

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 and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities before taking any action. The whole of the text of this document should be read. Investment in the Company is speculative and involves a high degree of risk. Your attention is also drawn to the section headed "Risk Factors" in Part II of this document.

This document has been drawn up in accordance with the AIM Rules and the Public Offers of Securities Regulations 1995 (as amended) ("POS Regulations"). This document does not constitute a prospectus for the purposes of the POS Regulations and a copy has not been delivered to the Registrar of Companies in England and Wales pursuant to Regulation 4(2) of such POS regulations.

The Directors of Eruma Plc, whose names appear on page 4, accept responsibility, individually and collectively, for the information contained in this document and compliance with the AIM Rules. 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 document is in accordance with the facts and does not omit any material information likely to affect the import of such information.

Application will be made for the Enlarged Ordinary Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and that trading in the Enlarged Ordinary Share Capital on AIM will commence on 1 July 2005. The Ordinary Shares are not dealt in on any other recognised investment exchange and no other such applications have been or are intended to be made. It is emphasised that no application is being made for admission of the Enlarged Ordinary Share Capital to the Official List.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM Securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

The AIM Rules are less demanding than those of the Official List. Neither the London Stock Exchange nor the UK Listing Authority has examined or approved the contents of this document.

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# ERUMA PLC

(Incorporated in England and Wales with registered number 5388153)

## Placing of 17,400,000 Ordinary Shares of 1p each at 5p per Ordinary Share and Admission to trading on AIM

*Nominated Adviser*  
**Beaumont Cornish Limited**

*Broker*  
**S P Angel & Co Limited**

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### ENLARGED ORDINARY SHARE CAPITAL (On Admission and assuming full take up of the Placing)

	<i>Authorised</i>		<i>Issued and fully paid</i>	
	<i>Amount</i>	<i>Number</i>	<i>Amount</i>	<i>Number</i>
Ordinary Shares of 1p each	£2,000,000	200,000,000	£696,000	69,600,000

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The Placing Shares will rank *pari passu* in all respects with the existing Ordinary Shares including the right to receive all dividends or other distributions declared, made or paid on the Ordinary Shares after Admission.

Beaumont Cornish Limited, which is authorised and regulated by the Financial Services Authority and which is a member of the London Stock Exchange, is acting as the Company's Nominated Adviser for the purposes of the AIM Rules. Beaumont Cornish is not acting for anyone else and will not be responsible to anyone other than the Company for providing the protection afforded to customers of Beaumont Cornish Limited or for providing advice in relation to the contents of this document or the Placing or the Admission. In particular, Beaumont Cornish Limited, as the Company's Nominated Adviser, owes certain responsibilities to the London Stock Exchange which are not owed to the Company or the Directors or any other person in respect of his/her decision to acquire Ordinary Shares in reliance on any part of this document. No liability is accepted by Beaumont Cornish Limited for the accuracy of any information or opinions contained in or for the omission of any material information from this document, for which the Company and its Directors are solely responsible.

SP Angel & Co Limited, which is authorised and regulated by the Financial Services Authority and which is a member of the London Stock Exchange is acting as Broker to the Company ifor the purposes of the AIM Rules. S P Angel & Co Limited will not be responsible to any other person for providing the protections afforded to customers of S P Angel & Co Limited or for providing advice in relation to the contents of this document or the Placing or the Admission.

This document does not constitute an offer to sell or the solicitation of an offer to buy Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, this document is not for distribution in or into the United States of America, Canada, Australia, South Africa, the Republic of Ireland or Japan. The Ordinary Shares have not been and will not be registered under the United Securities Act 1933 (as amended) nor under the applicable securities legislation of the United States or any province or territory of Canada, Australia, South Africa, the Republic of Ireland or Japan or in any country, territory or possession where to do so may contravene local securities law or regulations. Accordingly, subject to certain exemptions, the Ordinary Shares may not be offered or sold directly or indirectly in or into the United States of America, Canada, Australia, South Africa, the Republic of Ireland or Japan or to or for the account or benefit of any national, resident or citizen of Australia, Canada, Japan or the Republic of Ireland or any person located in the United States. The distribution of this document in other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities law of any such jurisdiction.

An investment in Eruma Plc may not be suitable for all recipients of this document. Any such investment is speculative and involves a high degree of risk. Prospective investors should carefully consider whether an investment in the Company is suitable for them in light of their circumstances and the financial resources available to them.

The whole of this document should be read. An investment in the Company involves a significant degree of risk, may result in the loss of the entire investment and may not be suitable for all recipients of this document. Investors should consider carefully the risk factors which are set out in Part II of this document.

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## PLACING STATISTICS

Placing Price per Ordinary Share	5p
Number of Placing Shares*	17,400,000
Number of Ordinary Shares in issue following the Placing*	69,600,000
Percentage of the enlarged share capital subject to the Placing*	25 per cent.
Market capitalisation following Admission at the Placing Price*	£3,480,000
Estimated net proceeds of the Placing*	£700,000

\* Assuming Full Subscription

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Admission to trading on AIM and commencement of dealings	1 July 2005
Settlement of Placing Shares through CREST	1 July 2005
Despatch of definitive share certificates in respect of the Placing Shares to Places by no later than	15 July 2005

## DIRECTORS SECRETARY AND ADVISERS

<b>Directors</b>	Philip Charles Barnett ( <i>Non-Executive Chairman</i> ) Wayne Adrian Money ( <i>Managing Director</i> ) Nigel Jonathan Young ( <i>Finance Director</i> ) Brian Malcolm Wilkins ( <i>Product Development Director</i> )
<b>Registered Office</b>	Underwood House Shepherdess Walk Buildings Underwood Street London N1 7LG
<b>Company Secretary</b>	Nigel J Young
<b>Nominated Adviser</b>	Beaumont Cornish Limited Georgian House 63 Coleman Street London EC2R 5BB
<b>Broker</b>	S P Angel & Co Limited East India House 109-117 Middlesex Street London E1 7JF
<b>Solicitors to the Company</b>	Kerman & Co LLP 7 Savoy Court Strand London WC2R 0ER
<b>Reporting Accountants</b>	Jeffreys Henry LLP Finsgate 5-7 Cranwood Street London EC1V 9EE
<b>Principal Bankers</b>	Allied Irish Bank plc 9/10 Angel Court London EC2R 7AB
<b>Registrars</b>	Capita Registrars The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

## DEFINITIONS

In this Document, where the context permits, the expressions set out below shall bear the following meanings:

“Accountants’ Reports”	the reports on the financial information relating to the Company and SBL by Jeffrey Henry LLP, the Company’s Auditors and Reporting Accountants;
“Act”	the Companies Act 1985 (as amended);
“Admission”	the admission of the Enlarged Ordinary Share Capital to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules;
“AIM”	the AIM market, operated by the London Stock Exchange;
“AIM Rules”	the rules for companies governing admission to and trading on AIM, published by the London Stock Exchange;
“Beaumont Cornish”	Beaumont Cornish Limited, the Company’s Nominated Adviser;
“Beaumont Cornish Warrants”	the 600,000 warrants issued to Beaumont Cornish in connection with its services to the Company on the terms and conditions set out in the Beaumont Cornish Warrant Instrument;
“Beaumont Cornish Warrant Instrument”	the document containing the terms and conditions relating to the Beaumont Cornish Warrants, details of which are set out in paragraph 7.9 of Part IV of this document;
“Broker” or “SP Angel”	S P Angel & Co Limited, the Company’s Broker;
“Broker Agreement”	the agreement dated 16 May 2005 between the Company, the Directors and S P Angel, details of which are set out in paragraph 7.5 of Part IV of this document;
“Combined Code”	the Combined Code (Principles of Good Governance and Code of Best Practice) as set out in the Listing Rules of the UK Listing Authority;
“Company” or “Eruma”	Eruma Plc, a company incorporated and registered in England and Wales with registered number 5388153;
“CREST”	the computerised settlement system used to facilitate the transfer of title to shares in uncertificated form operated by CRESTCo;
“CRESTCo”	CRESTCo Limited;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755);
“CRESTCo”	CRESTCo Limited;
“Directors” or “Board”	the directors of the Company;
“EIS”	the Enterprise Investment Scheme and related reliefs as detailed in Chapter III, Part VII of the Income and Corporation Taxes Act 1988 and in Schedule B of the Taxation of Chargeable Gains Act 1992 (as amended);
“EMI Options” “Options” or “Share Options”	the options issued to the Executive Directors of the Company to subscribe for Ordinary Shares pursuant to the terms of the EMI Scheme adopted by the Company, further details of which are set out in paragraph 6 of Part IV of this document;

“EMI Scheme”	Enterprise Management Incentive Scheme, the provisions of which allow employees and directors to be granted options or warrants to acquire shares in the Company on a tax efficient basis;
“Enlarged Ordinary Share Capital”	the Ordinary Share capital of the Company following Admission and the issue of the Placing Shares;
“FSA”	the Financial Services Authority Limited, the single statutory regulator under the FSMA;
“Financial Services and Markets Act” or “FSMA”	the Financial Services and Markets Act 2000;
“Group”	the Company and its Subsidiary;
“HMRC”	HM Revenue & Customs, being the Government department responsible for the Government’s administration and collection of direct and indirect taxes, and superseding the Government departments formerly known as the Inland Revenue and HM Customs & Excise;
“Licence”	the licence relating to the exclusive and non-exclusive rights to manufacture and sell the Products in the UK and Europe as amended and novated from SBL to the Company pursuant to a deed of amendment and novation dated 20 April 2005, further details of which are set out in paragraph 7 of Part IV of this document;
“London Stock Exchange”	London Stock Exchange plc;
“Nominated Adviser Agreement”	the agreement dated 27 June 2005 between Beaumont Cornish, the Company and the Directors relating, <i>inter alia</i> , to the arrangements whereby Beaumont Cornish has agreed to act as the Company’s Nominated Adviser, further details of which are set out in paragraph 7.3 of Part IV of this document;
“Official List”	the official list of the UK Listing Authority;
“Ordinary Shares”	ordinary shares of 1p nominal each in the capital of the Company;
“Ordinary Share Capital”	the Ordinary Shares in issue at the date of this document;
“Orderly Market Agreements”	agreements between the Company and the Directors and agreements between the Company and certain Shareholders relating to restrictions on dealing in interests in the Company’s Ordinary Shares, further details of which are set out in paragraph 7.6 of Part IV of this document;
“Patent”	the European patent application made under number 01947685.2 by Brian Wilkins, the Company’s Product Development Director and the inventor, relating to the technology on which the Products are based further details of which are set out in paragraph 8 of Part IV of this document;
“Placing”	the placing of the Placing Shares at the Placing Price;
“Placing Price”	5p per share;
“Placing Shares”	17,400,000 new Ordinary Shares;
“Products” or Security Blinds”	the range of “Security Blinds” products, namely a fixed frame horizontal sliding security blind unit, a conventional casement style security blind unit and a concertina style security blind unit, which the Company has been licensed to manufacture and sell pursuant to the Licence, further details of which are set out in paragraphs 7.7 and 7.8 of Part IV of this document;

