

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document you should consult a person authorised under the Financial Services Act 1986 who specialises in advising on the acquisition of shares and other securities.**

**Application will be made for all the Ordinary Shares to be admitted to trading on the Alternative Investment Market of the London Stock Exchange ("AIM"). AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk than that associated with established companies tends to be attached. A prospective investor should be aware of the potential risks in investing in such companies and should make the decision to invest only after careful consideration and consultation with his or her own independent financial adviser. 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 the Ordinary Shares to listing on the Official List of the London Stock Exchange. Further, the London Stock Exchange has not itself approved the contents of this document.**

This document is drawn up under the Public Offers of Securities Regulations 1995. A copy of this document has been delivered to the Registrar of Companies in England and Wales for registration pursuant to Regulation 4(2) of the Regulations.

The Directors, who are the persons responsible for this document, have taken all reasonable care to ensure that the information stated herein is in accordance with the facts, and that there is no other material information the omission of which is likely to affect the import of the information contained in this document. The Directors, whose names are set out on page 3, accept responsibility accordingly.

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# **PROPERTY ASSET HOLDINGS PLC**

*(Registered in England and Wales Number 3442280)*

**Placing by Charles Stanley & Company Limited**

**of**

**61,000,000 Placing Shares**

**at 6p per share**

**Admission of the Ordinary Shares to trading on AIM**

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Charles Stanley & Company Limited, which is regulated by The Securities and Futures Authority Limited, is acting for the Company in connection with the Placing, and is not acting for any other person and will not be responsible to any other person for providing the protections afforded to the clients of Charles Stanley & Company Limited, nor for advising any other person in connection with the Placing. No representation, express or implied, is made by Charles Stanley & Company Limited as to any of the contents of this document (without limiting the statutory rights of any person to whom this document is issued).

At 31st October 1997, no company in the Group had outstanding any indebtedness or borrowings in the nature of indebtedness.

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## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Admission of the Ordinary Shares to trading on AIM	8.30 am on 15th December 1997
Definitive certificates for the Ordinary Shares expected to be despatched or CREST member accounts credited in respect of the Placing Shares by	22nd December 1997

## STATISTICS OF THE PLACING

Placing Price	6p
Number of Ordinary Shares currently in issue	75,340,020
Number of Ordinary Shares now being issued	61,000,000
Number of Ordinary Shares in issue following the Placing	136,340,020
Market capitalisation at the Placing Price following completion of the Placing	£8,180,401.20
Net proceeds of the Placing	£3,481,430

## **DIRECTORS AND ADVISERS**

Directors:	David Graham Payne, <i>Executive Chairman</i> Adrian Graham ACA, <i>Finance Director</i> Timothy Michael James, <i>Property Director</i> Brian Michael Moritz FCA, <i>Non-executive</i> Oliver John Vaughan, <i>Non-executive</i>  all of: Marcol House, 293 Regent Street, London W1R 7PD
Secretary and Registered Office:	Nigel Raymond Gordon Marcol House 293 Regent Street London W1R 7PD
Nominated Adviser and Nominated Broker:	Charles Stanley & Company Limited 25 Luke Street London EC2A 4AR
Auditors:	Chantrey Vellacott <i>Chartered Accountants</i> Russell Square House 10-12 Russell Square London WC1B 5LF
Solicitors to the Company:	Stringer Saul Marcol House 293 Regent Street London W1R 7PD
Solicitors to the Nominated Adviser and Nominated Broker:	Watson, Farley & Williams 15 Appold Street London EC2A 2HB
Registrars:	Melton Registrars Limited PO Box 30 Victoria Street Luton Bedfordshire LU1 2PZ
Bankers:	National Westminster Bank PLC 1 Prince's Street London EC2R 8PB

## DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

"Act"	the Companies Act 1985 (as amended)
"AIM"	the Alternative Investment Market of the London Stock Exchange
"Board" or "Directors"	the directors of the Company
"Call Option"	the option granted by Kensington BES to the Company by the Call Option Agreement
"Call Option Agreement"	the agreement dated 17th October 1997 made between Kensington BES (1) and the Company (2) whereby the Company can require Kensington BES to sell the Philbeach Gardens Property to it for £800,000
"Charles Stanley"	Charles Stanley & Company Limited, a member of the London Stock Exchange and regulated by The Securities and Futures Authority Limited
"Chelsea BES"	Chelsea BES Limited
"Company" or "Property Asset Holdings"	Property Asset Holdings PLC
"Convertible Loan Note"	the convertible loan note, in the form annexed to both the Call Option Agreement and the Put Option Agreement, proposed to be issued on the exercise of either of the Philbeach Options, the terms of which are set out in paragraph 8 of Part IV
"Cranley Option"	the option granted by Laimond to the Company by the Cranley Option Agreement
"Cranley Option Agreement"	the agreement dated 14th November 1997 made between Laimond (1) and the Company (2) whereby the Company can require Laimond to sell the Cranley Place Properties to it for £1.325 million
"Cranley Place Properties"	the leasehold interests at: 5, 6, 7, 16 and 19 Cranley Place, London SW7; 52 Cranley Gardens, London SW7; and 59 Hans Road, London SW3
"Group"	the Company and its subsidiary, Brenflex Limited
"Kensington BES"	Kensington BES Limited
"Kings Road Properties"	the six long lease flats numbered 2,3,5,6,9 and 10, 299-301 (odd) Kings Road, Chelsea, London SW3
"Laimond"	Laimond Properties Limited
"London Stock Exchange"	London Stock Exchange Limited

## **DEFINITIONS** *continued*

“Ordinary Shares”	ordinary shares of 0.1p each in the Company
“Philbeach Gardens Property”	the freehold property known as 8 Philbeach Gardens, London SW5
“Philbeach Options”	the Call Option and the Put Option
“Placing”	the placing by Charles Stanley of Placing Shares as described in this document
“Placing Agreement”	the conditional agreement dated 5th December 1997 between the Company (1), Charles Stanley (2), and the Directors (3) relating to the Placing
“Placing Price”	6p per Ordinary Share
“Placing Shares”	the 61,000,000 Ordinary Shares proposed to be issued pursuant to the Placing
“Put Option”	the option granted by the Company to Kensington BES by the Put Option Agreement
“Put Option Agreement”	the agreement dated 17th October 1997 made between Kensington BES (1) and the Company (2) whereby Kensington BES can require the Company to purchase the Philbeach Gardens Property for £800,000
“Regulations”	the Public Offers of Securities Regulations 1995
“Warrant”	a warrant entitling the registered holder to subscribe for one Ordinary Share at 1p per share at any time before 30th September 2004 provided that the Ordinary Shares have been admitted to trading on AIM

