in excess of £450 million in acquisition funding for Marwyn backed management teams and special purpose acquisition vehicles. He is currently a director of Marwyn Investments Group, a partner in Marwyn Capital and Marwyn Investment Management and is Deputy Chairman of Catalina Holdings Limited.

#### ***Mark Watts (Executive Director)***

Mark (32) has a BA (Hons) from London University and since 1998 he has advised the boards of quoted UK small and mid-cap companies. Over the past 18 months, Mark has, together with James Corsellis, undertaken 13 transactions raising an amount in excess of £450 million in acquisition funding for Marwyn backed management teams and special purpose acquisition vehicles. Previously, Mark worked as a management consultant completing international strategic development projects for clients including Ford Motor Company (US), Cummins (Japan) and 3M (Europe) and financial analysis and modelling for Barclays Bank, Shell and BP in the UK. Mark is a director of Marwyn Investments Group, a partner in Marwyn Capital and Marwyn Investment Management as well as a director in investee companies, Zetar Plc, Inspicio plc and Talarius PLC.

#### ***Benjamin Shaw (Non-Executive Director)***

Benjamin (37) has extensive investment and operational experience in the entertainment, technology and gaming sectors. Benjamin was responsible for setting up the online businesses at the Victor Chandler group. He was involved as a principal in the consortium which acquired Zettors Group plc, the pools betting operator, where he became group managing director. Benjamin left Zettors to set up a gaming business in Australia, which was sold to Tattersall's Group, a leading lottery operator. Through a joint venture with NM Rothschild & Sons (Australia), Benjamin was involved in the consolidation of a

number of online gaming businesses. Benjamin was a founding director of Talarius PLC, an investing company established for the purpose of acquiring businesses engaged primarily in the land-based "High Street" gaming market, which was admitted to AIM in April 2005 and is a director of Leisure & Gaming plc, an online gaming group. Benjamin is also a director of Marwyn Investments Group and a partner in Marwyn Capital and Marwyn Investment Management.

#### **4 Relationship with Marwyn**

David Williams, Mark Watts, James Corsellis and Benjamin Shaw are directors of Marwyn Investments Group and associated subsidiaries, partners in Marwyn Capital and Marwyn Investment Management and, in the case of David Williams, James Corsellis and Benjamin Shaw, directors of Marwyn Neptune Fund. Marwyn Neptune Fund, the Company's controlling shareholder at the time of Admission, is a Cayman Islands investment fund whose investment strategy is managed by Marwyn Investment Management on an arms length basis.

Each of James Corsellis, David Williams and Mark Watts have either directly or indirectly invested in Marwyn Neptune Fund.

On Admission, the Company will have a corporate finance advisory contract with Marwyn Capital (which is authorised and regulated by the FSA) and an office support contract with Marwyn Partners Limited, further details of which are set out in paragraph 9 of Part V of this Admission Document.

As part of the Subscription, Marwyn Neptune Fund has, conditional on Admission, agreed to subscribe £4,475,000 for 44,750,000 Ordinary Shares, representing 89.5 per cent. of the expected issued share capital of the Company on Admission. Consequently, following Admission Marwyn Neptune Fund will be able to exercise control of the Company.

#### **5 Marwyn history**

The ultimate parent company to the Marwyn entities, Marwyn Investments Group was established in 2002. Marwyn Investments Group is wholly-owned and funded by management. Marwyn employs 13 staff based in London and Jersey. All of the directors of Marwyn Investments Group come from operational and/or investment backgrounds and have in the past built and/or run public and private companies.

Since August 2004, Marwyn has launched seven different companies which together have completed 13 acquisitions with an aggregate transaction value (including initial public offerings) in excess of £450 million. Six of these seven companies are listed on AIM and the average share price appreciation of these publicly quoted companies since their respective initial public offerings is 106% as at 3 April 2006.

Details of the companies and acquisitions are set out below.

##### **Augean Plc**

Augean Plc was established to acquire and manage companies and businesses in the UK hazardous waste sector, and was listed as a special purpose vehicle through a £2 million fundraising in September 2004. The management team includes David Williams as Chairman and John Huntingdon as CEO (formerly Group Managing Director of Waste Recycling Group plc). The company has completed transactions with an aggregate value of £115.95 million, acquiring Zero Waste and Atlantic Waste for £105.95 million in December 2004 and Proactive Waste Solutions for £8 million in August 2005. The share price as at 3 April 2006 represents an increase of 27.4% from the share price at the initial public offering.

##### **Leisure & Gaming plc**

Leisure & Gaming plc was established to focus on consolidating the online betting and gaming sector and was listed as a special purpose vehicle in September 2004 in a £0.5 million subscription. The

management team includes Philip Parker as Chairman (formerly of Plessey, 1987-1989) and Alistair Assheton as CEO (whose previous experience includes ICBT, 1994-1997). The company has completed transactions with an aggregate value of £72.5 million, acquiring VIP for £23.45 million in June 2005, Stanley Entertainment for £2.14 million in October 2005 and Nine.com and English Harbour for £32.8 million in December 2005. The share price as at 3 April 2003 represents an increase of 211% from the share price at the initial public offering.

#### **Zetar Plc**

Zetar Plc was established to acquire or make investments in companies or businesses engaged primarily in confectionery, snack foods and related markets and was listed as a special purpose vehicle in January 2005 in a £0.75 million subscription. The management team includes David Williams as Chairman and Ian Blackburn (CEO and FD of Perkins Foods, 1988-2003) as CEO. The Company acquired Kinnerton Confectionery, of a manufacturer of novelty and niche chocolate, for £32.2 million in March 2005. The share price at 3 April 2006 represents an increase of 257.5% from the share price at the initial public offering.

#### **Talarius Plc**

Talarius Plc was established for the purpose of acquiring, or making investments in, companies or businesses engaged in the "High Street" gambling market was listed as a special purpose vehicle in March 2005 in a £5.5 million subscription. Nick Harding (formerly of Rank, Ladbrokes and Corals and the lead in the management buy out of RAL in 1996) heads the management team as CEO, with David Williams as Chairman. The company has completed transactions with an aggregate value of £86.15 million acquiring RAL in May 2005 for £39 million, Leisure Promotions and In to Save in July 2005 for £10.65 million, Blackheath Leisure in November 2005 for £19 million and Leisurama in March 2006 for £12 million. The share price as at 3 April 2006 represents an increase of 136.9% from the share price at the initial public offering.

#### **Concateno plc**

Concateno plc was established to acquire and manage companies and businesses in the UK and international water markets and was listed as a special purpose vehicle in April 2005 in a £5 million Subscription. The management team has considerable experience in this sector, and comprises Keith Tozzi as CEO, (CEO of Mid-Kent Water, 2000-2003) and David Williams as Chairman. The company has yet to complete an initial acquisition. The share price as at 3 April 2006 represents a decrease of 22.5% from the share price at the initial public offering.

#### **Inspicio plc**

Inspicio plc was established to acquire and manage companies and businesses in the UK and international testing and inspection markets and was listed as a special purpose vehicle in May 2005 in a £3 million subscription. In October 2005 the company acquired Inspectorate from the British Standards Institute for £52 million. The management team includes Keith Tozzi as Chairman (CEO of British Standards Institute, 1996-2000) and Mark Silver as CEO (FD of the British Standards Institute, 1998-2000). The share price as at 3 April 2006 represents an increase of 25.5% from the share price at the initial public offering.

#### **Catalina Holdings Limited**

Catalina Holdings Limited is a Bermudian company established to acquire and manage business in the non-life run-off insurance sector. The company was established in August 2005 by Marwyn Capital Limited, Nikko Principal Investments (a subsidiary of Nikko Cordial Group) Royal Bank Investments (the equity finance division of Royal Bank of Scotland) and Chris Fagan, CEO, formerly of Goshawk Insurance Holdings PLC, Sedgwick and Murray Lawrence. In September 2005 the company acquired Overseas Partners Re, a Bermudian non-life reinsurance company in run-off, for \$170.5m.