“POS Regulations”	the Public Offers of Securities Regulations 1995, (Statutory Instrument 1995 No. 1537), (as amended);
“Reserved Warrants”	the proposed issue of 1,600,000 share warrants to subscribe for Ordinary Shares which the Company proposes to grant pursuant to an incentive scheme for employees and others to be set up within 12 months of Admission;
“Share for Share Exchange Agreement”	a share for share exchange agreement dated 30 March 2005 between the Company and the Vendors in relation to the acquisition of the entire issued share capital of SBL, details of which are set out in paragraph 7.1 of Part IV of this document;
“Shareholders”	holders of Ordinary Shares;
“Subsidiary” or “SBL”	Security Blinds Limited, incorporated and registered in England and Wales with registered number 04074749;
“UK”	the United Kingdom of Great Britain and Northern Ireland;
“UK Listing Authority”	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000;
“Vendors”	the former holders of the entire issued share capital of SBL;
“Warrants”	the 4,400,000 warrants in aggregate granted to Directors and employees of the Company and the Beaumont Cornish Warrants entitling the warrant holders to subscribe for Ordinary Shares in the Company, further details of which are set out in paragraphs 7.9 and 7.10 of Part IV of this document
“£” or “Pound”	UK pounds sterling

## KEY INFORMATION

The following information must be read in conjunction with the rest of this document, from which it is derived, and of which it forms part. Investors should read the whole of this document and not rely solely on the following summary.

**In particular, the attention of investors is drawn to the Risk Factors set out in Part II of this document**

### The Business

- Eruma is the holding company for SBL which is a specialist provider of physical security systems to the commercial and domestic markets in the UK;
- In particular, Eruma has an exclusive licence to manufacture and sell a range of specialist security blind products (“Security Blinds”) in the UK and a non-exclusive licence to manufacture and sell Security Blinds in certain states in Europe.

### The Products

- SBL’s range of Security Blinds provide high levels of security for all windows and closures whilst at the same time operating like conventional blinds in screening direct sunlight;
- SBL has also developed a security blind product which can provide proven physical protection to internal property and personnel in the event of a bomb blast;
- SBL has built up an impressive list of commercial clients including major banks, building societies, police, schools and major corporate businesses;
- Security Blinds have been endorsed by government and security related offices and bodies including the Home Office and ACPO, the Association of Chief Police Officers.

### The Market and Competition

- The primary market for Security Blinds is a sub-division of the “physical security market” which relates to security screens, grilles, blinds and shutters;
- In 2001, this subdivision accounted for sales of £240 million which represented approximately 40 per cent. of total sales for the “physical security market” of £591 million;
- A specialist security market is also developing in the light of the global threat of terrorism and there is a requirement for enhanced levels of security in urban environments.

### Strategy

- Group’s products are now fully developed, proven in performance terms and generating sales;
- Group has been focusing and will continue to focus on commercial market;
- The Group is raising funds to create a coordinated UK sales and marketing campaign directed at a target customer base comprising police, local and national government, architects, property developers, the insurance industry and commercial estate agents.

### The Placing and use of proceeds

- Company has arranged the Placing which will involve the issue of 17,400,000 new Ordinary Shares at the Placing Price of 5p per share;
- The issue of the Placing Shares, which is conditional upon the Admission of the Enlarged Ordinary Share Capital, will represent 25 per cent. of the Enlarged Ordinary Share Capital;
- The Placing will raise £870,000 before expenses. Net proceeds, which are expected to be £700,000, will be invested in a UK sales and marketing campaign for Security Blinds.

**Management**

- The Group has an experienced management team headed by Wayne Money, formerly Sales and Marketing Director and Managing Director of Everest Double Glazing.

**Tax Reliefs**

- The Company has received advanced assurance from HMRC that the present activities and organisation of the Company will enable it to count as a qualifying company for the purposes of the EIS Rules and the Placing Shares should be eligible shares for the purposes of EIS relief;
- The Placing Shares potentially qualify for 100 per cent. business property relief which gives up to 100 per cent exemption from Inheritance Tax.

**Future Prospects**

The Company has a fully developed product range and with sufficient marketing funds is ideally situated to exploit a fragmented marketplace.

## PART I

### Information on the Group

#### Introduction

The Company is the holding company for Security Blinds Limited (“SBL”) which manufactures and sells a range of specialist security blind products which provide high levels of security for all windows and closures whilst at the same time operating like conventional blinds in screening direct sunlight. SBL has also developed a security blind product with proven bomb blast resistance which can provide physical protection to internal property and personnel.

#### History and Background

The Company was formed in March 2005 and on 30 March 2005 it acquired SBL in a share for share exchange. Details of the Share for Share Exchange Agreement are set out in the paragraph 7.1 of Part IV of this document.

SBL is a specialist provider of physical security systems to the commercial and domestic market in the UK.

SBL was formed in September 2000 and subsequently commenced development work on its range of “Security Blind” products. Development of the Products was completed in the Autumn of 2003 and since November 2003 SBL has been actively trading. Initially, SBL marketed and sold the Products to both the domestic end user (homes) market and also the commercial market focussing on banks, building societies, local authorities, schools and the health sector.

Due to working capital constraints over the last 12 months, SBL has concentrated its sales and marketing efforts on the commercial market as experience showed that the domestic market required too much of an upfront investment.

Over the last two years, SBL has built up an impressive list of commercial clients which include:

- HSBC plc
- Royal Bank of Scotland plc
- NatWest Bank plc
- Churchill Insurance Limited

Royal Bank of Scotland (RBS) has incorporated the Products into its approved product list for installation into its branch network. Both RBS and HSBC Bank have commercial branch installations.

SBL has installed Products into a number of high profile buildings owned by other Banks, Building Societies, Police, Schools, Higher Education establishments and major corporate businesses.

In addition, SBL’s Products have been given endorsement from relevant bodies and agencies such as:

The Home Office  
The Association of Chief Police Officers (“ACPO”)  
County Councils  
Local Authorities  
Sold Secure (Gold Award)

The Products have met with the exacting security standards set by the Home Office and ACPO. The Home Office has now approved the Products and, as a result, these will be included in their Catalogue of approved Security Equipment (CSE). Security Blinds are the only products in the Windows related area of the Physical Security market to receive the Gold Standard – accreditation given by Sold Secure, a not for profit company set up as a security assessment organisation backed by the Police and the Home Office.

In recent months, SBL has also conducted successful tests together with the Home Office in connection with its Products which have been proven to resist the impact of bomb blasts thereby providing physical protection to internal property and personnel in such events.

The Directors believe the combination of high levels of security with physical protection to internal property and personnel, which the Products offer, presents the Group with the opportunity to attract further sales from a market that is now developing – that of anti-terrorism.

### **The Products**

Security Blinds, which are visually appealing, operate much like conventional blinds whilst at the same time providing high levels of security. Security Blinds in fact provide potentially higher levels of security than a set of steel bars or a steel grille. Steel rods are concealed within each blade and the unique locking mechanism allows the blind to operate as a conventional blind whilst maintaining the protection of what is in effect an invisible steel grille across the window or door.

Security Blinds are available as either fixed frame horizontal sliding security blind unit, a conventional casement style security blind unit or a versatile concertina style security blind unit which allows the security blind to be folded back on itself. The blinds are supplied with a standard blade width of 85mm or a narrower 50mm blade both in powder coated aluminium or PVC-u.

#### *Commercial Applications:*

- Windows
- Entrance Doors
- Curtain walling

#### *Anti-Terrorist Application:*

In conjunction with ASF (anti shatter window film) the Security Blinds provide immediate protection to internal property and personnel against flying glass in the event of a terrorist bomb blast

#### *Domestic Applications:*

- Window blinds
- Patio doors
- Roof windows
- Entrance doors

A domestic version has been developed which allows coloured fabrics to be inserted to match decors.

### **Patents and Licence Agreements**

The “Security Blinds” technology was invented by Brian Wilkins, the Company’s Product Development Director, and he has made patent applications in respect of this technology in South Africa, New Zealand, Australia the UK, and Europe, the latter jurisdiction being the subject of the Licence).

The Patent was licensed initially to SBL pursuant to the Licence. Following the acquisition of SBL by the Company, the Licence was amended and the rights under it passed to the Company (pursuant to a deed of amendment and novation dated 20 April 2005). The licensed rights include:

- (a) an exclusive licence to manufacture and sell the Products manufactured in the UK;
- (b) a non-exclusive licence to manufacture and sell the Products manufactured in certain states in Europe; and
- (c) the right to grant a sub-licence of any of the rights granted to it to any company which is its subsidiary or of which it is a subsidiary.

## Manufacturing and Supply

The Products are currently fabricated at the Company's factory at Rotherham, South Yorkshire.

The Group sources the required components for its products from various suppliers such as extruded aluminium blades, endcaps, steel bar and steel section. The Group intends, as its business develops, to outsource at least 90 per cent. of the total manufacturing and is actively negotiating with third parties to provide this service.

## The Market

### *The Physical Security Market*

According to Security Consultants, Key Note Limited, the physical security market in 2001 had sales in excess of £591 million which represented approximately 12.3 per cent. of the total security market sales in the UK at that time which were £4.8 billion.

There are three sub-divisions of the physical security market:

- Locks
- Safes
- Other physical security products (screens, blinds, grills and shutters)

The "other physical security products" sub-division is the primary target market for SBL's Products. This sub-division of the physical securities market accounted for approximately 41 per cent. of the physical security market sales in 2001 with total sales of approximately £240 million. The screen, blinds, grills and shutters sector is also very fragmented and even companies with a turnover of less than £1 million can be important in their particular specialist area.

The physical security market areas in which the Group is involved and the buying behaviour in respect of each relevant areas are as follows:

<i>Sector</i>	<i>Commercial</i>	<i>Domestic</i>	<i>Anti-Terrorist</i>
Size	£180 million*	£60 million*	Unknown
Decision maker	Senior Management	Householder	Government Senior/Management

\*Source – Keynote Limited 2002 survey, commercial/domestic split management estimate

### *Anti-Terrorist Market*

A specialist market is developing in the light of the global threat of terrorism and there is a requirement for enhanced levels of security in urban environments which can provide greater levels of protection for personnel and property in the event of bomb blasts.