## PART I

# PROPERTY ASSET HOLDINGS PLC

*(Registered in England and Wales No. 3442280)*

### PLACING OF 61,000,000 ORDINARY SHARES ADMISSION OF THE ORDINARY SHARES TO TRADING ON AIM

#### **Introduction**

The Group has been formed to acquire properties in and around the London area. It already owns properties in King's Road, Chelsea, London SW3, and has an option to acquire a further property in Philbeach Gardens, Kensington, London SW5 together with a further option to acquire properties in Cranley Place, London SW7, Cranley Gardens London SW7 and Hans Road, London SW3. It proposes to expand its portfolio of properties through an aggressive acquisition policy, including companies and properties originally financed under the Business Expansion Scheme, with a view to developing a portfolio of above average yield properties and then to distribute a high proportion of the income to shareholders.

The purpose of this document is to give details of the Placing which is intended to raise £3.66 million before expenses to provide funds for working capital and for the purchase of further properties. The strategy of the Directors is to make the Group a substantial high yielding property investment group in the short to medium term.

To this end application will also be made for the Ordinary Shares to be admitted to trading on AIM.

#### **History and activities of the Group**

Property Asset Holdings was incorporated on 25th September 1997. On 17th October 1997 the Company exchanged contracts with Chelsea BES to buy the King's Road Properties and completed their purchase on 24th October 1997. The purchase price of these properties was satisfied by a combination of equity and funds raised from a private placing, further details of which are set out in Part II of this document.

Also on 17th October 1997 the Company and Kensington BES entered into the Call Option Agreement and the Put Option Agreement relating to the purchase by the Company from Kensington BES of a property in Philbeach Gardens, Kensington for a consideration of £800,000. Details of the Philbeach Options are set out on page 7 below.

Mr T. M. James, who was appointed a Director on 22nd October 1997, holds 10,000 shares amounting to less than 2 per cent. of the issued share capital of each of Chelsea BES and Kensington BES. He was also a director of both companies, but resigned on 4th December 1997.

On 14th November 1997 the Company and Laimond entered into the Cranley Option Agreement relating to the purchase by the Company from Laimond of the Cranley Place Properties for a consideration of £1.325 million. Details of the Cranley Option are set out on page 7 below.

#### **Current prospects and reasons for the Placing**

The Board intends to concentrate, during the next year, on acquiring further high yield investment properties. Although such properties have not yet been identified, they may include properties owned by funds set up under the Business Expansion Scheme. National Westminster Bank PLC has agreed in principle, subject to the fulfilment of certain conditions, to provide a facility, which will be available to fund up to 60 per cent. of such properties. Following the completion of the Placing, the Company would therefore have funds available to it to enable the Group to acquire properties, including Philbeach Gardens, up to an aggregate cost of over £9 million, assuming that at least £3.48 million is raised net of costs. Additionally, the Board intends to issue further Ordinary Shares, albeit (subject to market conditions) at prices higher than the 6p per share at which the Placing is being made, to increase the Group's property portfolio. This intention may be implemented by the purchase of individual properties, property portfolios or property companies.

The Company's first accounting reference period will end on 28th February 1999. The Directors intend to publish a first interim report for the period from its incorporation on 25th September 1997 to 31st March 1998 in May or June 1998.

### **The Philbeach Options**

The Call Option Agreement provides that, unless the Put Option has already been exercised, the Company can require Kensington BES to sell the Philbeach Gardens Property to the Company for £800,000 at any time before 30th September 1998. The Company may only exercise the Call Option before 31st March 1998 if the Ordinary Shares have been admitted to trading on AIM.

If the Philbeach Gardens Property is purchased by the Company following the exercise of the Call Option at a time when the Ordinary Shares have been admitted to trading on AIM, then the purchase price of £800,000 will be satisfied partly by the payment of £89,733 in cash and the balance of £710,267 by the issue of the Convertible Loan Note. It is the Company's intention to exercise the Call Option immediately following the completion of the Placing and the admission of the Ordinary Shares to trading on AIM.

The Put Option provides that, unless the Call Option has already been exercised, Kensington BES can require the Company to purchase the Philbeach Gardens Property for £800,000 at any time between the date of the admission of Ordinary Shares to trading on AIM and 30th September 1998. Therefore, if the Ordinary Shares are not admitted on AIM before 30th September 1998, the Put Option cannot be exercised. If Kensington BES exercises the Put Option then the purchase price for the Philbeach Gardens Property will be satisfied partly by the payment of £89,733 in cash, and the balance by the issue of the Convertible Loan Note.

Details of the Convertible Loan Note are set out in paragraph 8 of Part IV. The completion of the Placing and the admission of the Ordinary Shares to trading on AIM will establish the conversion price at 6p per share. Therefore up to 11,837,783 Ordinary Shares may be issued on the exercise of the conversion rights in the Convertible Loan Note.

### **Details of the Philbeach Gardens Property and the King's Road Properties**

The Philbeach Gardens Property is a substantial freehold terraced five storey building, recently converted into five self-contained two bedroomed flats.

The Directors believe that after minor refurbishment, and assuming vacant possession, the King's Road Properties and the Philbeach Gardens Property may realise a total of £2.19 million. The gross annual rental income when fully let is £78,000 for the King's Road Properties and £80,000 for the Philbeach Gardens Property.

### **The Cranley Option**

The Cranley Option Agreement provides that the Company can require Laimond to sell the Cranley Place Properties to the Company at any time before 27th February 1998 for £1.325 million provided the Ordinary Shares have been admitted to trading on AIM. The purchase price of £1.325 million shall be satisfied partly by the issue to Laimond of at least £410,000 worth of Ordinary Shares credited as paid at 6p per share, and the balance by payment in cash. Laimond may elect to increase the number of Ordinary Shares it is to receive as part of the purchase price.

### **Details of the Cranley Place Properties**

The Cranley Place Properties are seven Victorian, terraced buildings with, in the main, multiple occupancy. The gross estimated annual rental of the Cranley Place Properties is over £500,000.