References to aggregate transaction values above refer, in relation to acquisitions, to the aggregate amount of all consideration paid and the maximum amount that may be payable by way of deferred consideration, together with the amount raised at any initial public offering.

## **6 Use of Subscription proceeds**

Following Admission, the net proceeds of the Subscription will be placed on deposit with the Company's bankers. The net proceeds will be used to provide funds for the implementation of initial acquisition opportunities and to meet general working capital requirements.

## **7 Reasons for Admission to AIM**

The Directors believe that Admission to AIM will have the following benefits:

- Listed shares may be an attractive form of consideration to vendors of potential acquisition targets and will also enable acquisitions to be financed by vendor placings.
- Ready access to additional sources of finance to fund future acquisitions and to raise additional working capital, as required.
- Enhancement of the Company's reputation with acquisition targets, customers and suppliers by virtue of its status as a listed company.
- The ability to incentivise and retain key management and staff through the establishment of share option schemes.

## **8 Directors' remuneration**

It is the Directors intention to minimise costs until the Company completes an acquisition. Accordingly, until either the first acquisition is completed or a material trading activity is otherwise established, David Williams, James Corsellis, Mark Watts and Benjamin Shaw will not be paid salaries.

## **9 Warrants**

The Company has undertaken to issue warrants to Marwyn Neptune Fund at the time of the first material acquisition of an amount up to 10 per cent. of the enlarged share capital of the Company following that acquisition.

## **10 Dividend policy**

Following Admission, all issued Ordinary Shares will rank pari passu with regard to all dividends or other distributions declared, made or paid in respect of the share capital of the Company. Following completion of the first acquisition, a dividend policy will be established by the Directors to reflect the nature and earnings of the enlarged group but the Directors do not expect to declare any dividends prior to the Company's first acquisition.

## **11 Corporate governance**

The Directors recognise the importance of sound corporate governance commensurate with the size of the Company and the interests of the Shareholders. So far as is practicable, taking into account the size and nature of the Company, the Directors will comply with the Combined Code.

The Company does not consider it necessary to establish an audit committee given the nature of its board structure and operations. The Board will undertake all functions that would normally be delegated to the audit committee including reviewing annual and interim results, receiving reports from its auditors, agreeing the auditors' remuneration and assessing the effectiveness of the audit and internal control

environment. Where necessary the Board will obtain specialist external advice from either its auditors or other advisers.

The Company does not intend to establish remuneration and nomination committees as those committees are not appropriate given the nature of the Company's board structure and operations. The Board will review the remuneration of the Directors annually and agree reasonable and market standard level non-executive fees, based upon market information sourced from appropriate external consultants. Consideration will be given by the Board to future succession plans for members of the Board, as well as consideration as to whether the Board has the skills required to manage the Company effectively. The Company will take all reasonable steps to ensure compliance by the Directors with the provisions of the AIM Rules relating to dealings in securities of the Company and has adopted a share dealing code, similar to the Model Code, for this purpose.

## **12 Restrictions on the disposal of Shares**

Marwyn Neptune Fund has entered into a lock-in agreement with the Company and Collins Stewart pursuant to which it has agreed (subject to the exceptions summarised below) (i) not to dispose of (and to use its reasonable endeavours to procure that no person connected to it will dispose of) any interest in Ordinary Shares for a period of 12 months following Admission (the "**Restricted Period**"); and (ii) for a period of 6 months following the expiry of the Restricted Period not to dispose of any Ordinary Shares other than through Collins Stewart except in certain limited circumstances including (i) to a connected person and (ii) in the event of a takeover offer including a potential offer and a tender offer relating to the Company's shares (or to a *bona fide* potential offeror or pursuant to an irrevocable undertaking to accept such an offer) or an intervening court order.

## **13 The Subscription**

Subject to Admission, the Company is to issue up to 50,000,000 Subscription Shares which will raise approximately £5 million (before expenses). The net proceeds from the Subscription will be invested by the Company in accordance with its investment strategy.

The Subscription Price is payable in full on application.

The Subscription Shares are Ordinary Shares and will represent 100 per cent. of the issued share capital of the Company immediately following the Subscription.

Individual applications under the Subscription must be for a minimum of £10,000.

The Ordinary Shares have not been, and will not be, registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States for further information see paragraph 7 of Part V.

The Directors intend that the first acquisition made by the Company will be subject to the prior approval of Shareholders in a general meeting. If the Company fails to make an acquisition or otherwise establish a material trading activity as outlined above within 12 months of Admission, the Directors will, at the next annual general meeting of the company consider whether to continue exploring acquisition opportunities or to wind up the Company and return funds (after payment of the expenses and liabilities of the Company) to Shareholders.

## **14 Company fees and expenses**

### **Company formation and initial expenses**

The formation and initial expenses of the Company are those which are necessary for the incorporation of the Company and the Subscription. These expenses will be paid on or around Admission. These expenses will be immediately written off in the first year of incorporation, and include Company registration, listing and admission fees, printing, advertising and distribution costs and legal fees and any

other applicable expenses. The formation and initial expenses should not exceed 5 per cent. of the Initial Gross Proceeds.

### **Ongoing and annual expenses of the Company**

The Company will also incur ongoing annual secretarial, administration and operating expenses. These expenses will include the following:

#### **14.1 Collins Stewart**

Under an engagement letter dated 4 April 2006 from Collins Stewart to the Company, Collins Stewart has agreed to act as nominated adviser and broker to the Company for the purposes of the AIM Rules for an annual fee of £20,000 until such time as the Company completes its first acquisition, and £35,000 thereafter. The appointment may be terminated at any time by either party immediately on written notice being received and the letter contains certain indemnities given by the Company in favour of Collins Stewart.

#### **14.2 Other operational expenses**

The Company will in addition pay the costs and expenses of the administration of the Company including: (a) charges and expenses of legal advisers and independent auditors; (b) brokers' commissions (if any) and any issue or transfer taxes chargeable in connection with its investment transactions; (c) all taxes and corporate fees payable to governments or agencies; (d) communication expenses with respect to investor services and all expenses of meetings of Shareholders and of preparing, printing and distributing financial and other reports, proxy forms, admission documents and similar documents; (e) the cost of insurance for the benefit of the Directors (if any); (f) litigation and indemnification expenses and extraordinary expenses not incurred in the ordinary course of business; and (g) other organisational and operating expenses. These expenses will be deducted solely from the assets of the Company.

## **15 Taxation**

**Attention is drawn to the section on taxation contained in paragraph 11 of Part V of this Admission Document.**

If you are in any doubt as to your tax position, or you are subject to tax in a jurisdiction other than the UK, you should consult your own professional adviser immediately.

## **16 Reports and financial statements**

Annual financial statements will be made up to 31 December in each year and interim financial statements will be made up to 30 June in each year. An annual report and the audited financial statements of the Company will be sent to Shareholders as soon as practicable and in any event within six months of the financial year end and the interim financial statements of the Company will be sent to Shareholders as soon as practicable and in any event within three months of the half-year end.

The Company's financial statements will be prepared in accordance with applicable UK accounting standards, with the interim financial statements presented and prepared in a form consistent with that which will be adopted in the annual financial statements.

## **17 CREST**

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. CREST is a voluntary system and applicants who wish to receive and retain certificates will be able to do so. The Articles of the Company permit the holding of the Shares under the CREST System. The Company will apply for the entire issued share capital of the Company to be admitted to CREST on the date of Admission. It is expected that

Admission will become effective and dealings in the Shares will commence on 11 April 2006. Accordingly, settlement of transactions in the uncertificated Shares following Admission may take place within the CREST system if any shareholder so wishes.

## **18 Settlement and dealing arrangements**

Application has been made to the London Stock Exchange for all the Ordinary Shares in issue following the Subscription to be admitted to trading on AIM. It is expected that Admission will be effected and that dealings in the issued ordinary share capital of the Company will commence on 11 April 2006.