## Competition

The physical security products market place is highly fragmented with more than 100 manufacturers providing a wide range of security products. The majority of companies selling in the marketplace have a turnover of less than £1 million per annum.

The membership of the British Security Industry Association (BSIA) counts for 29 of the physical security products manufacturers.

The manufacturers of physical security products have various routes to market: architects, locksmiths, builders' merchants and larger distributors as well as selling direct.

Competitors in the market place include: Trellidor, Maxidor (both South African based), Chubb and Banhams ( which also provide CCTV, safes and alarm systems) but there is no acknowledged brand leader. It is difficult to get accurate turnover for the Group's competitors primarily because of the distribution fragmentation of the industry.

The management believes that Security Blinds, with its various benefits, particularly security, will give the Company the opportunity to become a Brand leader in a highly fragmented market.

## **Business Development and Strategy**

The Group has a range of Products which are now fully developed, proven in performance terms, and which are now generating sales.

Due to working capital constraints the Group has not been able to fund a fully professional UK marketing and sales campaign to the commercial market.

Therefore funds raised under the Placing will be used to create a coordinated UK marketing and sales campaign directed at the chosen target audience e.g. Police, local and national government, architects, property developers, insurance industry, commercial estate agents etc.

The marketing and sales mix will include:

- Employing national account type salesmen
- Direct marketing
- PR

## **Directors, Senior Management and Staff**

### *The Directors*

*Philip Barnett, Non-Executive Chairman, aged 60*

Philip Barnett became a member of the London Stock Exchange when becoming a Market Maker with Smith Bros in 1970. In 1982, after serving 4 years on the European Options Exchange in Amsterdam, he was made Managing Director of Smith Bros Financial Futures in the UK and became a founder member of LIFFE's rules committee. In 1984 he became a sole trader on LIFFE and served for several years as a Director of LIFFE. Since leaving LIFFE in 1996, he has successfully helped a number of companies from early stage to AIM flotation. He is presently a Director of Pace Securities Limited, DiscKiosk Limited and Metals Exploration plc.

*Wayne Money, Managing Director, aged 56*

Graduated from Sheffield University a BSc in Chemical Engineering. Previously Managing Director of Everest Double Glazing, (turnover £90 million), a position he took up after 6 years as Sales and Marketing Director of the same organisation responsible for a sales force of 700 people. Extensive experience in sales and marketing running campaigns and sales force initiatives as well as developing brands. Prior to joining Everest, Wayne has held senior positions at Wang and Xerox.

*Nigel Young, Finance Director, aged 46*

Graduated from Birmingham University with a Bachelor of Commerce in Accounting and Economics. Qualified Chartered Accountant – trained with Touche Ross & Co. Previously Financial Director of 2 private technology companies. Broad experience of systems and operations.

*Brian Wilkins, Product Development Director, aged 61*

Brian Wilkins has a background in engineering and invented the technology behind “Security Blinds”. He continues to be responsible for its ongoing development and production. He was the founder of SBL and previously had a senior management position at Glynwed plc.

The Board intends to appoint a further Non-Executive Director within the period of three months following Admission.

### *Staff*

The Company currently employs 4 staff in its Rotherham factory as well as a full time surveyor. In addition there are 6 commission based sales agents.

## **Corporate Governance**

The Directors intend that the Company will comply with the main provisions of the Combined Code in so far as they are practicable for a company of its size. The Company has one appointed non-Executive Director and intends to appoint, within three months following Admission, a further non-Executive Director, with relevant sector and public company experience to complement and provide an independent view to the Board.

Following the appointment of a further non-Executive Director, an Audit Committee, comprising the Company's non-executive Directors, will be established. The Audit Committee will be chaired by Mr Philip Barnett and will meet at least twice each year. The Audit Committee will be responsible for ensuring that appropriate financial reporting procedures are properly monitored, controlled and reported on. It will also meet with the Company's auditors (without executive board members being present) and review their reports on the accounts and the Company's internal controls.

The Company will also, following the appointment of a further Non-Executive Director, establish a Remuneration Committee, comprising of the Non-Executive Directors, to operate from Admission. The Remuneration Committee will be responsible for reviewing the performance of the executive Directors, setting their remuneration, determining the payment of bonuses, considering the grant of options under any share option scheme and, in particular, the price per share and the application of performance standards which may apply to any such grant.

The Company has adopted the Model Code for Directors' Dealings as applicable to AIM companies and will take all proper and reasonable steps to ensure compliance by the Directors and relevant employees.

### Reasons for Admission, the Placing and Use of Proceeds

The Company wishes to seek admission of its shares to trading on AIM in order to raise funds to invest in a fully professional marketing and sales program and also to widen its shareholder base.

#### Placing

The Placing will raise £870,000 before expenses by the issue of 17,400,000 Ordinary Shares at the Placing Price. It is conditional, *inter alia*, on Admission. The Placing Shares allotted pursuant to the Placing, following allotment, will rank *pari passu* in all respects with the existing Ordinary Shares of the Company.

#### Financial Summary

The information set out below is extracted from the Accountants' Report on SBL set out in Part III of this document.

	<i>Year to</i> 31 December 2002 <i>Audited</i> £'000	<i>15 Months to</i> December 2003 <i>Unaudited</i> £'000	<i>Year to</i> 30 September 2002 <i>Unaudited</i> £'000
Turnover	195	112	10
Gross Profit (Loss)	42	(56)	(39)
Profit (loss) before and after tax	(115)	(859)	(273)
Cash at bank and in hand	11	37	572
Shareholders' (deficit) funds at period end	(375)	(330)	529

#### Current Trading and Prospects

Since the start of the current financial year, the Company has invoiced sales of approximately £150,000.

Currently, the Company has a prospect list totalling in excess of £1.4 million. The focus will be to convert as much of this list as possible into invoiced sales as well as to add to the prospect list through a variety of marketing initiatives.

#### Orderly Market Agreements

The Directors have agreed with the Company, Beaumont Cornish and S P Angel, that they will not sell or dispose of (and will procure that persons connected with them will not sell or dispose of) any of their respective interests in Ordinary Shares for a period of 24 months following Admission without the consent of Beaumont Cornish and S P Angel. Furthermore, certain Shareholders have

agreed with the Company, Beaumont Cornish and S P Angel, that they will not sell or dispose of (and will procure that persons connected with them will not sell or dispose of) any of their respective interests in Ordinary Shares for a period of 12 months following Admission without the consent of Beaumont Cornish and SP Angel.

The above Orderly Market Agreements are for the purposes of maintenance of an orderly market in the Company's shares.

### **Share Capital, Warrants and Share Options**

At the date of this document there are 52,200,000 Ordinary Shares in issue, and a further 17,400,000 Ordinary Shares have been allotted pursuant to the Placing conditionally upon Admission.

The Company has adopted the EMI Scheme pursuant to which up to 6,000,000 EMI Options have been granted to the Executive Directors of the Company entitling them to subscribe for up to 6,000,000 Ordinary Shares in aggregate at 5p per share.

The Company has also agreed to issue up to 5,000,000 Warrants to individuals or organisations. These include the proposed issue of 2,000,000 warrants to Directors, 2,400,000 warrants to certain investors and the proposed issue of 600,000 Beaumont Cornish Warrants to Beaumont Cornish in consideration for services rendered and to be rendered to the Company. Each Warrant will entitle the holder to subscribe for one Ordinary Share at the exercise price of 6p per share (or in the case of the Beaumont Cornish Warrants at 5p per share), such right to be exercisable at any time within the period of 7 years following Admission.

Following Admission, the Board intends to adopt within 12 months a share option or other incentive scheme pursuant to which the Directors will be authorised to issue the Reserved Warrants to the Directors, employees and consultants of the Company and its subsidiaries from time to time, such Reserved Warrants entitling the holder to subscribe for one Ordinary Share at the exercise price of 6p per share, such right to be exercisable at any time within the period of 7 years following Admission.

Following Admission, the EMI Options, the Warrants and Reserved Warrants when fully issued will give the holders in aggregate a right to subscribe up to 12,600,000 Ordinary Shares representing 18.1 per cent. of the Enlarged Ordinary Share Capital of the Company.

Further details of the terms of the EMI Options and the Warrants are set out in paragraphs 6, 7.9 and 7.10 of Part IV of this document.

The Ordinary Shares have not been listed, traded or quoted on any regulated or recognised stock market, but application will be made for the whole of the Enlarged Ordinary Share Capital to be admitted to trading on AIM. No application will be made for the Warrants to be admitted to trading on AIM.

### **Working Capital**

The Directors are of the opinion that, having made due and careful enquiry and taking into account the net proceeds of the Placing, the working capital available to the Company will be sufficient for its present requirements, that is, for at least the next 12 months from the date of Admission.

### **CREST**

The Articles of Association of the Company permit the Company to issue shares in uncertificated form in accordance with the Uncertificated Securities Regulations 1995. CREST is a computerised paperless share transfer and settlement system, which allows shares and other securities to be held in electronic rather than paper form. Settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if the relevant shareholders so wish.

CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain certificates will be able to do so. Any shareholders wishing to hold their stock through CREST can dematerialize from a certificated holding to a CREST holding by lodging their share certificate and a CREST transfer form with their stockbroker or other CREST member.

## **EIS Status**

The Company has received advance assurance from HMRC that the present activities and organisation of the Company will enable it to count as a qualifying company for the purposes of the EIS Rules, and the Placing Shares should be eligible shares, for the purposes of EIS relief.

These conditions are dependent, amongst other things, upon the funds raised by the issue of the Placing Shares, for which EIS qualifying status is sought, being used by the Company, as to 80 per cent. within 12 months from the date of issue and the balance during the following 12 months, for the purposes of a qualifying activity carried on wholly or mainly in the UK.

An investor must also qualify as an individual entitled to relief under the EIS Rules.

The EIS allows for the following tax reliefs for individual investors provided investments are held for three years:

- Initial income tax relief of 20 per cent.; and
- Exemption from capital gains

The EIS also allows for CGT payable on chargeable gains realised by individuals and certain trustees to be deferred. To qualify for CGT deferral, a sum up to the amount of the chargeable gain must be subscribed (usually no more than one year before nor more than three years after the date on which the chargeable gain arises) in new ordinary shares of a qualifying trading company or an unquoted company which is the parent of a qualifying trading group. For this purpose, shares quoted on AIM are regarded as unquoted.

A Claim for CGT deferral relief is made by the individual investors and/or trustees claiming the relief.