### **Details of the Placing**

The Directors propose to raise £3.66 million, before expenses, by the placing of 61,000,000 Ordinary Shares at 6p per share.

It is estimated that expenses of the Placing, which are payable by the Company, will be £169,400, exclusive of VAT, and that the net proceeds will be £3,481,430.

Charles Stanley has placed firm 61,000,000 Ordinary Shares with institutional and other investors. The Placing is conditional, *inter alia*, on the admission of the Ordinary Shares to trading on AIM.

### **Dividend policy**

The intention of the Directors is to aim for high income and they intend to distribute as much of this income as may be prudent amongst shareholders and therefore plan to pay a regular dividend.

### **Admission to trading on AIM**

With the increased size of the Group, when enlarged by the Placing, the Directors consider it is appropriate to establish a trading facility for the Ordinary Shares. The Directors will therefore be applying, as part of the Placing, for the Ordinary Shares to be admitted to trading on AIM. The Company's nominated adviser and nominated broker will be Charles Stanley. Dealings in the Ordinary Shares are expected to commence on 15th December 1997, and copies of this document will be available to the public, free of charge during normal business hours (Saturdays, Sundays and Bank Holidays excepted), from the Company's registered office and the offices of Charles Stanley for a period of 14 days from the commencement of dealings.

**In accordance with Rule 16.9(c) of the London Stock Exchange rules for AIM companies, each of the Directors has agreed not to dispose of any interest in Ordinary Shares held by him on the date of admission to trading on AIM within a period of twelve months following such admission, save in the event of an intervening court order, a takeover becoming or being declared unconditional, or the death of the Director.**

### **Directors**

Brief biographical details of the Directors are as follows:

**David Payne**, aged 48, (Executive Chairman) was a director for seven years from 1984 of Juliana's Holdings PLC, a listed international leisure group which was acquired by Wembley PLC. He was managing director of Juliana's Sound Services Limited, the principal operating subsidiary of Juliana's Holdings PLC. He was, until the end of 1995, the chairman of Virtuality Group plc, a listed company, and a non-executive director of Gander Holdings PLC (an AIM company engaged in property investment) until April 1997. He is currently a non-executive director of Barrasford Holdings PLC (an AIM company also engaged in property investment).

**Adrian Graham**, aged 36, (Finance Director) is a Chartered Accountant and has since 1994 acted as chief accountant at Gander Holdings PLC, a company engaged in property investment, and Ballynatray Holdings PLC, which was, until acquired in 1996 by Internet Technology Group plc, similarly engaged. Since the beginning of 1997 he has been finance director of Barrasford Holdings PLC, an AIM listed company. He is a director of Grosmont Holdings PLC, an investment company traded on AIM. He has previously gained experience in the financial affairs of a wide range of enterprises at Price Waterhouse, chartered accountants, and was financial controller at a quoted property company.

**Tim James**, aged 43, (Property Director) is a director of the Kensington estate agents Farley & Co and will be primarily responsible for advising on property acquisitions. He is a director of Gander Holdings PLC and of Barrasford Holdings PLC and was until 4th December 1997 a director of Kensington BES and Chelsea BES.

**Brian Moritz**, aged 61, (Non-executive) is a Chartered Accountant and a senior partner in the London office of Grant Thornton, one of the world's top ten accounting firms. He specialises in smaller public companies, mainly in the area of flotations where he is registered by the London Stock Exchange as a nominated adviser. He is also a director of, amongst other companies, Metal Bulletin PLC, Gander Holdings PLC, Barrasford Holdings PLC and Mountcashel PLC.

**Oliver Vaughan**, aged 50, (Non-executive) is the chief executive of Gander Holdings PLC and Barrasford Holdings PLC, and the chairman of Grosmont Holdings PLC. He was chief executive of Ballynatray Holdings PLC until it was acquired by Internet Technology Group plc. He co-founded and was managing director of Juliana's Holdings PLC. In 1992 he left to develop new business interests. He is chief executive of Mountcashel PLC, also dealt in on AIM.

### **Corporate Governance**

The Directors intend, so far as possible given the Company's size and the constitution of the Board, to comply with the Code of Best Practice established by the Committee on the Financial Aspects of Corporate Governance. The Directors have established an audit committee



comprising Brian Moritz and Oliver Vaughan, to receive and review reports from management and from the auditors relating to the interim and annual accounts and to the system of internal control. Also, a remuneration committee comprising Brian Moritz and Oliver Vaughan has been formed. Whilst the Directors will be entitled to receive the annual fees of £5,000 each, provided for in the Articles of Association, the executive Directors do not currently intend to take such annual fees and each of the non-executive Directors currently intends only to take £2,000 of such annual fees.

The executive Directors will only receive remuneration following the payment of a dividend by the Company. Further details are set out in paragraph 3(b) of Part IV.

### **CREST**

The Company's Articles of Association permit the Company to issue shares in uncertificated form in accordance with the Uncertificated Securities Regulations 1995.

In accordance with the Uncertificated Securities Regulations 1995, the Board resolved on 4th December 1997 that title to the Ordinary Shares, in issue or to be issued, may be transferred by means of a relevant system. This resolution of the Directors will become effective immediately prior to CRESTCo Limited granting permission for the shares concerned to be transferred by means of the CREST system.

It is expected that the Placing Shares will be allotted, at the choice of the placee, in uncertificated form through CREST, or in certificated form by the issue of a share certificate. In either case, it is expected that CREST member accounts will be credited or share certificates issued for the Placing Shares by 22nd December 1997. Notwithstanding any other provision of this document, the Company reserves the right to allot and/or issue any new Ordinary Shares (including the Placing Shares) in certificated or uncertificated form. No temporary documents of title will be issued and the Ordinary Shares will be in registered form.

Further details about CREST are set out in paragraph 9 of Part IV of this document.

### **Risk factors**

You should be aware of the risks associated with an investment in the Company and your attention is drawn, in particular, to the following factors:

- The success of the Company will, to a significant extent, be dependent upon the expertise and experience of the Directors. Whilst potential acquisitions will be carefully considered by the Directors, who will take appropriate advice, there can be no guarantee that the value of properties acquired by the Group will increase.
- The market price of Ordinary Shares may not reflect the underlying net asset value of the Group.
- The Group may not be able to achieve the level of rental income from its properties that the Directors currently anticipate.
- The property market is subject to a range of external factors which may result in a fall in the value of the Group's properties.
- The market for shares in smaller public companies, including the Company, is less liquid than for larger companies. Consequently, the price of Ordinary Shares may be subject to large fluctuation and Ordinary Shares may be difficult to buy and sell.
- An increase in interest rates would have an adverse effect on the Company's financial performance.
- Ordinary Shares are intended for retention over a long period of time and therefore an investment in the Company may not be suitable as a short term investment.