Following Admission, share certificates representing the Ordinary Shares to be issued pursuant to the Subscription are expected to be dispatched by post to placees who do not wish to receive shares in uncertificated form, by no later than 29 April 2006. No temporary documents of title will be issued in connection with the Subscription. Pending the dispatch of the definitive share certificates, instruments of transfer will be certified against the register of members of the Company.

## **19 Additional information**

The attention of prospective investors is drawn to the information contained in Parts III to V of this Admission Document which provides additional information on the Company. In particular, prospective investors are advised to consider carefully Part III of this Admission Document, entitled "**Risk Factors**".

## PART III

### RISK FACTORS

**An investment in the Ordinary Shares of the Company involves a high degree of risk. Accordingly, before making a final decision prospective investors should carefully consider the specific risk factors set out below in addition to the other information contained in this Admission Document before investing in the Ordinary Shares. No assurance can be given that Shareholders will realise a profit or will avoid a loss on their investment.**

The Board has identified the following risks which it considers to be the most significant for potential investors in the Company. The risks referred to below do not purport to be exhaustive and are not set out in any particular order of priority and potential investors should review this Admission Document carefully in its entirety and consult with their professional advisers before making an application for shares.

If any of the following events identified below occur, the Company's business, financial condition, capital resources, results and/or future operations and prospects could be materially adversely affected. In that case, the price of the Ordinary Shares could decline and investors may lose part or all of their investment.

#### **1 Legislative and regulatory risks**

The sectors targeted by the Company are by definition subject to changes in legislation and are therefore subject to uncertainties. As the direction and impact of regulations can be unpredictable, there is a risk that regulatory developments will not bring about the positive changes and opportunities envisaged, or that the costs associated with those changes and opportunities will be significantly greater than expected. In particular, there is a risk that regulatory change will bring about a significant downturn in the prospects of one or more acquired businesses, rather than presenting a positive opportunity.

#### **2 Lack of trading history**

The Company has not, since incorporation, carried on any trading activities. The value of any investment in the Company is, therefore, wholly dependent upon the successful implementation of the strategy described in Part II of this Admission Document.

#### **3 Ability to complete an acquisition**

The Company's future success is dependent upon its ability to make successful acquisitions. There can be no assurance that the Company will be able successfully to conclude agreements with any of the target businesses that the Board may identify in the future.

#### **4 Unsuccessful transaction costs**

There is a risk that the Company may incur substantial legal, financial and advisory expenses arising from unsuccessful transactions which may include public offer and transaction documentation, legal accounting and other due diligence.

#### **5 Need for additional financing and dilution**

The net proceeds of the Subscription will, in all likelihood, be insufficient to fund in full any suitable acquisitions identified by the Board. Accordingly, the Company will need to seek additional sources of financing to implement its growth strategy. There can be no assurance that the Company will be able to raise those funds, whether on acceptable terms or at all. If further financing is obtained by issuing equity securities or convertible debt securities, the existing shareholders 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.

## **6 Dividends**

The decision of the Directors as to whether to declare dividends will depend on factors such as the Company's future financial performance, profits, levels of distributable reserves, capital requirements and general economic conditions.

## **7 Controlling shareholder**

After the Subscription 89.5 per cent. of the Company's issued share capital will be held by Marwyn Neptune Fund. Marwyn Neptune Fund will therefore be able to exercise significant control over the Company's corporate actions without requiring the approval of the Company's other shareholders.

## **8 Directors and employees**

The Company will be highly dependent on the expertise and continued service of the Directors. These individuals could terminate their employment agreements at any time and their loss may have an adverse effect on the Company's business. Furthermore, the ability to attract and retain individuals is critical to the Company's ongoing business. The failure to attract and retain those individuals may adversely affect the Company's operations.

In addition, there is a risk that the Company will not be able to recruit executives of sufficient expertise or experience to maximise any opportunities that present themselves, or that recruiting and retaining those executives is more costly or takes longer than expected.

## **9 Value and liquidity of the Ordinary Shares**

It may be difficult for an investor to realise his or her investment. The shares of publicly traded emerging companies have limited liquidity and their share prices can be highly volatile.

The price at which the Ordinary Shares will be traded and the price at which investors may realise their investment will be influenced by a large number of factors, some specific to the Company and its operations and others which may affect companies operating within a particular sector or quoted companies generally.

Prospective investors should be aware that the value of the Ordinary Shares could go down as well as up, and investors may therefore not recover their original investment. Furthermore, the market price of the Ordinary Shares may not reflect the underlying value of the Company's net assets.

The investment opportunity offered in this Admission Document may not be suitable for all recipients of this Admission Document. Potential investors are therefore strongly recommended to consult an independent financial adviser authorised under the Financial Services and Markets Act 2000 who specialises in advising on investments of this nature before making an investment decision.

## **10 Taxation**

There can be no certainty that the current taxation regime in the UK or overseas jurisdictions within which the Company may operate will remain in force or that the current levels of corporation taxation will remain unchanged. There can be no assurance that there will be no amendment to the existing taxation laws applicable to the Company, which may have a material adverse affect on the financial position of the Company.

## **11 Availability of tax reliefs**

The Company's strategy will not be influenced by whether or not capital gains tax taper reliefs or EIS reliefs are available to Shareholders and investors should not rely on the availability of those reliefs in deciding whether to invest in the Company.

## **12 Terrorist action**

There is a risk of terrorist attacks on the United States, the United Kingdom and elsewhere carrying significant loss of life and property damage and disruptions in global markets. Economic and diplomatic sanctions may be in place or imposed on certain states and military action may be commenced. The impact of these events is unclear, but could potentially have a material effect on general economic conditions and market liquidity.

**This Admission Document contains forward looking statements that relate to the Company's prospective financial condition, results of operations, and its business plan, strategies, forecasts, prospective competitive position, and growth opportunities. This Admission Document also contains forward looking statements that relate to the market, financial and regulatory environments in which the Company plans to operate, the plans and objectives of the Company's management, and various other matters. These forward looking statements are identifiable by words such as "anticipate", "estimate", "project", "plan", "intend", "expect", "believe", "forecast" and similar expressions, and are located throughout this Admission Document. Prospective investors should be aware that these statements are estimates, reflecting only the judgment of the Company's management and prospective investors should not place reliance on any forward looking statements.**

**The list of risk factors above does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Company. Prospective investors should read this entire Admission Document and consult with their own legal, tax and financial advisers before deciding to invest in the Company.**

## PART IV

### 1. HISTORIC FINANCIAL INFORMATION ON THE COMPANY

The historic financial information for the Company as at 16 March 2006, the date of incorporation, is set out below. This historic financial information does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985. No statutory accounts have been delivered to the Registrar of Companies. The historic financial information is the subject of the Accountant's Report set out in Part IV.2 of this Admission Document.

#### Balance Sheet of the Company as at 16 March 2006

	£
<b>Current assets</b>	
Debtors – called up share capital not paid	<u>2</u>
<b>Net assets</b>	<u>2</u>
<b>Capital</b>	
Called up share capital – ordinary shares of £1 (Note 5)	<u>2</u>
<b>Equity shareholders' funds</b>	<u>2</u>

#### Reconciliation of Movement in Equity Shareholders' Funds

For the period from incorporation to 16 March 2006

	£
<b>Opening equity shareholders' funds</b>	-
Issue of ordinary shares	<u>2</u>
<b>Equity shareholders' funds at 16 March 2006</b>	<u>2</u>

#### Notes to the Historical Financial Information

For the period ended 16 March 2006

##### 1 Accounting policies

The financial information has been prepared in accordance with generally accepted accounting principles in the United Kingdom (UK GAAP).

##### 2 Basis of preparation

As at 16 March 2006, the Company had not commenced business operations. Consequently, as at 16 March 2006 the Company has made neither a profit nor a loss; and hence has not presented a profit and loss account, statement of total recognised gains and losses, or cash flow statement.

The balance sheet has been prepared in accordance with the historical cost convention.

##### 3 Employee information

The Company has no employees.