The Directors undertake to use reasonable efforts to maintain the status of the Company as a qualifying company under the relevant legislation for EIS relief. In the event, however, that circumstances arise or an opportunity arises that would benefit the Company but would jeopardise its status with respect to EIS tax relief, the Directors will consider the circumstances or the merits of the opportunity and act in the best interests of the Company and the Shareholders as a whole.

**Please note that the preceding four paragraphs are only a condensed EIS summary and should not be construed as constituting advice which a potential investor should obtain from his or her own investment or taxation adviser before subscribing for Placing Shares.**

**Further general information regarding the current UK tax legislation and practice is set out in paragraph 11 of Part IV of this document which may apply to certain classes of shareholder.**

**IT YOU ARE IN ANY DOUBT AS TO YOUR TAXATION POSITION, YOU SHOULD CONSULT AN APPROPRIATE PROFESSIONAL ADVISER WITHOUT DELAY.**

## **EMI Scheme**

The Company has established the EMI Scheme in order to provide an incentive to executives and employees. Details of the Scheme are set out in paragraph 6 of Part IV of this document.

## **Dividend Policy**

Initially and in the medium term, it is the Directors' intention to re-invest funds into the Company rather than making dividend payments. Thereafter, dividends payment will be considered subject to the availability of distributable reserves, whilst maintaining an appropriate level of dividend cover and having regards to the need to retain sufficient funds to finance the development of the Company's activities.

## **Further information**

**Your attention is drawn to the Risk factors set out in Part II, the financial information relating to the Group set out in Part III and the additional information contained in Part IV of this document.**

## PART II

### Risk Factors

**AN INVESTMENT IN THE COMPANY IS SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK.** The investment offered in this document may not be suitable for all its recipients.

In addition to the other relevant information in this document, the Directors consider the following risk factors to be of particular relevance to the Group's activities and to any investment in the Company. It should be noted that this list is not exhaustive and that other risk factors may apply. Any one or more of these risks could have a material adverse effect on the value of the Group and should be taken into account in assessing the Group.

The Directors consider the following risks to be the most significant for potential investors in the Company. However, the risks listed do not necessarily comprise all those associated with an investment in the Company and are not set out in any order of priority.

If events in connection with any of the risks outlined below occur, the Group's business, financial condition, results or future operations may be adversely affected. In such a case, the price of the Company's Ordinary Shares could decline and investors may lose all or part of their investment. Additional risks, as yet unknown to the Directors, may also have an adverse effect on the Group.

The Following matters may affect the trading position of the Group:

#### **Marketing and Sales**

There is no guarantee that the Group's proposed marketing and sales campaign will achieve the level of sales anticipated by the Board and as a result this may impact on the Company's ability to achieve profitable results.

#### **Competition**

The Security Blinds Products are unique and at present have no direct competition. As the "Security Blinds" brand and the Products gain wider awareness, competitors with strong financial backing could move into this area of the market with new products and the Group's market position could be weakened and it is possible that margins could be reduced.

#### **Contracts with Suppliers and Dealers**

There are currently no plans to outsource the selling of Security Blinds via a dealer network. Contracts with suppliers are on a normal commercial basis.

#### **Pricing Environment**

With a limited choice of products similar to Security Blinds for potential customers to choose from to secure their property, the pricing of Security Blinds has not yet proved to be critical in terms of marketing. Changes in raw material prices can affect the gross margin both positively and negatively.

#### **Development Expenditure**

The Group may need to incur additional product development expenditure or costs associated with outsourcing the manufacture of the Products. If the Group fails to develop and introduce new Products, services or enhancements on a timely basis, its Products and services may no longer be acceptable in the marketplace and the Group may be unable to attract new customers or retain existing customers.

#### **Customer Demand**

Any failure by the Group to anticipate or respond adequately to changes in customer preferences could have a material adverse effect on the Group's business, financial condition and results of operations.

### **Share price effect of sales of Ordinary Shares by Selling Shareholders**

The market price of Ordinary Shares could decline significantly as a result of any sales of Ordinary Shares by certain Shareholders following the expiry of the orderly market periods (or earlier in certain circumstances), as detailed in the paragraph headed Orderly Market Agreements in Part I of this document, or the perception that these sales could occur.

### **Dependence on key executives and personnel**

The Group's future success is substantially dependent on the continued services and performance of its Executive Directors and its ability to continue to attract and retain skilled staff. The Board cannot give assurances that the executive Directors will continue to remain with the Group. The loss of the services of the Executive Directors and certain members of staff could damage the Group's business.

Further details on the Directors may be found in Part I of this document.

### **The need to raise additional capital in the future**

The Group's capital requirements depend on numerous factors, including its ability to maintain and expand its customer base. It is difficult for the Directors to accurately predict the timing and amount of the Group's capital requirements. If the plans or assumptions set out in the Company's business plan change or prove to be inaccurate, or if the Company makes any material acquisitions, the Group may require further financing. Any additional equity financing may be dilutive to Shareholders, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

### **Liquidity of the Ordinary Shares and volatility of their price**

It may be more difficult for an investor to realise his or her investment in an AIM traded company than a company whose securities are listed on the Official List of the United Kingdom Listing Authority. AIM has been in existence since June 1995 but its future success and liquidity as a market for the Ordinary Shares cannot be guaranteed. The trading price of the Ordinary Shares may be subject to wide fluctuations in response to a range of events and factors, such as variations in operating results, announcements of technological innovations or new Products and services by the Company or its competitors, changes in financial estimates and recommendations by securities analysts, the operating share price performance of other companies that investors may deem comparable to the Company, and news reports relating to trends in the Group's markets. These fluctuations may adversely affect the trading price of the Ordinary Shares, regardless of the Group's performance.

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 especially as the market in the Ordinary Shares may have limited liquidity.

**The investment described in this document may not be suitable for all those who receive it. Before making a final decision, investors in any doubt are advised to consult a person authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.**

## PART III

### Accountants' Reports on the Group



#### JEFFREYS HENRY LLP

Chartered Accountants  
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London EC1V 9EE  
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Registered Auditors  
Business Advisors  
Tax Specialists  
Financial Services  
Corporate Recovery  
Accounting Outsourcing  
Corporate Finance

27 June 2005

The Directors  
Eruma Plc  
Unit 4 Shepherdess Walk Buildings  
Underwood Street  
London N1 7LG

The Directors  
Beaumont Cornish Limited  
Georgian House  
63 Coleman Street  
London EC2R 5BB

Gentlemen,

#### Eruma Plc ("the Company")

##### 1. The Company

We report on the financial information set out below relating to Eruma Plc ("the Company"). This information has been prepared for inclusion in the Company's AIM admission document dated 27 June 2005 ("the Admission Document") relating to the Placing and admission of the Company's shares to trading on AIM.

The Company was incorporated on 10 March 2005. The Company has not traded, prepared any financial statements for presentation to members, incurred neither profit nor loss, and has neither declared nor paid dividends or made any other distributions since the date of incorporation. There have been no transactions other than the allotment of shares and the granting of EMI options and warrants described below and the execution of the material contracts referred to in paragraph 7 of Part IV of the Admission Document. Accordingly, no profit and loss account information is presented in this report.

##### 2. Basis of preparation

The financial information set out below has been extracted from the financial records of the Company for the period ended 31 March 2005, no adjustments being considered necessary. No audited financial statements have been prepared for submission to members in respect of any period since incorporation.

### 3. Responsibility

The financial records are the responsibility of the Directors of the Company. The Directors of the Company are responsible for the contents of the Admission Document in which this report is included.

It is our responsibility to compile the financial information set out in our report from the Company's financial records, to form an opinion on the financial information and to report our opinion to you.

Our work has been undertaken so that we might state those matters that we are required to state in our report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone for any other purpose for our work, for this report or for the opinions we have formed.

### 4. Basis of opinion

We conducted our work in accordance with the Statements of Investment Circular Reporting Standards issued by the Auditing Practices Board. Our work included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate to the Company, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud, other irregularity or error.

### 5. Opinion

In our opinion, the financial information contained in this report gives, for the purposes of the Document drawn up under the Public Offers of Securities Regulations 1995, a true and fair view of the state of affairs of the Company as at 31 March 2005.

### 6. Consent

We consent to the inclusion in the Admission Document dated 27 June 2005 of this report and accept responsibility for this report for the purposes of paragraph 45(8) of Schedule 1 to the Public Offers of Securities Regulations 1995.

### Balance sheets

	<i>As at</i>
	<i>31 March</i>
	<i>2005</i>
<i>Notes</i>	<i>£</i>
<b>Investments</b>	
Investment in subsidiary	<u>522,000</u>
<b>Capital and reserves</b>	
Called up share capital	<u>7.2</u> <u>522,000</u>

### 7. Notes to the financial statements

#### 7.1 *Accounting policies*

The principal accounting policies that have been consistently applied in the Company's financial information throughout the period under review are as follows:

#### *Basis of accounting*

The financial information has been prepared under the historical cost convention and in accordance with accounting standards in the United Kingdom.

## 7.2 Share Capital

	<i>As at</i> <i>31 March</i> <i>2005</i> £
<i>Authorised:</i>	
100,000,000 ordinary shares of 1p each	<u>1,000,000</u>
<i>Issued and fully paid:</i>	
52,200,000 Ordinary shares of 1p each	<u>522,000</u>

The Company was incorporated with an authorised share capital of £1,000,000 divided into 100,000,000 ordinary shares of 1p each with 2 shares being issued.

On 30 March 2005 the Company undertook a share for share exchange with Security Blinds Limited by the issue of 52,200,000 ordinary shares of 1p each for the entire share capital of Security Blinds Limited.

### 8. Nature of financial information

The financial information presented above in respect of the period ended 31 March 2005 does not constitute statutory accounts for that period.

Yours faithfully

Jeffreys Henry LLP  
*Chartered Accountants*



## JEFFREYS HENRY LLP

Chartered Accountants

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Registered Auditors

Business Advisors

Tax Specialists

Financial Services

Corporate Recovery

Accounting Outsourcing

Corporate Finance

27 June 2005

The Directors  
Eruma Plc  
Unit 4 Shepherdess Walk Buildings  
Underwood Street  
London N1 7LG

The Directors  
Beaumont Cornish Limited  
Georgian House  
63 Coleman Street  
London EC2R 5BB

Gentlemen,

### Security Blinds Limited (“the company”)

We report on the financial information set out below. This financial information has been prepared for inclusion in the admission document of Eruma plc dated 27 June 2005 (the “Admission Document”).