### **Other information**

Your attention is drawn to the following:

- Part II Financial information
- Part III Pro forma statement of net assets
- Part IV Statutory and general information

## PART II

### FINANCIAL INFORMATION

The following is the text of a report from the Company's auditors, Chantrey Vellacott, regarding the Company:

5th December 1997

The Directors  
Property Asset Holdings PLC  
Marcol House  
293 Regent Street  
London W1R 7PD

The Directors  
Charles Stanley & Co Limited  
25 Luke Street  
London EC2A 4AR

Dear Sirs

#### **PROPERTY ASSET HOLDINGS PLC ("the Company")**

The Company was incorporated on 25th September 1997 and its first accounting reference period will end on 28th February 1999. No statutory financial statements have been prepared, audited or filed with the Registrar of Companies since incorporation.

We have reviewed the financial information for the period ended 31st October 1997. Our review was carried out in accordance with the auditing guideline "Prospectuses and the Reporting Accountant".

As at 31st October 1997, the Company had carried out no trading. The financial information set out below in respect of the period from incorporation to 31st October 1997 has been prepared for the purposes of the Prospectus dated 5th December 1997 and does not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. No dividend has been paid or proposed by the Company since incorporation.

In our opinion the financial information gives, for the purpose of the Prospectus dated 5th December 1997 a true and fair view of the state of affairs of the Company at 31st October 1997.

**Balance sheet as at 31st October 1997**

	<i>Note</i>	£
Fixed assets		
Tangible assets	1	
Investment properties		889,947
Fixtures, fittings and equipment		42,000
Investments	2	<u>2</u>
		<u>931,949</u>
Current assets		
Debtors	3	8,000
Cash at bank and in hand		<u>129,041</u>
		137,041
Creditors: due within one year	4	<u>31,672</u>
Net current assets		<u>105,369</u>
Net assets		<u><u>1,037,318</u></u>
Financed by:		
Called up share capital	5	75,340
Share premium account	6	<u>961,978</u>
Equity shareholders' funds		<u><u>1,037,318</u></u>

**NOTES****1. TANGIBLE ASSETS**

Tangible fixed assets are included at cost.

**2. INVESTMENTS**

The Company owns the entire issued share capital of Brenflex Limited which company is incorporated in England and has not traded since incorporation.

**3. DEBTORS**

Called up share capital not paid	£
	<u>8,000</u>

The above amount was fully paid up on 25th November 1997.

**4. CREDITORS: due within one year**

Other creditors	£
	<u>31,672</u>

**5. CALLED UP SHARE CAPITAL**

Authorised	£
5,000,000,000 ordinary shares of 0.1p each	<u>5,000,000</u>
Allotted issued and called up	£
75,340,000 ordinary share of 0.1p each	<u>75,340</u>

The Company was incorporated on 25th September 1997 with an authorised share capital of £5,000,000 comprising 500,000,000 ordinary shares of 1p each. Each ordinary share of 1p each was sub-divided into Ordinary Shares of 0.1p each by a special resolution passed on 9th October 1997.

The following issues took place during the period:

On subscription	20 ordinary shares of 0.1p each	20
9th October 1997	Placing of 59,000,000 ordinary shares of 0.1p each at 1p each to provide working capital	59,000,000
22nd October 1997	Placing of 2,000,000 ordinary shares of 0.1p each at 1.5p each to provide working capital	2,000,000
24th October 1997	Placing of 14,340,000 ordinary shares of 0.1p each at 3p each in connection with the purchase of investment properties	14,340,000
		<u>75,340,020</u>

#### 6. SHARE PREMIUM ACCOUNT

	£
Premium arising on shares issued during the period	974,860
Deduct: expenses of share issues	(12,882)
	<u>961,978</u>

#### 7. FINANCIAL COMMITMENTS

The Company has a commitment to purchase an investment property known as Philbeach Gardens for a consideration of £800,000 as set out in Part I of the Prospectus dated 5th December 1997.

We accept responsibility for this report for the purposes of paragraph 45(1)(b)(iii) of Schedule 1 to the Public Offers of Securities Regulations 1995 and consent to its inclusion in the Prospectus dated 5th December 1997.

Yours faithfully,

CHANTREY VELLACOTT

*Chartered Accountants, Registered Auditor*

### PART III

#### PRO FORMA STATEMENT OF NET ASSETS

The pro forma statement of net assets set out below is based on the balance sheet of the Company as at 31st October 1997, adjusted to take account of the Placing and of the acquisition of the Philbeach Gardens Property following the exercise of the Call Option. The pro forma statement of net assets is prepared for illustrative purposes only, and, because of its nature, cannot give a complete picture of the financial position.

	<i>The Company at 31st October 1997 £'000</i>	<i>Adjustment 1 £'000</i>	<i>Adjustment 2 £'000</i>	<i>Pro forma £'000</i>
<b>Fixed assets</b>				
Investment properties	890	—	800	1,690
Other tangible assets	42	—	—	42
	932	—	800	1,732
<b>Current assets</b>				
Debtors	8	—	—	8
Bank and cash balances	129	3,481	(90)	3,520
	137	3,481	(90)	3,528
Creditors: due within one year	(32)	—	(710)	(742)
<b>Net current assets</b>	105	3,481	(800)	2,786
<b>Net assets</b>	1,037	3,481	—	4,518

Adjustment 1 takes account of the proceeds of the Placing.

Adjustment 2 takes account of the acquisition of the Philbeach Gardens Property assuming the exercise of the Call Option.

*Note:*

No adjustment has been made to take account of the possible exercise of the Cranley Option.