##### 4 Directors' emoluments

None of the directors received any remuneration from the Company during the period.

## 5 Called up share capital

	<b>16 March 2006 £</b>
<b>Authorised:</b> 50,000 ordinary shares of £1 each	<u>50,000</u>
<b>Allotted, called up and not paid:</b> 2 ordinary shares of £1 each	<u><u>2</u></u>

The Company was incorporated on 16 March 2006, when it issued (at par) 2 ordinary shares of £1 each. As at 16 March 2006, these shares were unpaid.

## 6 Events after the balance sheet date

On 17 March 2006, each of the ordinary shares (both issued and unissued) were sub-divided into 10 ordinary shares of 10 pence. The 2 ordinary shares of £1 each that were issued on incorporation (sub-divided into 10 ordinary shares of 10 pence each) were subsequently transferred to Mark Watts and James Corsellis, partners of Marwyn Capital LLP.

On the same day, the Company's authorised share capital was increased to 100,000,000 ordinary shares of 10 pence each, and to 50,000 redeemable preference shares of £1 each. Also on the same day, the 50,000 redeemable preference shares of £1 each were issued (at par) to Marwyn Capital LLP, who undertook to pay in cash one quarter of the par value of the redeemable preference shares applied for.

Since 16 March 2006, the Company has entered into arrangements with lawyers and financial advisers in relation to the admission of shares to AIM, at a total cost of approximately £200,000. These costs are expected to be paid on admission, which is expected to occur on 11 April 2006.

## 2. ACCOUNTANTS' REPORT ON THE COMPANY

The Board of Directors  
Aldgate Capital Plc  
20 Black Friars Lane  
London  
EC4V 6HD

Collins Stewart Limited  
9<sup>th</sup> Floor  
88 Wood Street  
London  
EC2V 7QR

6 April 2006

Dear Sirs

### **Aldgate Capital Plc (the "Company")**

We report on the financial information set out Part IV.1 of the AIM admission document dated 6 April of the Company (the "Admission Document"). This financial information has been prepared for inclusion in the Admission Document on the basis of the accounting policies set out in paragraph 1. This report is required by Paragraph (a) of Schedule Two to the AIM Rules as if Annex I item 20.1 of the Prospectus Rules applied and is given for the purpose of complying with that requirement and for no other purpose.

### **Responsibilities**

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 2 to the financial information and in accordance with generally accepted accounting principles in the United Kingdom ("UK GAAP").

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Admission Document and to report our opinion to you.

### **Basis of opinion**

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work 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 information is free from material misstatement whether caused by fraud or other irregularity or error.

### **Opinion**

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the Company as at the date stated and of its result for the period then ended in accordance with the basis of preparation set out in note 2 and in accordance with UK GAAP as described in note 1.

### **Declaration**

For the purposes of Prospectus Rule 5.5.3R(2)(f), as applied by Paragraph (a) of Schedule Two to the AIM Rules, we are responsible for this report as part of the Admission Document and declare that we have taken all

reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Annex I item 1.2 of the Prospectus Rules as applied by Paragraph (a) of Schedule Two to the AIM Rules.

Yours faithfully

Deloitte & Touche LLP  
Chartered Accountants

Deloitte & Touche LLP is the United Kingdom member firm of Deloitte Touche Tohmatsu (“DTT”), a Swiss Verein whose member firms are separate and independent legal entities. Neither DTT nor any of its member firms has any liability for each other’s acts or omissions. Services are provided by member firms or their subsidiaries and not by DTT.

## PART V

### ADDITIONAL INFORMATION

*The information in this section includes a summary of some of the provisions of the Memorandum and Articles of the Company and is provided subject to the general provisions of each of those documents.*

The Shares are only suitable for investors who understand, or who have been advised of the potential risk of capital loss from an investment in the Shares and that there may be limited liquidity in the Shares and the underlying investments of the Company, and for whom an investment in the Shares is part of a diversified portfolio and who fully understand and are willing to assume the risks involved with an individual investment in the Shares.

#### 1 Incorporation and administration

The Company was incorporated as a public company with limited liability in England under the Act on 16 March 2006 with registered number 5745526. The registered office of the Company is 20 Black Friars Lane, London EC4V 6HD. The Company operates under the Act (and regulations made pursuant to the Act) and having no subsidiaries or employees.

The Directors confirm that the Company has not traded and no accounts of the Company have been made up since its incorporation on 16 March 2006. The Company's accounting period will terminate on 31 December of each year, with the first period ending on 31 December 2006.

Changes in the authorised and issued share capital of the Company since incorporation appear in section 2 below.

Deloitte & Touche LLP has been the only auditor of the Company since its incorporation.

#### 2 Share capital

The authorised share capital of the Company on incorporation was £50,000 divided into 50,000 shares of £1.00 each. On incorporation, 2 Ordinary Shares were issued, fully paid to the subscribers to the memorandum of association. These Ordinary Shares will be made available, fully paid, under the Subscription. Pursuant to a meeting of the Board held shortly after incorporation the authorised share capital was increased to £10,050,000 divided into 100,000,000 ordinary shares of 10 pence each and 50,000 redeemable preference shares of £1.00 each. The 50,000 redeemable preference shares are to be redeemed on Admission.

On the assumption that all of the Shares available under the Subscription are fully taken up, the anticipated authorised share capital of the Company will consist of 100,500,000 shares of 10p and the issued share capital of the Company will consist of 50,000,000 Shares immediately following completion of the Subscription.

In accordance with the power granted to the Directors by the Articles, it is expected that the Shares will be allotted pursuant to a resolution of the Board to be passed on or about 4 April 2006 conditional upon Admission. The allotment of these Shares will not be made on a pre-emptive basis.

Subject to the exceptions set out in the section "Transfer of Shares" in section 4 below, Shares are freely transferable and Shareholders are entitled to participate (in accordance with their rights specified in the Articles) in the assets of the Company attributable to their Shares in a winding up of the Company or a winding up of the business of the Company. There are no different voting rights granted to the Company's major shareholders.

Save as disclosed in this paragraph 2, since the date of its incorporation, no share or loan capital of the Company has been issued or agreed to be issued, or is now proposed to be issued, either for cash or any other consideration and no commissions, discounts, brokerages or other special terms have been

granted by the Company in connection with the issue or sale of all capital and no share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option. Pursuant to an undertaking dated 6 April 2006, the Company has undertaken to issue warrants to Marwyn Neptune Fund at the time of the first material acquisition equal to 10 per cent. of the enlarged share capital of the Company following that acquisition. For further information see paragraph 9 of Part V.

All of the Shares will be in registered form and eligible for settlement in CREST. Temporary documents of title will not be issued.

### 3 Directors' and other interests

- 3.1 Save as set out in paragraphs 3 and 4 of Part II, insofar as is known to the Company, none of the Directors including any connected person, the existence of which is known to, or could with reasonable diligence be ascertained by, that Director and whether or not held through another party, are interested in the share capital of the Company, nor any options in respect of that capital, immediately following the Subscription.
- 3.2 As at 5 April 2006 (being the latest practicable date prior to publication of this Admission Document) in so far as is known to the Company, no person or persons, other than as set out below, is, are or will be, immediately following Admission, interested, directly or indirectly, in 3 per cent. or more of the capital of the Company.

Name	As at the date of this Admission Document		Immediately following Admission	
	Number of Ordinary Shares	Percentage of issued ordinary share capital	Number of Ordinary Shares	Percentage of issued ordinary share capital
Marwyn Neptune Fund	-	-	44,750,000	89.5
Killik & Co.*	-	-	5,000,000	10

\* Killik & Co. hold the Ordinary Shares on behalf of their clients as a discretionary private client broker.

Those interested in 3 per cent. or more (directly or indirectly) of the capital of the Company will not have different voting rights from other holders shares in the capital of the Company.

Save as disclosed above, as at the date of this Admission Document, insofar as is known to the Company, other than Marwyn Neptune Fund and Killik & Co., no person is or will, immediately following the Subscription, be directly or indirectly interested in 3% or more of the Company's capital.