### Basis of preparation

The financial information set out below is based on the audited financial statements of Security Blinds Limited for the year ended 31 December 2004, unaudited financial statements for fifteen months to December 2003 and the unaudited financial statements year ended 30 September 2002, (together the “Financial Statements”) after making such adjustments as we considered necessary.

### Responsibility

The Directors of Eruma Plc are responsible for the contents of the Admission Document in which this report is included. The Financial Statements are the responsibility of the Directors of Security Blinds Limited who have approved their issue.

It is our responsibility to compile the financial information set out in our report from the Financial Statements, to form an opinion on the financial information and to report our opinion to you.

### Basis of opinion

We conducted our work in accordance with the Statements of Investment Circular Reporting Standards issued by the Auditing Practices Board. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. The evidence included that

recorded during our audit of the financial statements underlying the financial information for the year ended 31 December 2004, and review of the financial statements for the period ended 31 December 2003, and the period ended 30 September 2002. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

**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 Security Blinds Limited as at the dates stated and of its results and cash flows for the periods then ended.

**Consent**

We consent to the inclusion in the Admission Document of this report and accept responsibility for this report for the purposes of paragraph 45(1)(a)(iv) of Part VII of Schedule 1 to the Public Offers of Securities Regulations 1995.

The financial information included herein comprises:

- a statement of accounting policies;
- profit and loss accounts, balance sheets, cash flow statements;
- notes to the profit and loss accounts, cash flow statements and the balance sheets.

**1. Accounting policies**

The financial statements have been prepared under the historical cost convention.

During the period the company met its day to day working capital requirements by way of directors and shareholders loans which were repayable on demand. The loans totalled £329,057 at 31 December 2004 and have been deferred until the company achieves earnings before tax, depreciation and amortisation of £750,000 in a financial period.

Since 31 December 2004, the company has been acquired by Eruma Plc and Eruma Plc has since raised £870,000 before expenses to finance the expansion of the company and provide working capital. On this basis the directors consider that it is appropriate to prepare the accounts on a going concern basis.

*Turnover*

Turnover represents the invoiced value of goods and services, net of value added tax and trade discounts.

*Patents and Licence Fees*

Patents and licences are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives.

*Research and development*

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

*Tangible fixed assets and depreciation*

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

Plant and machinery	20 per cent. Straight Line
Fixtures, fittings & equipment	20 per cent. Straight Line

### *Leasing*

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

### *Stock*

Stock is valued at the lower of cost and net realisable value.

### *Deferred taxation*

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

### *Turnover*

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

## 2. Profit and Loss Accounts

		<i>Year ended</i> 31 December	<i>15 months</i> ended 31 December	<i>Year ended</i> 30 September
	<i>Notes</i>	2004 £000	2003 £000	2002 £000
<b>Turnover</b>		195	112	10
Cost of sales		<u>(153)</u>	<u>(168)</u>	<u>(49)</u>
Gross Profit (Loss)		42	(56)	(39)
Administration Expenses		(155)	(862)	(226)
Other Operating Income		<u>3</u>	<u>64</u>	<u>—</u>
Operating Loss	6.1	<u>(110)</u>	<u>(854)</u>	<u>(265)</u>
Bank Interest Receivable		—	1	—
Bank Loan Interest Payable		<u>(5)</u>	<u>(6)</u>	<u>(8)</u>
<b>Loss on ordinary activities before taxation</b>		(115)	(859)	(273)
<b>Taxation</b>				
Tax on ordinary activities	6.2	<u>—</u>	<u>—</u>	<u>—</u>
<b>Loss for the financial period</b>	6.11	<u><u>(115)</u></u>	<u><u>(859)</u></u>	<u><u>(273)</u></u>

### 3. Balance Sheet

		<i>At</i> <i>31 December</i> 2004 £000	<i>At</i> <i>31 December</i> 2003 £000	<i>At</i> <i>30 September</i> 2002 £000
	<i>Notes</i>			
<b>Fixed assets</b>				
Intangible	6.3	43	45	47
Tangible	6.4	16	22	1
		<u>59</u>	<u>67</u>	<u>48</u>
<b>Current assets</b>				
Stocks	6.5	12	14	6
Debtors	6.6	10	18	45
Cash at bank and in hand	6.7	11	37	572
		<u>33</u>	<u>69</u>	<u>623</u>
<b>Creditors: amounts falling due within one year</b>	6.8	<u>(114)</u>	<u>(423)</u>	<u>(70)</u>
<b>Net current (liabilities)/assets</b>		<u>(81)</u>	<u>(354)</u>	<u>553</u>
Total assets less current liabilities		(22)	(287)	601
<b>Creditors; amounts falling due after more than one year</b>	6.10	<u>(353)</u>	<u>(43)</u>	<u>(72)</u>
		<u>(375)</u>	<u>(330)</u>	<u>529</u>
<b>Capital and reserves</b>				
Called up share capital	6.10	25	23	23
Share premium account	6.11	895	827	827
Profit and loss account	6.11	<u>(1,295)</u>	<u>(1,180)</u>	<u>(321)</u>
<b>Shareholders' (deficit)/funds</b>	6.12	<u>(375)</u>	<u>(330)</u>	<u>529</u>

### 4. Cash Flow Statement

	<i>Year ended</i> <i>31 December</i> 2004 £000	<i>15 months</i> <i>ended</i> <i>31 December</i> 2003 £000	<i>Period ended</i> <i>30 September</i> 2002 £000
Net cash outflow from operating activities	(68)	(475)	(218)
<b>Returns on investments and servicing of finance</b>			
Interest received	—	1	—
Interest Paid	<u>(5)</u>	<u>(6)</u>	<u>(8)</u>
<b>Net cash outflow from operations</b>	<u>(73)</u>	<u>(480)</u>	<u>(226)</u>
<b>Capital expenditure</b>			
Payments to acquire tangible fixed assets	<u>—</u>	<u>(30)</u>	<u>(32)</u>
<b>Net cash outflow from investing</b>	<u>—</u>	<u>(30)</u>	<u>(32)</u>
<b>Financing</b>			
Repayment of bank loan	(23)	(25)	(7)
Issue of share capital	<u>70</u>	<u>—</u>	<u>804</u>
<b>Net cash inflow/(outflow) from financing</b>	<u>47</u>	<u>(25)</u>	<u>797</u>
<b>(Decrease)/increase in cash in the period</b>	<u>(26)</u>	<u>(535)</u>	<u>539</u>

## 5. Notes to Cash Flow Statement

### (a) Reconciliation of operating loss to net cash outflow from operating activities

	Year ended 31 December 2004 £000	15 months ended 31 December 2003 £000	Period ended 30 September 2002 £000
Operating loss	(110)	(854)	(265)
Depreciation and amortisation	8	11	2
Decrease/ (Increase) in stocks	2	(8)	(6)
Decrease/(increase) in debtors	8	27	(3)
Increase in creditors	24	349	54
<b>Net cash outflow from operating activities</b>	<b><u>(68)</u></b>	<b><u>(475)</u></b>	<b><u>(218)</u></b>

### (b) Analysis of net funds

	At 1 October 2001 £000	Cash flow £000	At 30 September 2002 £000
<b>Cash at bank and in hand</b>	<b>33</b>	<b>539</b>	<b>572</b>
<b>Net funds</b>	<b><u>33</u></b>	<b><u>539</u></b>	<b><u>572</u></b>

	At 1 October 2002 £000	Cash flow £000	At 31 December 2003 £000
<b>Cash at bank and in hand</b>	<b>572</b>	<b>(535)</b>	<b>37</b>
<b>Net funds</b>	<b><u>572</u></b>	<b><u>(535)</u></b>	<b><u>37</u></b>

	At 1 January 2004 £000	Cash flow £000	At 31 December 2004 £000
<b>Cash at bank and in hand</b>	<b>37</b>	<b>(26)</b>	<b>11</b>
<b>Net funds</b>	<b><u>37</u></b>	<b><u>(26)</u></b>	<b><u>11</u></b>

## 6. Notes to the financial information

### 6.1 Operating loss

	Year ended 31 December 2004 £000	Year ended 31 December 2003 £000	Year ended 30 September 2002 £000
<b>Operating loss is stated after charging:</b>			
Amortisation of intangible assets	2	2	2
Depreciation of tangible assets	6	9	233
Research and Development	9	4	38
Operating lease rentals	65	70	15
Audit fees	6	—	—
	<b><u>6</u></b>	<b><u>—</u></b>	<b><u>—</u></b>

### 6.2 Taxation

	Year ended 31 December 2004 £000	Year ended 31 December 2003 £000	Year ended 30 September 2002 £000
<b>Current tax charge</b>	<b><u>—</u></b>	<b><u>—</u></b>	<b><u>—</u></b>

## 6.2 Taxation (continued)

### Factors affecting the tax charge for the Year

	Year ended 31 December 2004 £000	15 months ended 31 December 2003 £000	Year ended 30 September 2002 £000
Loss on ordinary activities before taxation	(115)	(859)	(273)
Multiplied by standard rate of UK Corporation tax of 19.00 per cent. (2003: 19.00 per cent.)	(22)	(163)	(52)
Effects of:			
Depreciation add back	2	2	2
Other tax adjustments	20	161	50
	<u>22</u>	<u>163</u>	<u>52</u>
Current tax charge	<u>—</u>	<u>—</u>	<u>—</u>

At 31 December 2004, the Company had estimated tax losses of £1,264,000 (2003: £1,157,000) available for carry forward against future trading profits. At 31 December 2004, the Company had an unprovided deferred tax asset at 30 per cent. on the excess of depreciation over capital allowances of £29,360 (2003: £19,588) and on the tax losses of £379,000 (2003: £347,000).