## PART IV

### STATUTORY AND GENERAL INFORMATION

#### 1. The Company and its share capital

- (a) The Company was incorporated in England and Wales as a public limited company on 25th September 1997 under the Act and with registered number 3442280. The principal place of business in the United Kingdom is Marcol House, 293 Regent Street, London W1R 7PD.
- (b) The liability of the members of the Company is limited.
- (c) The nominal value of each Ordinary Share is 0.1p. The authorised and issued share capital of the Company at the date of this document is as follows:

	<i>Authorised</i>		<i>Issued (fully paid)</i>	
	<i>Number</i>	<i>£</i>	<i>Number</i>	<i>£</i>
Ordinary Shares	5,000,000,000	5,000,000.00	75,340,020	75,340.02

Also in issue are 61,000,000 Warrants. On the exercise of those Warrants 61,000,000 Ordinary Shares would be issued.

- (d) Following the completion of the Placing the issued share capital of the Company will be 136,340,020 Ordinary Shares (with a nominal value of £136,340.02).
- (e) Following the exercise of either of the Philbeach Options the Company will, on completion of the purchase of the Philbeach Gardens Property, issue the Convertible Loan Note to Kensington BES. If the conversion rights in the Convertible Loan Note are exercised in full then the Company will issue a maximum of 11,837,783 Ordinary Shares. The terms of the Convertible Loan Note provide that Ordinary Shares to be allotted on the exercise of the conversion rights set out therein shall be allotted not later than 30th September 1998.
- (f) The Directors are authorised for the purposes of Section 80 of the Act to allot Ordinary Shares up to the maximum of the authorised but unissued share capital, such authority to expire on 30th September 2002. For issues of Ordinary Shares for cash Section 89(1) of the Act has been disapplied but such authority is limited to:
  - (i) offers to the holders of Ordinary Shares in proportion to their holdings;
  - (ii) the issue of up to 61,000,000 Ordinary Shares to the subscribers for Ordinary Shares (including the Directors) under the placings which took place on 9th October 1997 and 22nd October 1997, further details of which appear in paragraph 2(b) below;
  - (iii) the issue of up to 61,000,000 Ordinary Shares in connection with the subscription rights contained in the Warrants;
  - (iv) the issue of up to 30,000,000 Ordinary Shares in connection with the purchase of the King's Road Properties (14,340,000 Ordinary Shares were issued in connection with this acquisition and no further Ordinary Shares will be issued for this purpose);
  - (v) the issue of up to 26,666,666 Ordinary Shares in connection with the purchase of the Philbeach Gardens Property;
  - (vi) the Placing Shares; and
  - (vii) other than under paragraphs (i) to (vi) above, up to a nominal amount of £18,021.446; such authority to expire on the date of the Annual General Meeting to be held in 1999.
- (g) The Company is the holding company for the Group. The Company has one subsidiary company, Brenflex Limited, which is wholly owned and incorporated in England and Wales and which has not traded since its incorporation.
- (h) Except as stated in this Part IV;
  - (i) the Company does not have in issue any securities not representing share capital; and
  - (ii) there are no outstanding convertible securities issued by the Company.
- (i) The Company was granted a certificate to commence business pursuant to section 117 of the Act on 14th October 1997.

## 2. Substantial shareholders and shareholders' benefits

- (a) As at the date of this document, the Directors are aware of the following holdings of Ordinary Shares representing more than 3 per cent. of the Company's ordinary issued share capital.

<i>Shareholder</i>	<i>Number of issued Ordinary Shares before the Placing</i>	<i>Percentage of issued share capital before the Placing</i>	<i>Percentage of issued share capital following the Placing</i>
Smallbrook Investments Limited†	15,000,000	19.91	11.61
Phoebe Ross Discretionary Settlement	12,727,275	16.89	9.33
Chelsea BES Limited	14,340,000	19.03	10.52
Rafiki Ventures Limited	13,000,000	17.26	9.53
Len Ross	2,272,725	3.02	1.67

† The percentage holding for Smallbrook Investments Limited following the Placing includes the 833,334 Ordinary Shares for which it will subscribe under the Placing.

Except for the holdings of the Directors (details of which are set out in paragraph 3 below) and the holdings stated above, the Directors are not aware of any persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.

- (b) As at the date of this document, certain shareholders of the Company hold Ordinary Shares and Warrants, which because they were acquired for less than the Placing Price, may be treated as conferring on each of those shareholders a benefit of £10,000 or more from the admission to trading on AIM of the Company's Ordinary Shares at the Placing Price. The details of these shareholdings are set out below.

- (i) Each of the following persons holds a minimum of 100,000 Ordinary Shares and 100,000 Warrants which were subscribed for at 1p per Ordinary Share and Warrant pursuant to a private placing which took place on 9th October 1997:

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>Number of Warrants</i>
Smallbrook Investments Limited	15,000,000	15,000,000
Rafiki Ventures Limited	13,000,000	13,000,000
Phoebe Ross Discretionary Settlement	12,727,275	12,727,275
Len Ross	2,272,725	2,272,725
Sir David Wilson	2,200,000	2,200,000
Chanson Investments Limited	1,000,000	1,000,000
O J Vaughan	1,000,000	1,000,000
T M James	1,000,000	1,000,000
D G Payne	1,000,000	1,000,000
A Graham	1,000,000	1,000,000
T F Vaughan	1,000,000	1,000,000
T J K Oakley	1,000,000	1,000,000
P B Carter	1,000,000	1,000,000
C D James	1,000,000	1,000,000
Joanna Eu	500,000	500,000
S A R Wharmby	500,000	500,000
R J Roberts	500,000	500,000
C Roberts	500,000	500,000
S M Ziff	500,000	500,000
M Preston	500,000	500,000
J Warner	400,000	400,000
B M Moritz	200,000	200,000
B Lewis	200,000	200,000
V J Redigolo	100,000	100,000
J H Vaughan	100,000	100,000
I M Bignell	100,000	100,000

- (ii) Corporate Synergy PLC holds 2,000,000 Ordinary Shares and 2,000,000 Warrants which were subscribed for on 22nd October 1997 at 1.5p per Ordinary Share and Warrant. Mr O. J. Vaughan is a director of Corporate Synergy PLC.
- (iii) Chelsea BES holds 14,340,000 Ordinary Shares which were allotted to it as consideration for the transfer to the Company of the King's Road Properties. For the purposes of the transfer each Ordinary Share was valued at 3p. No Warrants were issued to Chelsea BES.