The Directors will not receive a fee for their services to the Company.

- 3.3 The Directors have been appointed pursuant to agreements for service, details of which are set out in Part V, paragraph 8 of this Admission Document.
- 3.4 No loan has been granted to, nor any guarantee provided for the benefit of, any Director by the Company.
- 3.5 None of the Directors has, or has had, an interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company or which has been affected by the Company since its incorporation.
- 3.6 In addition to their directorships of the Company, the Directors hold or have held the following directorships, and are or were members of the following partnerships, over or within the past five years:

<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Past directorships/partnerships</i>
David Williams	Augean Plc Concateno plc 68-70 Onslow Gardens Freehold Limited RMS Communications Plc Zetar plc Talarus plc Bow Lane Capital Plc Marwyn Capital LLP Marwyn Investment Management LLP Marwyn Neptune Fund Marwyn Neptune Fund LP Marwyn Management Partners LP Marwyn General Partner Limited Marwyn Partners Limited Marwyn Capital Limited Marwyn Investment Management Limited Marwyn Investments Group Limited Marwyn Value Investor Limited Marwyn Capital Management Limited	Burnden Leisure Plc Cartmorr Limited Ifte plc J&Y Limited MDPD (DAJ) Limited MDPD (LCK) Limited MDPD (LHB) Limited MDPD (LPL) Limited MDPD (LTS) Limited MDPD (LVSP) Limited Mead (ACC) Limited Mead (CCH) Limited Mead (HTP) Limited Mead (LAC) Limited Mead (LCB) Limited Mead (LFH) Limited Mead (MBC) Limited  Mead (MBH) Limited MMSD (CM) Limited MMSD (LDI) Limited MMSD (LSG) Limited MMSD (NCD) Limited Mosaic Corporate Investments Limited Pan-Eagle Limited RAL (S&G) Limited RMS Communications Systems Limited Waste Recycling Group plc

<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Past directorships/partnerships</i>
James Corsellis	Catalina Holdings Limited Orpheus Capital Partners LLP Orpheus Capital Limited Reco Insurance Capital Limited Aldgate Capital Plc Bow Lane Capital Plc Marwyn Investments Group Limited Marwyn Partners Limited Marwyn Capital Limited	Marwyn Investment Management Limited icollector plc The 4less group PLC Icollector.com Limited Zero - Degrees Limited Corsellis - Montford Group Plc Corsellis - Montford Interactive Limited Corsellis - Montford Limited

<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Past directorships/partnerships</i>
	Marwyn Investment Management LLP	
	Marwyn Capital LLP	
	Marwyn Neptune Fund LP	
	Marwyn Management Partners LP	
	Marwyn General Partner LLP	
	Marwyn (Catalina) Limited	
	Marwyn Neptune Fund LP	

<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Past directorships/partnerships</i>
Mark Watts	Inspicio Plc	Claim Assist Investigations Limited
	Talarius Plc	Ionark Limited
	Zetar Plc	Paetorian Limited
	Pleasant People Limited	The Fine Fruit Company Limited
	Panlok Limited	
	Orpheus Capital Partners LLP	
	Bow Lane Capital Plc	
	Marwyn Capital Limited	
	Marwyn Partners Limited	
	Marwyn Capital LLP	
	Marwyn Investment Management LLP	
	Marwyn Management Partners LP	
	Marwyn Investments Group Limited	
	Marwyn Investment Management Limited	

<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Past directorships/partnerships</i>
Benjamin Shaw	Leisure & Gaming Plc	Digimark Communications Limited
	Cardioderm Limited	Victor Chandler Limited
	Bow Lane Capital Plc	Talarius Plc
	Marwyn Partners Limited	Zettters Group Plc
	Marwyn Investment Management Limited	
	Marwyn Investments Group Limited	
	Marwyn Capital Limited	
	Marwyn Capital LLP	
	Marwyn Investment Management LLP	
	Marwyn Management Partners LP	
	Marwyn Neptune Fund LP	

<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Past directorships/partnerships</i>
	Marwyn General Partner Limited	

3.7 Save as disclosed below, at the date of this Admission Document, none of the Directors:

- (a) has any unspent convictions in relation to indictable offences;
- (b) has been bankrupt or entered into an individual voluntary arrangement;
- (c) was a director with an executive function of any company at the time of or within 12 months preceding any receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with that company's creditors generally or with any class of its creditors (apart from (i) David Williams who was a director of RMS Communications plc, which was placed in administration in 1997 which has now been lifted); and (ii) James Corsellis who resigned as a director of collector plc on 18 September 2001 when the business was sold, icollector went into voluntary liquidation on 12 March 2002;
- (d) has been a partner in a partnership at the time of or within 12 months preceding any compulsory liquidation, administration or partnership or voluntary arrangement of such partnership;
- (e) has had his assets the subject of any receivership or has been a partner of a partnership at the time of or within 12 months preceding any assets thereof being the subject of a receivership; or
- (f) has been subject to any public criticism by any statutory or regulatory authority (including any designated professional bodies) nor has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

3.8 The Company will maintain directors' and officers' liability insurance on behalf of the Directors at the expense of the Company.

#### **4 Memorandum and articles of association**

The Memorandum of Association of the Company provides that the Company's principal objects are to carry on business as a general commercial company and to act as a holding company. The objects of the Company are set out in full in clause 4 of the Company's Memorandum of Association which is available for inspection at the locations specified in paragraph 13 below.

The Articles were adopted pursuant to a special resolution of the Company passed on 16 March 2006 and include provisions to the following effect:

(a) **Voting rights**

Subject to any special terms as to voting on which any shares may have been issued or may from time to time be held, at a general meeting of the Company every member who is present in person (including any corporation present by its duly authorised representative) shall on a show of hands have one vote and every member present in person or by proxy shall on a poll have one vote for each share of which he is a holder. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

Unless the Board otherwise determines, no member is entitled to vote at a general meeting or at a separate meeting of the holders of any class of shares, either in person or by proxy, or to exercise any other right or privilege as a member in respect of any share held by him unless all calls presently payable by him in respect of that share, whether alone or jointly with any other person, together with interest and expenses (if any) have been paid to the Company or if he, or any other person appearing to be interested in such shares, has been issued with a notice pursuant to

section 212 of the Act (requiring disclosure of interests in shares) and has failed in relation to those shares to give the Company the information required by that notice within 14 days.

(b) **Dividends**

Subject to the provisions of the Act and of the Articles, the Company may by ordinary resolution declare dividends to be paid to members according to their respective rights and interests in the profits of the Company. However, no dividend shall exceed the amount recommended by the Board.

Subject to the provision of the Act, the Board may declare and pay any interim dividends (including any dividend payable at a fixed rate) as appears to the Board to be justified by the profits of the Company available for distribution.

Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up (otherwise than in advance of calls) on the shares on which the dividend is paid. All dividends unclaimed for a period of 12 years after having been declared or become due for payment shall (if the Board so resolves) be forfeited and shall cease to remain owing by the Company.

The Board may, with the authority of an ordinary resolution of the Company, direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares or debentures of any other company, or in any one or more of these ways.

The Board may also, with the prior authority of an ordinary resolution of the Company and subject to any conditions as the Board may determine, offer to holders of ordinary shares the right to elect to receive ordinary shares, credited as fully paid, instead of the whole (or some part, to be determined by the Board) of any dividend specified by the ordinary resolution.

Unless the Board otherwise determines, the payment of any dividend or other money that would otherwise be payable in respect of ordinary shares will be withheld if such shares represent at least 0.25 per cent. of their class and the holder, or any other person appearing to be interested in those shares, has been duly served with a notice under section 212 of the Act and has failed to supply the information required by that notice within 14 days. Furthermore, that holder shall not be entitled to elect to receive ordinary shares instead of a dividend.