### 6.3 Intangible fixed assets – Patents and Licence fee

	Patents £000
At 1 October 2001	18
Additions	31
At 30 September 2002, 31 December 2003 and 31 December 2004	<u>49</u>
Amortisation	
At 1 October 2001	—
Charge for the year	2
At 30 September 2002	<u>2</u>
Charge for the period	2
At 31 December 2003	<u>4</u>
Charge for the year	2
At 31 December 2004	<u>6</u>
Net book value	
31 December 2004	<u>43</u>
31 December 2003	<u>45</u>
30 September 2002	<u>47</u>

#### 6.4 Tangible fixed assets

	<i>Office Equipment £000</i>	<i>Plant &amp; Machinery £000</i>	<i>Total £000</i>
Cost			
At 1 October 2001 and 1 October 2002	—	1	1
Additions	5	25	30
At 30 December 2003 and at 30 December 2004	<u>5</u>	<u>26</u>	<u>31</u>
Depreciation			
At 1 September 2002	—	—	—
Charge for the period	2	7	9
At 31 December 2003	2	7	9
Charge for the year	1	5	6
At 31 December 2004	<u>3</u>	<u>12</u>	<u>15</u>
<b>Net book value</b>			
31 December 2004	<u>2</u>	<u>14</u>	<u>16</u>
31 December 2003	<u>3</u>	<u>19</u>	<u>22</u>
30 September 2003	<u>—</u>	<u>1</u>	<u>1</u>

#### 6.5 Stocks

	<i>At 31 December 2004 £000</i>	<i>At 31 December 2003 £000</i>	<i>At 30 September 2002 £000</i>
Stock on Hand	<u>12</u>	<u>14</u>	<u>6</u>

#### 6.6 Debtors

	<i>At 31 December 2004 £000</i>	<i>At 31 December 2003 £000</i>	<i>At 30 September 2002 £000</i>
Trade debtors	10	18	—
Other debtors and prepayments	—	—	45
	<u>10</u>	<u>18</u>	<u>45</u>

#### 6.7 Cash and cash equivalents

	<i>At 31 December 2004 £000</i>	<i>At 31 December 2003 £000</i>	<i>At 30 September 2002 £000</i>
Current account	11	37	(4)
Deposit account	—	—	176
Money market	—	—	400
	<u>11</u>	<u>37</u>	<u>572</u>

6.8 *Creditors: amounts falling due within one year*

	<i>At</i> 31 December 2004 £000	<i>At</i> 31 December 2003 £000	<i>At</i> 30 September 2002 £000
Bank loans and overdrafts	21	25	21
Trade creditors	45	67	33
Directors current account	—	100	—
Tax and social security	36	79	11
Other creditors	—	109	—
Accruals	12	43	5
	<u>114</u>	<u>423</u>	<u>70</u>

6.9 *Creditors: amounts falling due after more than one year*

	<i>At</i> 31 December 2004 £000	<i>At</i> 31 December 2003 £000	<i>At</i> 30 September 2002 £000
Bank loans	24	43	72
Directors/shareholder loans (see Note 1)	329	—	—
	<u>353</u>	<u>43</u>	<u>72</u>

*Analysis of loans*

	<i>At</i> 31 December 2004 £000	<i>At</i> 31 December 2003 £000	<i>At</i> 30 September 2002 £000
Wholly payable within five years	374	68	93
Included in current liabilities	(21)	(25)	(21)
	<u>353</u>	<u>43</u>	<u>72</u>

6.10 *Share capital*

	<i>At</i> 31 December 2004 £000	<i>At</i> 31 December 2003 £000	<i>At</i> 30 September 2002 £000
<b>Authorised</b>			
29,000/25,000 Ordinary shares of £1 each	<u>29</u>	<u>29</u>	<u>25</u>
<b>Allotted, called up and paid</b>			
25,157/22,688 Ordinary shares of £1 each	<u>25</u>	<u>23</u>	<u>23</u>

### 6.11 Reconciliation of movements on reserves

	<i>At</i> 31 December 2004 £000	<i>At</i> 31 December 2003 £000	<i>At</i> 30 September 2002 £000
Profit and loss account			
Balance brought forward	(1,180)	(321)	(48)
Loss for the financial period	(115)	(859)	(273)
Balance carried forward	<u>(1,295)</u>	<u>(1,180)</u>	<u>(321)</u>
Share premium account			
Balance brought forward	827	827	—
Premium on shares issued	68	—	827
Balance carried forward	<u>895</u>	<u>827</u>	<u>827</u>

### 6.12 Reconciliation of movements in Shareholders' funds

	<i>At</i> 31 December 2004 £000	<i>At</i> 31 December 2003 £000	<i>At</i> 30 September 2002 £000
Loss for the financial period	(115)	(859)	(273)
Opening shareholders funds/(deficit)	(330)	529	802
Issue of ordinary share capital	70	—	—
Closing shareholders (deficit)/funds	<u>(375)</u>	<u>(330)</u>	<u>529</u>

### 6.13 Operating leases

The company had annual commitments under operating leases as follows:

	<i>At</i> 31 December 2004 £000	<i>At</i> 31 December 2003 £000	<i>At</i> 30 September 2002 £000
Expiry date:			
In two to five years – Property	12	12	12
– Other	7	7	—
	<u>19</u>	<u>19</u>	<u>12</u>

### 6.14 Directors' emoluments

	<i>Year ended</i> 31 December 2004 £000	<i>15 months</i> <i>ended</i> 31 December 2003 £000	<i>Year ended</i> 30 September 2002 £000
Remuneration	(109)	371	36
Remuneration waived	<u>(109)</u>	<u>371</u>	<u>36</u>

### 6.15 Employeess

	<i>Year ended</i> 31 December 2004 £000	<i>15 months</i> <i>ended</i> 31 December 2003 £000	<i>Year ended</i> 30 September 2002 £000
Wages and salaries	129	421	92
Social security charges	12	42	11
Directors remuneration	(109)	—	—
	<u>32</u>	<u>463</u>	<u>103</u>

	<i>At</i> <i>31 December</i> <i>2004</i> <i>Number</i>	<i>At</i> <i>31 December</i> <i>2003</i> <i>Number</i>	<i>At</i> <i>30 September</i> <i>2002</i> <i>Number</i>
Factory	5	2	2
Administration	1	2	1
Surveyor	1	1	1
Number of employees	<u>7</u>	<u>5</u>	<u>4</u>

6.16 *Control*

The company was controlled by the directors during the period.

Yours faithfully

Jeffreys Henry LLP

## PART IV

### Additional Information

#### 1. The Directors

- 1.1 The Directors, whose names appear on page 4 of this document, accept responsibility for the information contained in this document including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and there is no omission likely to affect the import of such information.

#### 2. The Company

- 2.1 The Company is registered in England and Wales, having been incorporated as a public company limited by shares on 10 March 2005 under the Act with registered number 5388153 and with the name Eruma plc. The liability of members is limited. The principal legislation under which the Company operates is the Act. The Company's principal activity is that of a holding company.
- 2.2 The registered office of the Company is Underwood House, Shepherdess Walk Buildings, Underwood Street, London N1 7LG
- 2.2 As at the date hereof, the Company has the following subsidiary undertaking:

<i>Name</i>	<i>Field of Activity</i>	<i>Proportion Held by Company</i>
Security Blinds Limited	Trading company	100%

#### 3. Share Capital

- 3.1 On incorporation, the Company had an authorised share capital of £1,000,000 divided into 100,000,000 ordinary shares of 1p each, of which 2 were issued, fully paid, to the subscribers to the Memorandum of Association of the Company.
- 3.2 On 30 March 2005, the following resolutions were passed:
- 3.2.1 the Directors were generally and unconditionally authorised for the purposes of Section 80 of the Act to exercise all the powers of the Company to allot relevant securities up to an aggregate nominal amount of £696,000 provided that such authority shall expire at the commencement of the Annual General Meeting next held after the passing of the resolution and that the Company may before such expiry make offers or agreements which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offers or agreements notwithstanding that the authority conferred hereby has expired. In this resolution the expression "relevant securities" and references to the allotment of relevant securities shall bear the same respective meanings as in Section 80 of the Act. All the authorities and powers previously conferred under Section 80 of the Act were revoked provided that such revocation did not have retrospective effect.
- 3.2.2 subject to the passing of the Resolution referred to in paragraph 3.2.1 above, the Directors were empowered pursuant to Section 95 of the Act to allot equity securities (as defined below) for cash pursuant to the authority conferred by the resolution referred to in paragraph 3.2.1 above as if Section 89(1) of the Act did not apply to any such allotment provided that the authority contained in this paragraph shall expire at the commencement of the Annual General Meeting next held after the passing of the resolution and the Company was permitted before its expiry to make an offer or

agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred thereby has expired. In the resolution the expression “equity securities” and references to the allotment of equity securities bear the same respective meanings as in Section 94 of the Act. All the authorities and powers previously conferred under Section 95 of the Act were revoked, provided that such revocation shall not have retrospective effect; and

- 3.2.3 the acquisition of SBL by the Company was approved generally and for the purposes of Section 320 of the Act.
- 3.3 On 30 March 2005, the Company issued and allotted 52,199,998 Ordinary Shares, fully paid, at par value.
- 3.4 On 27 June 2005, the following resolutions were passed by the Company:
- 3.4.1 the authorised share capital of the Company was increased from £1,000,000 to £2,000,000 by the creation of a further 100,000,000 ordinary shares of 1p each ranking *pari passu* with the existing ordinary shares of 1p each in the capital of the Company;
- 3.4.2 the Directors were generally and unconditionally authorised for the purpose of Section 80 of the Act, and in substitution for any existing authority, to allot relevant securities up to an aggregate nominal amount of £1,478,000, provided that such authority shall expire at the commencement of the Annual General Meeting next held after the passing of the resolution and that the Company may before such expiry make offers or agreements which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offers or agreements notwithstanding that the authority conferred has expired. In the resolution, the expression “relevant securities” and references to allotment of relevant securities shall bear the same respective meanings as in Section 80 of the Act;
- 3.4.3 the Directors were empowered pursuant to Section 95 of the Act to allot equity securities (which expression has the same meaning as defined in paragraph 3.2.2 above) pursuant to the authority conferred by the resolution referred to in 3.4.2 above, as if Section 89(1) of the Act did not apply to any such allotment, provided that the said authority will be limited to equity securities (a) up to an aggregate nominal amount of £900,000; and (b) for the allotment of equity securities pursuant to an offer of securities by way of rights; and (c) up to an aggregate nominal amount of 20 per cent. of the issued share capital as of the date of the resolution and any equity securities issued pursuant to the authority referred to in (a) above. The authority will expire at the commencement of the Annual General Meeting next held after the passing of the resolution and the Company is permitted before its expiry to make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of that agreement or offer.
- 3.5 Prior to Admission the Company intends to allot a further 17,400,000 Ordinary Shares for cash at 5p per share pursuant to the Placing.

- 3.6 The authorised and issued share capital of the Company as it will be immediately following Admission (supposing full take-up under the Placing) are as follows:

	<i>Authorised</i>		<i>Issued and fully paid</i>	
	<i>Amount</i>	<i>Number</i>	<i>Amount</i>	<i>Number</i>
Ordinary Shares of 1p each	£2,000,000	200,000,000	£696,000	69,600,000

- 3.7 The Ordinary Shares will rank *pari passu* in all respects including the right to receive all dividends and other distributions declared, made or paid on the Ordinary Shares from the date of this document.