### 3. Directors' interests

- (a) The interests of the Directors in the share capital of the Company, all of which are beneficial, are as follows:

<i>Name</i>	<i>Number of Warrants</i>	<i>Percentage of Warrants</i>	<i>Number of issued Ordinary Shares before the Placing</i>	<i>Percentage of issued share capital before the Placing</i>	<i>Percentage of issued share capital following the Placing</i>
D. G. Payne	1,000,000	1.64	1,000,010	1.33	0.73
A. Graham	1,000,000	1.64	1,000,010	1.33	0.73
T. M. James†	1,000,000	1.64	1,000,000	1.33	1.34
B. M. Moritz	200,000	0.33	200,000	0.27	0.15
O. J. Vaughan†	1,000,000	1.64	1,000,000	1.33	1.34

† T. M. James was until 4th December 1997 a director of Kensington BES Limited, a company which (pursuant to either of the Philbeach Options) is entitled to acquire by the Convertible Loan Note up to a maximum of 11,837,783 Ordinary Shares or 8.68 per cent. of the issued share capital following the Placing. The percentage holdings for T. M. James and O. J. Vaughan following the Placing include the 833,333 Ordinary Shares for which they will each subscribe under the Placing.

- (b) Each Director is entitled to receive a fee of £5,000 per annum for his services but the executive Directors do not currently intend to take such annual fees and the non-executive Directors currently intend only to take £2,000 of such annual fees.

David Payne, Timothy James and Oliver Vaughan have all signed agreements with the Company dated 5th December 1997, whereby they agree to serve the Company as Executive Chairman, Property Director and Non-executive Director respectively. Mr Payne's contract may be terminated by the Company giving one year's notice or by Mr Payne giving six months' notice, in either case such notice not to be given earlier than two years from commencement. The contracts with Mr James and Mr Vaughan may be terminated by either party giving the other not less than six months' notice in either case such notice not to be given earlier than six months from commencement.

The above agreements provide for the executive Directors to benefit from an incentive scheme. This provides that a pool will be made available to the Remuneration Committee which will be distributed amongst the executive Directors at that committee's discretion. The amount to be made available as a pool for distribution is, following any payment of a dividend by the Company, an amount equal to the gross dividend paid on 8 per cent. (or such other amount as may be agreed by the Remuneration Committee) of the Company's issued share capital at the record date for such dividend and shall be in addition to the annual fees described above. The amount to be made available will also be subject to review prior to any fund-raising by the Company. There are no service contracts between Brenflex Limited and its directors.

- (c) The aggregate remuneration of the Directors for the period beginning on incorporation and ending 28th February 1999 including benefits in kind, is expected to be £5,000.



- (d) By an option agreement dated 5th December 1997 made between the Company (1) and D. G. Payne (2) the Company granted Mr Payne an option, in consideration of the payment of £1, to subscribe for such number of Ordinary Shares as is equal to 5 per cent. of the issued share capital of the Company at the date of exercise, less any Ordinary Shares for which he may previously have subscribed pursuant to such option agreement. The option is exercisable at any time in the period commencing on the first anniversary of the date of grant and ending on the day preceding the seventh anniversary of the date of grant. The price payable on the exercise of the option shall be 150 per cent. of the Placing Price provided that, if the Company issues a prospectus complying with the Regulations issuing Ordinary Shares at a price higher than the Placing Price, then the subscription price for the additional Ordinary Shares for which Mr Payne may subscribe because of the increase in the Company's share capital following the issue of such prospectus, shall be 150 per cent. of the issue price set out in such prospectus.
- (e) Save as disclosed, none of the Directors are currently partners in any firms or have been partners in any firms within the five years prior to the publication of this document. The Directors currently hold the following directorships and have held the following directorships within the five years prior to the publication of this document:

D. G. Payne	<i>Current</i>	<i>Former</i>
	Barrasford Holdings PLC Brenflex Limited Kensington & Chelsea BES Limited (Note 10)	Virtuality Group PLC Virtuality Limited Virtuality Technology Limited Virtuality Overseas Holdings Limited Virtuality (IP) Limited Virtuality Services Limited Virtuality Software Limited Gander Holdings PLC Fairfax Hotels (Burford) Limited (Note 2) Ballynatray Holdings PLC (Note 1) Plantation Team Limited (Note 3) Privilege Card Dispensers Limited
A. Graham	<i>Current</i>	<i>Former</i>
	Barrasford Holdings PLC Grosmont Holdings PLC Polbyte Limited Brenflex Limited	None
T. M. James	<i>Current</i>	<i>Former</i>
	Farley Property Sales Limited Farley Management Company Limited Farley Professional Services Limited Farley & Co Limited Finhome Limited Chelsea & Kensington BES PLC Exclusive Villas Limited Gander Holdings PLC Avidfleet Management Limited Tourshare Services Limited Barrasford Holdings PLC Kensington & Chelsea BES Limited (Note 10)	Plantation Team Limited (Note 3) Salehaven Limited Avidplace Limited (Note 5) Farley & Co (a partnership which was incorporated as Farley & Co Limited in 1995) Chelsea BES Limited Kensington BES Limited
B. M. Moritz	<i>Current</i>	<i>Former:</i>
	Mountcashel PLC Gander Holdings PLC MSP Secretaries Limited Mountcashel Investments Limited Barrasford Holdings PLC Metal Bulletin PLC Grant Thornton (Partner)	Armitage Brooks PLC Ballynatray Holdings PLC (Note 1) Armadillo Exploration Limited (Note 7) Explaura Gold PLC (Note 8) Ballotwin Limited (Note 9) Cape & Dalgleish (Partner)

O. J. Vaughan

*Current*

Barrasford Holdings PLC  
Barrasford Limited  
Corporate Synergy PLC  
Gander Holdings PLC  
Mountcashel Investments Limited  
Troilena Investments SA  
Ballynatray Holdings PLC  
Kensington & Chelsea Limited  
Timeoften Limited  
Timeoften Properties Limited  
Mountcashel PLC  
Card Clear plc  
Buildable Limited  
Kensington & Chelsea Property Management Limited  
Internet Technology Group plc  
Redstone Network Services Limited  
Plantation Team Limited  
Grosmont Holdings PLC  
Oxford Nanotechnology PLC  
Kensington & Chelsea BES Limited (Note 10)

*Former*

Ballynatray Holdings PLC (Note 1)  
Plantation Team Limited (Note 3)  
Armitage Brooks PLC  
Privilege Card Dispensers Limited  
Regent Inns PLC  
The Complete Picture Limited (Note 4)  
W Industries Limited  
Wembley (Japan) Company Limited  
Wembley PLC  
Avidspace Limited (Note 5)  
Hostfleet Limited  
Jetlodge Limited  
Mountcashel Fund Management Limited  
(Note 6)