(c) **Distribution of assets on a winding-up**

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by law, divide among the members *in specie* the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the dividend shall be carried out as between the members or vest the whole or any part of the assets in trustees on such trusts for the benefit of the members as he with the like sanction shall determine, but no member shall be compelled to accept any assets on which there is a liability.

(d) **Transfer of shares**

Every member may transfer all or any of his shares by instrument of transfer in writing in any usual form or in any form approved by the Board. Such instrument must be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor is deemed to remain the holder until the transferee's name is entered in the register of members.

The Board may, in its absolute discretion and without giving any reason, refuse to register any transfer of a share or renunciation of a renounceable letter of allotment unless:

- (i) it is in respect of a share which is fully paid up;
- (ii) it is in respect of only one class of shares;
- (iii) it is in favour of a single transferee or not more than four joint transferees;
- (iv) it is duly stamped (if so required); and
- (v) it is delivered for registration to the registered office for the time being of the Company or such other place as the Board may from time to time determine, accompanied (except in the case of a transfer by a recognised person (as defined in the Articles) where a certificate has not been issued or in the case of a renunciation) by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor or person renouncing and the due execution of the transfer or renunciation by him or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so,

provided that the Board shall not refuse to register any transfer of partly paid shares which are listed on the grounds they are partly paid shares in circumstances where such refusal would prevent dealings in those shares from taking place on an open and proper basis.

Unless the Board otherwise determines, a transfer of shares will not be registered if the transferor or any other person appearing to be interested in the transferor's shares has been duly served with a notice under section 212 of the Act, has failed to supply the information required by such notice within 14 days and the shares in respect of which such notice has been served represent at least 0.25 per cent. of their class, unless the member is not himself in default as regards supplying the information required and proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer, or unless such transfer is by way of acceptance of a takeover offer, in consequence of a sale on a recognised stock exchange or a sale to an unconnected party.

(e) **Variation of rights**

If at any time the share capital of the Company is divided into shares of different classes, any of the rights for the time being attached to any share or class of shares in the Company may be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of shares of the class. The quorum at any such meeting shall be not less than two persons holding or representing by proxy at least one-third of the nominal amount paid up on the issued shares of the class in question and at an adjourned meeting not less than one person holding shares of the class in question or his proxy.

Subject to the terms of issue of or rights attached to any shares, the rights or privileges attached to any class of shares shall be deemed not to be varied or abrogated by the creation or issue of any new shares ranking *pari passu* in all respects (save as to the date from which such new shares shall rank for dividend) with or subsequent to those already issued or by the reduction of the capital paid up on such shares or by the purchase or redemption by the Company of its own shares in accordance with the provisions of the Act and the Articles.

(f) **Borrowing powers**

The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets (present and future) and uncalled capital and, subject to the provisions of the Act, to create and issue debenture and other loan stock and debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. The Board shall restrict the borrowings

of the Company, and shall exercise all voting and other rights and powers of control exercisable by the Company in relation to its subsidiary undertakings, so as to procure (as far as it can in relation to its subsidiary undertakings) that the aggregate principal amount outstanding in respect of moneys borrowed by the Company does not at any time, without the previous sanction of an ordinary resolution of the Company, exceed a sum equal to two times the adjusted total of capital and reserves.

**(g) Changes in capital**

Subject to the provisions of the Act, the Company in general meeting may from time to time by ordinary resolution increase its share capital, consolidate and divide all or any of its share capital into shares of larger amount, cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled and sub-divide all or any of its shares into shares of smaller amount. The Company may also, subject to the provisions of the Act and to any rights for the time being attached to any shares, purchase its own shares and, by special resolution, reduce its share capital or any capital redemption reserve or any share premium account in any way.

**(h) Issue of shares**

Subject to the provisions of the Act and to any special rights for the time being attached to any shares, any shares may be allotted or issued with or have attached to them such preferred, deferred or other special rights or restrictions, whether in regard to dividend, voting, transfer, return of capital or otherwise, as the Company may from time to time by ordinary resolution determine or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board may determine, and any share may be issued which is, or is liable to be, redeemed at the option of the Company or the holder in accordance with the Articles. Subject to the Act and to any relevant authority of the Company in general meeting required by the provisions of the Act, the unissued shares at the date of adoption of the Articles and any shares created thereafter shall be at the disposal of the Board.

**(i) Remuneration of Directors**

The Directors (other than alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board may from time to time determine (not exceeding in aggregate £250,000 per annum or such other sum as the Company in general meeting shall from time to time determine). Such sum (unless otherwise directed by the resolution of the Company by which it is voted) shall be divided among the Directors in such proportions and in such manner as the Board may determine or, in default of such determination, equally.

The Directors are entitled to be repaid all travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as Directors.

The salary or remuneration of any Director appointed to hold any employment or executive office may be either a fixed sum of money, or may altogether or in part be governed by business done or profits made or otherwise determined by the Board, and may be in addition to or in lieu of any fee payable to him for his services as Director.

**(j) Pensions and gratuities for Directors**

The Board may exercise all the powers of the Company to provide and maintain pensions, other retirement or superannuation benefits, death or disability benefits or other allowances or gratuities for persons who are or were directors of any company in the group and their relatives or dependants.

(k) **Directors' interests in contracts**

Subject to the provisions of the Act and provided that his interest is disclosed at a meeting of the Board in accordance with the Articles, a Director, notwithstanding his office, may enter into or otherwise be interested in any contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested, may hold any other office or place of profit under the Company (except that of auditor of the Company or of a subsidiary of the Company) in conjunction with the office of Director and may act by himself or through his firm in a professional capacity for the Company, and in any such case on such terms as to remuneration and otherwise as the Board may arrange, and may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any company promoted by the Company or in which the Company is otherwise interested and shall not be liable to account to the Company for any profit, remuneration or other benefit realised by any such office, employment, contract, arrangement, transaction or proposal. No such contract, arrangement, transaction or proposal shall be avoided on the grounds of any such interest or benefit.

(l) **Restrictions on Directors' voting**

Save as provided in the Articles, a Director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board or of a committee of the Board concerning any contract, arrangement, transaction or any other proposal whatsoever to which the Company is or is to be a party and in which he has an interest which (together with any interest of any person connected with him within the meaning of section 346 of the Act) is to his knowledge a material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company, unless the resolution concerns any of the following matters:

- (i) the giving of any guarantee, security or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;
- (ii) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (iii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
- (iv) any proposal concerning any other body corporate in which he (together with persons connected with him) does not to his knowledge have an interest (as the term is used in Part VI of the Act) in one per cent. or more of the issued equity share capital of any class of such body corporate or of the voting rights available to members of such body corporate;
- (v) any proposal relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates; or
- (vi) any proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons who include Directors.

A Director shall not vote or be counted in the quorum on any resolution of the Board or committee of the Board concerning his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of any office or place of profit with the Company or any company in which the Company is interested.

(m) **Age of Directors**

The Articles do not contain any provision to exclude the operation of section 293 of the Act and accordingly special notice will be required of any resolution appointing or approving the appointment of a Director who has attained the age of 65.

(n) **Number of Directors**

Unless and until otherwise determined by an ordinary resolution of the Company, the number of Directors shall be not less than 2 nor more than 10.

(o) **Directors' appointment and retirement by rotation**

Directors may be appointed by the Company by ordinary resolution or by the Board. If appointed by the Board, a Director holds office only until the next annual general meeting and shall not be taken into account in determining the number of Directors who are to retire by rotation. A Director shall not be required to hold any shares in the Company.

At each annual general meeting of the Company one-third of the Directors who are subject to retirement by rotation will retire by rotation and be eligible for re-election. Subject to the Act and to the Articles, the Directors to retire will, first, be any Director who wishes to retire and not offer himself for re-election and secondly, will be those who have been longest in office since their last appointment or re-appointment, but as between those who have been in office an equal length of time, those to retire shall (unless they otherwise agree) be determined by lot.