- 3.8 Following Admission, the Ordinary Shares may be held in either certificated or uncertificated form.
- 3.9 Save as disclosed in this paragraph and paragraphs 5.2, 6, 7.9 and 7.10 below and save for the proposed issue of the Reserved Warrants:
- no share or loan capital of the Company has been issued or is proposed to be issued or is under option or is agreed conditionally or unconditionally to be under option;
  - no person has any preferential subscription rights for any share capital of the Company;

#### 4. Memorandum and Articles of Association

- 4.1 In this paragraph 4, references to the “Statutes” are references to the Act and every other Act for the time being in force concerning companies and affecting the Company.
- 4.2 The principal objects of the Company are set out in full in clause 4 of the Memorandum of Association and include carrying on the business of a general commercial company.
- 4.3 The Articles of Association of the Company (the “Articles”) contain, *inter alia*, provisions to the following effect:

(a) *Voting rights*

Subject to any rights or restrictions as to voting attaching to any shares on a show of hands every member who is present in person shall have one vote and, on a poll, every member present in person or by proxy shall have one vote for every share of which he is the holder.

(b) *Dividends*

Subject to the provisions of the Act, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, provided that no dividend shall exceed the amount recommended by the Board.

Except as provided by the rights attached to any particular class of shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. Except as otherwise provided by the rights attached to shares, all dividends shall be apportioned and paid proportionately according to the amounts paid up on the shares during any portion of the period in respect of which the dividend is paid.

Subject to the provisions of the Act, the Board may pay interim dividends and also any fixed rate dividend, if it appears to the Board to be justified by the profits of the Company available for distribution. If the Board acts in good faith, it is not liable to holders of shares with preferred rights for any loss arising from the payment of interim dividends on other shares.

No dividend or other monies payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share. There are no fixed dates on which entitlements to dividends arise.

(c) *Variation of rights*

If at any time the share capital is divided into different classes of shares the rights attached to any class of shares 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 a special resolution passed at a separate general meeting of the holders of the issued shares of that class, but not otherwise. The special rights attaching to any class of shares will not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith or subordinate thereto.

(d) *Return of capital*

On a winding up of the Company, with the sanction of an extraordinary resolution, and subject to any provision sanctioned in accordance with the Act and any other sanction required by the Insolvency Act 1986, the liquidator may divide amongst the members in specie the whole or any part of the assets of the Company in such manner as he may determine or vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he, with like sanction, determines. No member shall be compelled to accept any shares on which there is a liability.

(e) *Transfer of shares*

Shares in the Company may be transferred by instrument of transfer in any usual or common form, or in such other form as shall be approved by the Board. The instrument of transfer will be signed by or on behalf of the transferor who is deemed to remain holder of the share until the name of the transferee is entered in the Register provided that if the share is not fully paid the instrument of transfer shall also be executed by or on behalf of the transferee.

The Board may, in its absolute discretion and without giving any reason, refuse to register a transfer of any share:

- (i) that is not fully paid (provided that where any such shares are admitted to the Official List of the UK Listing Authority or to trading on AIM such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis);
- (ii) that relates to more than one class of share;
- (iii) that is in favour of more than four joint holders as transferees or is subject to restriction;
- (iv) that is in favour of a minor, bankrupt or person of mental ill health;
- (v) if, in the case of shares held in certificated form, it is not lodged duly stamped (if necessary) at the Registered Office or at such other place as the Board may appoint and accompanied by the certificate for the shares to which it relates (where a certificate has been issued in respect of the shares) and such other evidence as the Board may require to show the right of the transferor to make the transfer, in the case of shares held in uncertificated form;
- (vi) in any other circumstances permitted by the Uncertificated Securities Regulations 2001 (“the Regulations”); or
- (vii) where the Board is obliged or entitled to refuse to do so as a result of any failure to comply with a notice under Section 212 of the Companies Act 1985 (as amended).

There is no fee for registration of a transfer. If the Board refuses to register a transfer it shall, in the case of shares held in certificated form, within two months after the date on which the transfer was lodged and in the case of shares held in uncertificated form, within two months after the date on which the relevant operator instruction was received by or on behalf of the Company send the transferee notice of the refusal.

Notwithstanding the provisions of the Articles, title to any shares in the Company may also be evidenced and transferred without a written instrument in accordance with statutory regulations made from time to time under Section 207 of the Companies Act, 1989 or under any regulations having similar effect.

(f) *Failure to disclose interests in shares*

If any person interested in shares of the Company fails to comply with any notice given by the Company (“Information Notice”) requiring him to indicate his interest in shares that person may be served with a “Disenfranchisement Notice” meaning that he will have no right to attend or vote at general meetings or separate meetings of a class of shares of the Company. The Disenfranchisement Notice may be withdrawn on compliance with the Information Notice.

(g) *Borrowing powers*

The Board may exercise all the powers of the Company including the power as set out in the Memorandum of Association of the Company to borrow or raise money and to mortgage or charge its undertaking, property, assets, and uncalled capital or any part thereof subject to the provisions of the Statutes (as defined therein) and to create or issue debentures, and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party, without any limitation as to the amount.

(h) *Alteration of share capital*

The Company 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 a larger nominal amount than its existing shares, sub-divide (subject to the Act) its shares (or any of them) into shares of smaller amounts, determine that, as between the shares resulting from such a sub-division, any of them may have any preference or advantage as compared with the others, cancel 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. Subject to the Act, the Company may by special resolution reduce its share capital, any capital redemption reserve, share premium account or other distribution reserve in any manner.

Subject to the Act and the requirements of the UK Listing Authority or the London Stock Exchange, the Company may purchase its own shares (including redeemable shares).

(i) *Issue of shares*

The Board may, subject to the provisions of the Act and the Articles of Association, allot, grant options over or otherwise dispose of the un-issued shares in the capital of the Company to such persons, on such terms and conditions and at such times as they may determine.

(j) *Directors*

Save as set out in the Articles, a director shall not vote at a meeting of the Board on any resolution of the Board concerning a matter in which he has an interest otherwise than by virtue of his interest in shares, debentures or other securities of, or otherwise through, the Company or in respect of which he has any duty which conflicts with his duty to the Company.

The ordinary remuneration of the directors who do not hold executive office for their services (excluding amounts payable under any other provisions of the Articles described below) shall be determined by the Board. Any director who is appointed to any executive office shall be entitled to receive such extra remuneration as the Board may determine.

The directors may be paid by the Company all travelling, hotel and other expenses properly incurred in attending meetings of the directors or committees of the Board or general meetings or otherwise in connection with the discharge of their duties.

Directors may be appointed by the Company by ordinary resolution or by the Board. A director appointed by the Board holds office only until the next annual general meeting when he shall retire but shall then be eligible for re-election. A director so retiring is not taken into account in determining the directors who are to retire by rotation at the meeting.

At every annual general meeting of the Company, a third of the directors will retire and be eligible for re-election.

The quorum necessary for the transaction of the business of the directors may be fixed by the directors and unless so fixed shall be two.

A director shall not require a share qualification.

The directors are not required to retire under any age limit.

The number of directors shall not be less than two but shall not be subject to any maximum.

(k) *Notices*

A member whose registered address is not within the United Kingdom and who has not provided the Company with an address within the United Kingdom to which notices may be sent shall not be entitled to receive any notice from the Company.

**5. Directors' and Others' Interests**

5.1 The interests (all of which are beneficial unless otherwise stated) of the Directors and their immediate families and the persons connected with them (within the meaning of Section 346 of the Act) which have been notified to the Company pursuant to Sections 324 and 328 of the Act or are required to be disclosed in the Register of Directors' Interests pursuant to Section 325 of the Act in the issued share capital of the Company and the existence of which is known to, or could with reasonable due diligence be ascertained by, any Director as at the date of this document are and, as at the date of Admission, will be as follows:

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued Ordinary Share capital</i>	<i>Percentage of Enlarged Ordinary Share Capital</i>
Wayne Money	13,447,955	25.76%	19.32%
Nigel Young	2,891,978	5.54%	4.16%
Brian Wilkins	15,060,350*	28.85%	21.64%
Philip Barnett	—	—	—
Total	<u>31,400,283</u>	<u>60.15%</u>	<u>45.12%</u>

\*includes 3,982,479 shares held by Chayda Wilkins, Brian Wilkins' spouse

5.2 As at the date of Admission, the Directors will be interested in the following Options and Warrants to subscribe for Ordinary Shares pursuant to the EMI Option Scheme referred to in paragraph 6 below or in the Warrants referred to in paragraph 7 below:

<i>Name</i>	<i>Number of Options granted over Ordinary Shares</i>	<i>Number of Warrants granted over Ordinary Shares</i>	<i>Options Exercise Price</i>	<i>Warrants Exercise Price</i>
Wayne Money	2,000,000	666,667	5p	6p
Nigel Young	2,000,000	666,666	5p	6p
Brian Wilkins	2,000,000	666,667	5p	6p
Philip Barnett	—	400,000	—	6p
Total:	<u>6,000,000</u>	<u>2,400,000</u>		

5.3 In addition to the interests above, the following persons as at the date of this document are, and, as at the date of Admission, will be interested (within the meaning of the Act) directly or indirectly in 3 per cent. or more of the issued share capital of the Company:

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued Ordinary Share capital</i>	<i>Percentage of Enlarged Ordinary Share Capital</i>
Robert Brooks	13,026,340	24.95%	18.72%
Colin Davies	2,447,407	4.69%	3.52%
Brendan Austin	2,447,407	4.69%	3.52%