*Notes:*

1. Ballynatray Holdings PLC, a company of which O J Vaughan, B M Moritz and D G Payne were all directors and who all resigned on 19th May 1997, was placed in members voluntary liquidation on 19th May 1997 following its takeover by Internet Technology Group PLC.
2. Fairfax Hotels (Burford) Limited, a company of which D G Payne was a director, has been dissolved.
3. Plantation Team Limited, a company of which O J Vaughan, T M James and D G Payne were all directors, has been dissolved.
4. The Complete Picture Limited, a company of which O J Vaughan was once a director, went into insolvent liquidation on 5th January 1996. Mr Vaughan had previously resigned as a director on 7th September 1995.
5. Avidplace Limited was dissolved on 4th July 1995, T M James had previously resigned as a director on 16th June 1993.
6. Mountcashel Fund Management Limited was dissolved on 10th May 1994.
7. Armadillo Exploration Limited, a company of which B M Moritz was once a director, was dissolved in 1995.
8. Explaura Gold PLC was dissolved in 1993.
9. Ballotwin Limited was dissolved on 3rd May 1994
10. Kensington & Chelsea BES Limited is in the process of being dissolved.

In 1994 Cape & Dalglish, a firm in which B M Moritz was a partner, was reprimanded by the Institute of Chartered Accountants in England and Wales, and ordered to pay a fine of £1,000, equivalent to £83 per partner, and costs of £500. This arose out of breaches of an Institute bye-law occurring in 1991 and 1992 which did not give rise to any loss by any third party. Although Mr Moritz was not personally involved in this matter in any capacity he was nevertheless reprimanded in his capacity as a partner.

- (f) Save as stated above, no Director;
- (i) has any unspent convictions;
  - (ii) has become bankrupt or entered into any voluntary arrangement;
  - (iii) has been a director of any company or a partner of any firm which, at that time or within 12 months after his ceasing to be a director or a partner (as the case may be), had a receiver appointed or was liquidated or went into administration, or entered into company or partnership voluntary arrangements or made any composition or arrangement with its creditors;
  - (iv) has had any public criticism against him by statutory or regulatory authority (including a recognised professional body) or has ever been disqualified by a court from acting as a director of a company or from acting in the management or the conduct of the affairs of any company; or
  - (v) has been involved in any receivership of any of his assets or of any assets of a partnership of which he was a partner at the time of or within 12 months preceding such events.

#### 4. Memorandum of Association

The provisions contained in the Company's Memorandum of Association determining its objects state that the Company's main activity is that of a property investment company.

#### 5. Articles of Association

The Articles of Association of the Company contain, *inter alia*, the following provisions relating to the rights attaching to Ordinary Shares:

- (a) there are no rights of pre-emption in respect of transfers of issued Ordinary Shares. However, in certain circumstances, the Company's shareholders may have statutory pre-emption rights under the Act in respect of the allotment of new shares in the Company. These statutory pre-emption rights would require the Company to offer new shares for allotment to existing shareholders on a *pro rata* basis before allotting them to other persons. In such circumstances, the procedure for the exercise of such statutory pre-emption rights would be set out in the documentation by which such shares are offered to the Company's shareholders;
- (b) in order to transfer Ordinary Shares, the instrument of transfer of any such shares must be in any usual or common form or in such other form as may be approved by the Directors and must be executed by or on behalf of the transferor and, if the share is not fully paid, by or on behalf of the transferee. The Directors may in their absolute discretion refuse to register a transfer of any share which is not fully paid or a transfer of shares, whether fully paid or not, in favour of more than four persons jointly. Subject to disenfranchisement in default of supplying information required in a notice under section 212 of the Act, the Articles of Association contain no restrictions on the free transferability of fully paid shares, provided that the transfer is in respect of only one class of share and is accompanied by the share certificate and any other evidence of title required by the Directors and that the provisions in the Articles of Association relating to the deposit of instruments for transfer have been complied with;
- (c) each Ordinary Share confers the right to receive notice of and attend at all meetings of shareholders. Each holder of Ordinary Shares present at a general meeting in person or by proxy has one vote, and, on a poll, one vote for each Ordinary Share of which he is a holder;
- (d) on a return of assets in a winding up or the repayment of capital a liquidator may, with the sanction of an extraordinary resolution of the Company, divide amongst the holders of the Company's shares (in specie or in kind) the whole or any part of the assets of the Company, and may, subject to the terms of that resolution, determine how such division is to be carried out;
- (e) the Ordinary Shares confer upon their holders the right to participate in any profits which the Company may from time to time determine to distribute in respect of any financial period;
- (f) subject to the provisions of the Act and if the profits of the Company justify such payments, the Directors may declare and pay interim dividends on shares of any class of such amounts as and when they think fit. All dividends are apportioned and paid *pro rata* according to the amounts paid on the shares. No dividend or other monies payable on or in respect of a share will bear interest as against the Company. The Directors may retain any dividend or other monies payable on or in respect of a share on which the Company has a lien, and may apply them towards the satisfaction of the debts, liabilities or engagements in respect of a lien. A dividend may be retained if a shareholder has failed to comply with the statutory disclosure requirements of the Act. Any dividend unclaimed for 12 years will be forfeited and revert to the Company;
- (g) the Company may purchase its own shares in any manner authorised by the Act subject to prior authority of the Company in general meeting, unless the purchase of the shares would result in the Company having only redeemable shares;
- (h) all or any of the rights or privileges attached to any class of shares in the Company may be varied or abrogated with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution

passed at a separate general meeting of the holders of the shares of that class. At every such separate general meeting, except an adjourned meeting, the quorum is two persons holding or representing by proxy one-third in nominal value of the issued shares of that class.

## **6. Working capital**

In the opinion of the Company, having made due and careful enquiry, the working capital available to the Company and its subsidiary will, from the time the Ordinary Shares are admitted to trading on AIM, be sufficient for their present requirements. This statement takes account of bank facilities expected to be made available to the Group.

## **7. Details of the Placing Agreement**

The Company (1), Charles Stanley (2), and the Directors (3) have entered into a conditional agreement dated 5th December 1997 by which Charles Stanley has agreed to place firm the Placing Shares. The agreement provides for certain warranties to be given by the Company and the Directors to Charles Stanley and for an indemnity to be given by the Company to Charles Stanley.