(p) **Untraced shareholders**

Subject to the Articles, the Company may sell any shares in the Company registered in the name of a member remaining untraced for 12 years who fails to communicate with the Company following advertisement of an intention to make such a disposal. Until the Company can account to the member, the net proceeds of sale will be available for use in the business of the Company or for investment, in either case at the discretion of the Board. The proceeds will not carry interest.

(q) **Non-United Kingdom shareholders**

There are no limitations in the Articles on the rights of non-United Kingdom shareholders to hold, or to exercise voting rights attached to, the ordinary shares. However, non-United Kingdom shareholders are not entitled to receive notices of general meetings unless they have given an address in the United Kingdom to which such notices may be sent.

(r) **CREST**

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. The Articles are consistent with CREST membership and, amongst other things, allow for the holding and transfer of shares in uncertificated form. The Company currently anticipates entering the CREST system on 11 April 2006.

## **5 Litigation and arbitration**

Since its incorporation the Company is not, nor has been, involved in any legal or arbitration proceedings nor, so far as the Directors are aware, are there any legal or arbitration proceedings pending or threatened by or against the Company which may have, or have since incorporation had, a significant effect on the Company's financial position or profitability.

## **6 Working capital**

In the opinion of the Directors, taking into account the Company's bank facilities and the net proceeds of the Subscription receivable by the Company, the working capital available to it is sufficient for its present requirements; that is for at least 12 months following the date of Admission.

## **7 United States selling and transfer restrictions**

The Ordinary Shares have not been, and will not be, registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States.

Each purchaser of the Ordinary Shares will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Regulation S under the US Securities Act are used herein as defined therein):

- The purchaser, and the person, if any, for whose account it is purchasing the Ordinary Shares (i) is outside the United States and (ii) is purchasing the Ordinary Shares in an offshore transaction meeting the requirements of Regulation S;
- The purchaser is aware that the Ordinary Shares have not been and will not be registered under the US Securities Act and are being distributed and offered outside the United States in reliance on Regulation S.

## **8 Directors' letters of appointment**

On 6 April 2006 the Company entered into identical non-executive director letters of appointment with each of David Williams and Benjamin Shaw respectively, the terms of which are summarised below.

The letters of appointment are for an initial fixed term of 12 months, until the contract is terminated by either party giving the other not less than 3 months' written notice. Each Director shall not receive an annual fee for his services. The Company may terminate the letter immediately if the Director: (a) is not reappointed as a director at an annual general meeting of the Company; (b) is removed as a director by resolution passed at a general meeting of the Company; (c) ceases to be a director by vacating their office under any provision of the Articles; (d) becomes incapable of performing his duties; (e) has a bankruptcy order made against him; (f) is prohibited from being a company director; (g) is guilty of serious misconduct or wilful and persistent neglect of his duties pursuant to the letter of appointment; (h) is convicted of any arrestable criminal offence; (i) is in breach of the share dealing code of the Company; or (j) acts in a manner which brings the Company into disrepute. The letters of appointment are governed by English law.

On 6 April 2006 the Company entered into identical executive director service agreements with each of James Corsellis and Mark Watts respectively, the terms of which are summarised below.

The service contracts, respectively, are for an initial fixed period of 12 months, until the contract is terminated by either party giving the other not less than 3 months' notice. The Directors will not receive a salary in respect of their services to the Company. The Company may terminate the contract without prior notice if the relevant Director: (a) is guilty of gross misconduct during the course of his employment or if he misconducts himself outside the course of his employment in a manner that in the reasonable opinion of the Board prejudices the interests of the Group; (b) commits any serious, persistent material breach or non-observance of the terms, conditions or provisions of the contract; (c) neglects his duties; (d) becomes bankrupt; (e) becomes of unsound mind; (f) is prohibited by law from being a director; (g) is guilty of dishonesty, fraud or misrepresentation; (h) is convicted of any criminal offence; or (i) is incapacitated by illness so injury. Each service contract is governed by English law.

There are no other service contracts with the Company which provide for benefits upon termination of employment.

## 9 Material contracts

The following contracts, not being contracts entered into in the ordinary course of business have been entered into by the Company in the two years immediately preceding the date of this Admission Document and are, or may be material:

### **Lock-In Deed and Orderly Market Agreement**

Pursuant to a deed dated 6 April 2006 and made between Marwyn Neptune Fund (the "**Covenantor**"), the Company and Collins Stewart, in compliance with the AIM Rules the Covenantor agreed conditionally on Admission, that it would not, and would procure that no person connected with it would, subject to certain exceptions, dispose of any Shares held by it at Admission from Admission (or any additional Shares issued to it following the exercise of any right of opinion granted or arising by virtue of the holding of those Shares at Admission) until 12 months after Admission.

For a further 6 months in order to maintain an orderly market, the Covenantor shall sell its Shares through Collins Stewart, provided Collins Stewart remains the Company's nominated adviser and the net proceeds that would be received by the Covenantor would be not less than the proceeds that would be received based on market terms quoted by any other reputable stockbroker or dealer.

### **Engagement letter – nominated adviser and broker**

Pursuant to an engagement letter dated 4 April 2006 and made between the Company, the Directors and Collins Stewart pursuant to which the Company appointed Collins Stewart to act as its nominated adviser and broker for the purposes of the AIM Rules for a minimum of twelve months (subject to earlier termination in accordance with its terms) for an annual fee of £20,000 until such time as the Company complete its first acquisition and £35,000 thereafter. This appointment shall continue until terminated by either the Company or Collins Stewart giving the other three months' notice following the initial term and on various other grounds.

### **Registrar Agreement**

Pursuant to an Agreement between the Registrar and the Company dated 6 April 2006, the Registrar is retained by the Company to keep the register and, where applicable, register of loan stock, debentures and warrant holders and provide related services. The agreement may be terminated by the Company on service of 6 months' notice on the Registrar, such notice to expire no earlier than the first anniversary of the date of the agreement. The agreement may be terminated by the Registrar on serving 6 months notice on the Company. It may be terminated immediately by either party in certain specified circumstances. The basic fee payable by the Company to the Registrar is £1.50 per shareholder account per annum, subject to an annual minimum charge of £2,000. In addition, various transfer fees are also payable.

### **Warrant Agreement**

Pursuant to an undertaking dated 6 April 2006, the Company has undertaken to issue warrants to Marwyn Neptune Fund at the time of the first material acquisition of an amount equal to 10 per cent. of the enlarged share capital of the Company following that acquisition.

### **Corporate Finance Advisory Agreement**

Pursuant to a corporate finance advisory agreement with Marwyn Capital dated 4 April 2006. Under the terms of the appointment, Marwyn Capital will provide strategic and corporate finance advice to the Company, for a fee of £10,000 in respect of the Subscription. Marwyn Capital may terminate the appointment immediately if the Company commits a material breach of the terms of the agreement or if the Company fails to accept the advice of Marwyn Capital on a material matter.

## Office Support Agreement

Pursuant to an arrangement with Marwyn Partners, dated 4 April 2006, pursuant to which Marwyn Partners provides temporary accommodation and associated back office support services (including secretarial and IT support) for a fee of £5,000 plus VAT per month. The arrangement is in place until the Company makes permanent arrangements and is terminable by either party on three months' notice.

## 10 Corporate governance

The Directors recognise the importance of sound corporate governance commensurate with the size of the Company and the interests of the Shareholders. So far as is practicable, taking into account the size and nature of the Company, the Directors will comply with the Combined Code as set out in paragraph 11 of Part I.

## 11 Taxation

The following paragraphs are intended as a general guide only for shareholders who are resident and ordinarily resident in the United Kingdom for tax purposes and who beneficially own Ordinary Shares as investments and not as securities to be realised in the course of a trade, and are based on current legislation and HM Revenue and Customs practice. Any prospective purchaser of Ordinary Shares who is in any doubt about his tax position or who is subject to taxation in a jurisdiction other than the UK should consult his own professional adviser immediately.

### 11.1 Taxation of chargeable gains

11.1.1 For the purpose of UK tax on chargeable gains, the issue Subscription Shares pursuant to the Subscription will be regarded as an acquisition of a new holding in the share capital of the Company.

11.1.2 To the extent that a shareholder acquires Subscription Shares allotted to him, the Subscription Shares so allotted will for the purpose of tax on chargeable gains be treated as acquired on the date of allotment. The amount paid for the Subscription Shares will constitute the base cost of a shareholder's holding. For individuals, trustees and personal representatives, the amount paid for the Subscription Shares subscribed for will be eligible for taper relief. For corporate shareholders indexation allowance may be available to reduce any chargeable gains.

11.1.3 If a Shareholder disposes of all or some of his Ordinary Shares and/or Subscription Shares, as the case may be, a liability tax on chargeable gains may, depending on his or its circumstances, arise.

### 11.2 Stamp Duty and Stamp Duty Reserve Tax

Stamp duty and stamp duty reserve tax ("**SDRT**") treatment under the Placing will be as follows:

11.2.1 in relation to the shares being issued by the Company, no liability to stamp duty or SDRT will arise on their issue or on the issue of definitive share certificates by the company;

11.2.2 the transfer of Ordinary Shares will generally be liable to stamp duty at the rate of 0.5 per cent. rounded up to the next £5 of the value of the consideration given. A charge to SDRT at the rate of 0.5 per cent. of the consideration will arise in the case of an unconditional agreement to transfer shares on the date of the agreement, and in the case of a conditional agreement on the date the agreement becomes unconditional. However if within the period of six years of the date of the agreement or, in the case of a conditional agreement, the date on which it becomes unconditional, an instrument of transfer is executed pursuant to the agreement and stamp duty is paid on that instrument, any liability to SDRT will be repaid or cancelled. The liability to pay stamp duty or SDRT is generally satisfied by the purchaser or transferee;

11.2.3 no stamp duty or SDRT will arise on a deposit of shares in CREST for conversion into uncertificated form (otherwise than pursuant to a transfer on sale or in contemplation of such sale), unless such

transfer is made for a consideration in money or money's worth, in which case a liability to stamp duty or SDRT will arise, usually at the rate set out in paragraph 11.2.2 of this Part V of this Admission Document; and

- 11.2.4 a transfer of shares effected within CREST will generally be subject to SDRT at the rate of 0.5 per cent. of the actual consideration.

Special rules apply to certain categories of person, including intermediaries and persons connected with depository arrangements and clearance services.

### **11.3 Dividends and other distributions**

- 11.3.1 Dividends paid by the Company to Individual Shareholders resident in the UK will carry an associated tax credit of one-ninth of the cash dividend or ten per cent. of the aggregate of the cash dividend and associated tax credit. Individual shareholders resident in the UK receiving such dividends will be liable to income tax on the aggregate of the dividend and associated tax credit at the dividend ordinary rate (10 per cent.) in respect of individuals subject to tax at the lower or basic rate of income tax or the dividend upper rate (32.5 per cent.).
- 11.3.2 The effect will be that taxpayers who are otherwise liable to pay tax at only the lower rate or basic rate of income tax will have no further liability to income tax in respect of such a dividend. Higher rate taxpayers will have an additional tax liability (after taking into account the tax credit) of 22.5 per cent. of the aggregate of the cash dividend and associated tax credit. Individual shareholders whose income tax liability is less than the tax credit will not be entitled to claim payment of all or part of the tax credit associated with such dividends.
- 11.3.3 A UK resident corporate shareholder will not generally be liable to corporation tax or income tax in respect of dividends received from the Company unless that shareholder is carrying on a trade of dealing in shares.
- 11.3.4 Trustees of discretionary trusts are liable to account for income tax at the rate applicable to trusts on the trust's income and are required to account for tax at the dividend rate (32.5 per cent.) with a tax credit equivalent to 10 per cent. of the gross dividend.
- 11.3.5 Persons who are not resident in the UK should consult their own tax advisers on the possible application of such provisions and on what relief or credit may be claimed for any such tax credit in the jurisdiction in which they are resident. These comments are intended only as a general guide to the current tax position in the UK as at the date of this Admission Document. The comments assume that Ordinary Shares are held as an investment and not as an asset of financial trade.

**If you are in any doubt as to your tax position or are subject to tax in a jurisdiction other than the UK you should consult your professional adviser.**

## **12 General**

- 12.1 Deloitte & Touche LLP has given and has not withdrawn its written consent to the inclusion of the Accountant's Report in Part IV.2 of this Admission Document in the form and context in which it appears.
- 12.2 Collins Stewart has given and has not withdrawn its written consent to the issue of this Admission Document with the inclusion of its name in the form and context which it appears.
- 12.3 The principal place of business and registered office of the Company is at 20 Black Friars Lane, London EC4V 6HD.
- 12.4 The Shares have ISIN number GB00B123L43.

- 12.5 The costs and expenses (including VAT where relevant) of, and incidental to, the Subscription payable by the Company should not exceed 5% of the Initial Gross Proceeds. On the basis that 49,999,980 Subscription Shares are issued under the Subscription, the estimated net proceeds are expected to be £4.8 million and will be applied as described in paragraph 6 of Part II of this Admission Document. The maximum number of Subscription Shares available under the Subscription should not be taken as an indication of the number of Shares finally to be issued.
- 12.6 CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by certificates and transferred otherwise than by written instrument. The Articles of the Company permit the holding of the Shares under the CREST system. The Directors intend to apply for the Shares to be admitted to CREST with effect from Admission. Accordingly it is intended that settlement of transactions in the Shares following Admission may take place within the CREST system if the relevant Shareholders so wish. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so upon request from the Registrar.
- 12.7 The Company does not own any premises and does not lease any premises.
- 12.8 The Company will not take legal or management control of investments in its portfolio.
- 12.9 Dividends will not be paid unless they are covered by income received from underlying investments, and for this purpose a share of profit of an associated company is unavailable unless and until distributed to the Company.
- 12.10 Any material change to the investment policy of the Company set out in Part II of this Admission Document may only be made with the prior approval of Shareholders.
- 12.11 There are no arrangements in force for the waiver of future dividends. There are no specified dates on which entitlement to dividends or interest thereon on shares of the Company arises.
- 12.12 No person (excluding professional advisers otherwise disclosed in this Admission Document and trade suppliers) has received, directly or indirectly, from the Company within the 12 months preceding the date of this Admission Document or has entered into any contractual arrangements (not otherwise disclosed in this Admission Document) to receive, directly or indirectly, from the Company on or after Admission fees totalling £10,000 or more or securities in the Company having a value of £10,000 or more calculated by reference to the issue price or any other benefit with a value of £10,000 or more at the date of Admission.
- 12.13 Where information has been sourced from a third party this information has been accurately reproduced. So far as the Company and the Directors are aware and are able to ascertain from information provided by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 12.14 Save as disclosed in this Admission Document, there are no patents, intellectual property rights, licences or any industrial, commercial or financial contracts or new manufacturing processes which are or may be material to the business or profitability of the Company.
- 12.15 The Directors are not aware of any environmental issues which may affect the Company's utilization of its tangible fixed assets.
- 12.16 Save as disclosed in this Admission Document, there has been no significant change in the financial or trading position of the Company since 16 March 2006, being the date of incorporation of the Company.

### **13 Availability of Admission Document**

Copies of this Admission Document can be obtained during normal business hours until the Subscription closes from either of the following:

- (a) Aldgate Capital Plc; and
- (b) Collins Stewart at 9th Floor, 88 Wood Street, London EC2V 7QR.

#### **14 Documents available for inspection**

Copies of the following documents will be available for inspection at the offices of Norton Rose, Kempson House, Camomile Street, London EC3A 7AN during normal business hours on any week day (Saturdays and Public Holidays excepted) from the date of this Admission Document until a date one month following Admission:

- (a) the Memorandum and Articles of the Company;
- (b) the report produced by the Reporting Accountant set out at Part 4 of this Admission Document; and
- (c) this Admission Document.

Dated: 6 April 2006