The agreement provides that the Company will pay a commission to Charles Stanley, equal to 2.5 per cent. of the aggregate of the Placing Price of all the Placing Shares, out of which Charles Stanley will pay any commission due to financial intermediaries, together with a further commission of 1 per cent. on the first £2 million raised. In addition, the Company will pay to Charles Stanley a fee for acting as the Company's nominated adviser and nominated broker. The agreement also provides that the Company will pay all other expenses relating to the Placing.

## **8. Convertible Loan Note**

The Convertible Loan Note provides that the Company will pay the principal sum of £710,267 to the noteholder(s) on 30th September 1998 to the extent that the conversion rights in the Note have not been exercised before such date. No interest is payable unless the Company is in default by failing to redeem the Convertible Loan Note on 30th September 1998 or by failing to issue shares upon conversion when obliged to do so. On default, interest will be payable at an annual rate equivalent to 2 per cent. per annum above the base rate for the time being of the National Westminster Bank PLC in respect of the period commencing on the date such default occurs and ceasing on the date such default is rectified.

The conversion rights in the Convertible Loan Note may be exercised by Kensington BES on or before 23rd September 1998 by giving notice in writing to the Company. The amount credited as paid on Ordinary Shares on the exercise of any conversion rights in the Convertible Loan Note (and therefore the number of Ordinary Shares which are to be issued upon any exercise of a conversion right) will be 6p per share on the basis that it is the price at which shares are offered in the Placing.

The conditions to the Convertible Loan Note provide for the adjustment of the conversion rights after any capitalisation of profits or reserves or any sub-division or consolidation of Ordinary Shares.

## **9. CREST**

The Crest Electronic Shareholding and Settlement System ("CREST") is run by CRESTCo Limited in conjunction with the London Stock Exchange, major banks and registrars.

CREST has been set up by the Bank of England to provide shareholders with the opportunity both to hold and transfer shares electronically, thereby dispensing with any need for share certificates. This means that shareholders who wish to retain their certificates are able to do so.

Legislation to bring CREST formally into being was passed on 19th December 1995 with the entry of individual company shares from July 1996 onwards.

Shareholders will still have the right to have their shareholdings evidenced by individual share certificates after entry into CREST. The new Articles of Association adopted by the Company include provisions which will allow the Company to participate in CREST.

## 10. United Kingdom taxation on dividends

The following summary is based on UK law and Inland Revenue practice as at the date of this document and assumes that the Company will not elect to pay "foreign income dividends". It is of a general nature only and if any person is in any doubt as to his tax position, or is subject to tax in a jurisdiction other than the United Kingdom, he should consult his own professional adviser.

There is no United Kingdom withholding tax on dividends but when the Company pays a dividend, it has to account to the Inland Revenue for advance corporation tax ("ACT"). The ACT rate is currently one quarter of the net dividend paid.

Shareholders who are resident for tax purposes in the United Kingdom and who receive a dividend from the Company will normally be entitled to a tax credit of an amount equal to one quarter of the net dividend. A United Kingdom resident individual will be liable to income tax upon the total of the dividend received and the tax credit. Unless the individual is subject to the higher rate of income tax, the tax credit will fully discharge his liability to income tax thereon. If the tax credit exceeds his overall liability to income tax, taking into account his other income and any other tax credits and allowances, he will be able to claim payment of the excess from the Inland Revenue. Shareholders who are liable to tax at the higher rate (currently 40 per cent.) will have a further liability to income tax of 20 per cent. in respect of the aggregate of the dividend and the tax credit received.

The above position applies to United Kingdom resident individual shareholders. Different rules may apply to certain classes of shareholder, such as financial traders, pension funds and corporate shareholders.

## 11. Other information

- (a) The Placing has not been underwritten or guaranteed by any person other than Charles Stanley who have placed firm the Placing Shares.
- (b) The Company has one wholly owned subsidiary, namely Brenflex Limited.
- (c) There are no legal or arbitration proceedings active, threatened or pending against or being brought by the Company, or any member of the Group, which are having or may have a significant effect on the Company's financial position.
- (d) There are no patents or other intellectual property rights, licences or particular contracts which are of fundamental importance to the Company's business.
- (e) There are no significant investments in progress except for the King's Road Properties, the Philbeach Options and the Cranley Option.
- (f) No exceptional factors have influenced the Company's activities.
- (g) The expenses of the Placing and the admission to AIM are estimated at £169,400, excluding VAT and are payable by the Company.
- (h) The minimum amount which, in the opinion of the Directors, must be raised under the Placing to provide the sums required in respect of the matters specified in Schedule 1 of the Regulations is £2,088,837 divided as follows:

(i) the purchase of property	£1.1 million
(ii) expenses of the Placing	£178,570
(iii) repayment of money borrowed in respect of (i) above	£710,267
(iv) working capital	£100,000

- (i) Save as disclosed in paragraph 2(b) above, there are no persons (excluding professional advisers and trade suppliers) who have received directly or indirectly from the Company in the 12 months preceding the date of this document or who have entered into contractual arrangements to receive on or after admission of the Ordinary Shares to trading on AIM, fees totalling £10,000 or more or Ordinary Shares with a value of £10,000 or more or any other benefit with a value of £10,000 or more.
- (j) Charles Stanley of 25 Luke Street, London EC2A 4AR is acting as the Company's nominated adviser and nominated broker.
- (k) The subscription lists for the Placing may be closed at any time after the date hereof.
- (l) Monies received by applicants pursuant to the Placing will be held in Charles Stanley Clients' Account until such time as the Placing Agreement becomes unconditional in all respects. If the Placing Agreement does not become unconditional in all respects by 31st December 1997, application monies will be returned to applicants at their risk without interest.
- (m) Charles Stanley and Chantrey Vellacott have each given and not withdrawn their consent to the issue of this document with, where relevant, the inclusion of their report and the references to them in the form and context in which such references are included.
- (n) Copies of this document will be available to the public free of charge from the offices of Charles Stanley at 25 Luke Street, London EC2A 4AR and from the registered office of the Company during normal business hours, Saturdays, Sundays and Bank Holidays excepted, for 14 days following the admission of the Ordinary Shares to trading on AIM.

Dated: 5th December 1997

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