- 5.4 Save as disclosed in paragraphs 5.1 and 5.2 above, neither the Directors nor any member of their respective immediate families nor any person connected with the Directors (within the meaning of Section 346 of the Act) has any interest, whether beneficial or non-beneficial, in any share capital of the Company.
- 5.5 There are no outstanding loans granted or guarantees provided by the Company to or for the benefit of any of the Directors.
- 5.6 Save as disclosed in paragraph 7 below, no Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company since its incorporation and which remains in any respect outstanding or unperformed.
- 5.7 Save as disclosed in paragraphs 5.1 and 5.3 above, the Directors are not aware of any person who is, as at the date of this document, or who will, immediately before Admission, be interested (within the meaning of the Act) directly or indirectly in 3 per cent. or more of the issued share capital of the Company or who directly or indirectly, jointly or severally, exercises or could exercise control over the Company.
- 5.8 Mr Wayne Money, Mr Nigel Young and Mr Brian Wilkins have each executed a director's service contract with the Company on 3 May 2005, the terms of which are identical, save as disclosed below:
- the initial term of appointment is 3 years from 3 May 2005 unless terminated earlier on 6 months notice in writing;
  - the annual salary is in the case of Mr Young £70,000, in the case of Mr Wilkins £80,000 and in the case of Mr Money £90,000;
  - the Director is entitled to 25 days paid working days holiday each year and the benefit of company car, private health insurance and permanent health insurance;
  - the Director is subject to non-compete and non-solicitation covenants for a period of 12 months following termination of his employment with the Company and to a confidentiality undertaking;
  - the Director is entitled to be reimbursed on a monthly basis, reasonable expenses normally incurred in connection with his duties and where appropriate this includes the cost of independent legal advice;
  - the Director is expected to attend all board meetings and to participate if required, as a member of the Remuneration and Audit Committees.
- 5.9 It is proposed that the Company enters into a consultancy agreement with Mr Philip Barnett, with effect from Admission to act as non-executive Director and Chairman of the Company. Mr Barnett will receive £10,000 per annum. The contract will be for a period of 12 months and is terminable on 3 months notice. The contract contains confidentiality and conflict of interest undertakings.
- 5.10 The aggregate remuneration paid and benefits in kind to be granted to the Directors for the current financial year under the arrangements proposed to be put in place following Admission is estimated to be £290,000.
- 5.11 Save as disclosed in paragraphs 5.8 and 5.9 above, there are no contracts, existing or proposed, between any Director and the Company.
- 5.12 There is no arrangement under which any Director has agreed to waive future emoluments. During the financial year immediately preceding the date of this document, the Directors have waived their right to receive emoluments.
- 5.13 In addition to their directorships in the Company, the Directors hold or have held the following directorships (or partnerships) within the five years immediately prior to the date of this document:

<i>Name</i>	<i>Current Directorships</i>	<i>Past Directorships</i>
Mr Philip Barnett	Metals Exploration plc Disc Kiosk Ltd Pace Securities Ltd VFM Management UK Ltd	—
Mr Wayne Money	Morris Plains Ltd Chinon Rights Ltd Bluebell Letting Shop Ltd Twenty Eight Southwood Lawn Road Ltd Bloomsbury Lodge Estates Ltd B2B Trade Exchange Ltd Chrysalis Homes Ltd Herbgate Ltd	—
Mr Nigel Young	Morris Plains Ltd Chinon Rights Ltd	—
Mr Brian Wilkins	Security Blinds International Ltd	—

5.14 Mr Brian Wilkins was a director of Eastwood Windows Limited, a profitable subsidiary of Peck House Investments Limited, the holding company for a group which traded in collected credit. Mr Wilkins resigned from the Board of Eastwood in March 1985 and some 3 or 4 months later the Peck House Investments Group was placed in receivership as a result of the level of outstanding credit due mainly from miners as a result of the miners strike in 1985.

5.15 Save as disclosed above, of the Directors has:

- any unspent convictions in relation to indictable offences;
- had any bankruptcy order made against him or entered into any voluntary arrangements;
- been a director of a company which has been placed in receivership, compulsory liquidation, creditors voluntary liquidation, administration, been subject to a company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;
- been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
- been the owner of any assets or a partner in any partnership- which has been placed in receivership whilst he was a partner in that partnership or within 12 months after he ceased to be a partner in that partnership;
- been publicly criticised by an statutory or regulatory body (including recognised professional bodies); or
- been disqualified by a court from acting as a director of any company or from acting in the management or conduct of affairs of a company.

## 6. Summary of Provisions of EMI Scheme

The Company has adopted the EMI Scheme pursuant to a resolution dated 27 June 2005 in order to allow directors and selected employees to share in the success of the Company and promote motivation and retention. Under the scheme directors and selected employees have the opportunity of being granted tax efficient share options (“EMI Options”).

The terms of the EMI Scheme are set out below:

**6.1 *Grant of EMI Options:***

EMI Options may be granted to eligible employees at the discretion of the Board.

**6.2 *Eligible Employees:***

All full-time employees and directors shall be eligible to participate in the scheme provided that they do not have a material interest in the Company. An individual will have a material interest if he/she or together with his/her associates, owns 30 per cent. or more of the issued Ordinary Share capital.

**6.3 *Performance Criteria and Exercise Periods:***

The scheme allows the Board to set performance criteria that will have to be satisfied before EMI Options can be exercised (“Performance Criteria”). As at the date hereof, no Performance Criteria have yet been set by the Board.

**6.4 *Exercise Price:***

EMI Options have an exercise price no lower than the nominal value of an Ordinary Share and at least equal to the market value of the shares at the date of the grant of the EMI Options.

**6.5 *Participation Limits:***

A participant may not hold EMI Options over Ordinary Shares under the scheme, once approved by HMRC (“Approved Scheme”) with a market value in excess of £100,000 as at the date of the grant.

**6.6 *Number of Ordinary Shares available:***

In the ten year period from the date of adoption of the Scheme no more than 15 per cent. of the Ordinary Share Capital of the Company from time to time may be allocated under the Approved Scheme.

**6.7 *Exercise of EMI Options:***

EMI Options shall generally be exercised on the achievement of the Performance Criteria. In the case of a takeover or statutory reconstruction, the EMI Option holder shall be able to exercise EMI Options within a period of 40 days of the date when the takeover or reconstruction is completed.

**6.8 *Variation of Ordinary Share Capital***

In the event of a variation of the Ordinary Share capital in the Company, the directors may adjust the number of Ordinary Shares under option and the exercise price to reflect such variation, subject always to confirmation from the Auditors that the adjustment is fair and reasonable and subject further to any agreement with HMRC.

**6.9 *Summary of EMI Options granted:***

As at the date of this document, the Company had issued 6,000,000 EMI Options to the Executive Directors of the Company entitling them to subscribe for up to 6,000,000 Ordinary Shares in aggregate at 5p per share.

**7. *Material Contracts***

The following contracts, not being contracts entered into in the ordinary course of business of the Group, have been entered into by the Company and SBL and are or may be material:

*The Company*

**7.1 *Share/ or Share Exchange Agreement***

Pursuant to an agreement dated 30 March 2005, between the Company (1) and Mr Wayne Money and the other shareholders of SBL (“the Vendors”) (2), the Company acquired the whole of the issued share capital of SBL from the Vendors in consideration of which the Company issued 52,199,998 Ordinary Shares, credited as fully paid, to the Vendors.

## 7.2 *Placing Letters*

Pursuant to placing letters dated 17 June 2005, the Company offered certain investors the opportunity to subscribe for the Placing Shares in the Company at the Placing Price per share. The placing participations offered by the placing letters were condition upon:

- no less than 17,400,000 Placing Shares being applied for pursuant to the Placing no later than 20 June 2005; and
- the Enlarged Ordinary Share Capital being admitted to AIM by no later than 4 July 2005.

## 7.3 *Nominated Adviser agreement*

Pursuant to an agreement dated 27 June 2005 between Beaumont Cornish (1) the Company (2) and the Directors (3), Beaumont Cornish has agreed to act as Nominated Adviser to the Company for an initial term of 12 months and thereafter subject to 3 month's written notice by either party. Beaumont Cornish may nevertheless terminate its appointment as Nominated Adviser at any time if the Company or the Directors are in breach of their obligations or if there are circumstances in which Beaumont Cornish, in its absolute discretion, forms the opinion that it is no longer suitable for the Company's shares to be traded on AIM.

Under the Nominated Adviser Agreement the Company has agreed to pay Beaumont Cornish a fee in the first year of £20,000 per annum (plus VAT) for acting as Nominated Adviser and such fee shall be payable half-yearly in advance with the first payment of £10,000 (plus VAT) being due immediately following Admission. The annual retainer in the following year shall be £20,000 per annum and thereafter the retainer arrangements shall be subject to review on a yearly basis.

The Nominated Adviser Agreement contains warranties and indemnities given to Beaumont Cornish by the Company and its Directors.

7.4 A letter of engagement dated 10 May 2005 between Beaumont Cornish (1) and the Company (2) whereby Beaumont Cornish agreed to act as Nominated Adviser in connection with the Admission. Under the terms of such engagement, Beaumont Cornish will be paid a fee of £45,000 (plus VAT) together with the Beaumont Cornish Warrants as referred to in paragraph 7.9 below.

## 7.5 *Broker agreement*

A letter of engagement dated 16 May 2005 between S P Angel (1) and the Company (2) whereby S P Angel agreed to act as broker to the Company to run until termination by 3 months' notice in writing given by either party to the other. The Company has agreed to pay S P Angel an initial fee of £15,000 (plus VAT) on Admission and a further fee of £15,000 per annum (plus VAT) for acting as broker, such fee to accrue daily until termination shall be payable half-yearly in advance 30 days following receipt of the invoice therefor. In addition, a commission of 5 per cent. on the monies raised in connection with the Placing is payable by the Company.

## 7.6 *Orderly Market Agreements*

Pursuant to agreements dated 27 June 2005 between the Directors (1), the Company (2), and Beaumont Cornish (3), each of the Directors has undertaken that he will not (and will procure that persons connected with him will not) sell or dispose of any of their respective interests in Ordinary Shares and any ordinary Shares they may purchase after Admission for a period of 24 months following Admission without the consent of Beaumont Cornish and SP Angel. The Orderly Market Agreements are for the purposes of maintenance of an orderly market in the Company's ordinary Shares following Admission. These agreements relate to 31,400,283 Ordinary Shares, representing 45.12 per cent. of the Enlarged Ordinary Share Capital of the Company.

Pursuant to an agreement dated 27 June 2005 between Mr Robert Brooks, a substantial shareholder (1), the Company (2), and Beaumont Cornish (3) Mr Brooks has undertaken that he will not (and will procure that persons connected with him will not) sell or dispose of any of his interests in Ordinary Shares and any ordinary Shares he may purchase after Admission for a period of 12 months following Admission without the consent of Beaumont Cornish and SP Angel. The Orderly Market Agreement is for the purposes of maintenance of an orderly market in the Company's ordinary Shares following Admission. This agreement relates to 13,026,340 Ordinary Shares, representing 18.72 per cent. of the Enlarged Ordinary Share Capital of the Company.

#### 7.7 *Deed of Novation and Amendment*

Pursuant to a deed dated 20 April 2005:

the original Licence dated 23 September 2002 (made between Mr Brian Wilkins, the inventor, and the SBL) was amended such that the Company was granted:

- (a) an exclusive licence to manufacture and sell the Products manufactured in the UK;
- (b) a non-exclusive licence to manufacture and sell the Products manufactured in certain states in Europe; and
- (c) the right to grant a sub-licence of any of the rights granted to it to any company which is its subsidiary or of which it is a subsidiary.

At the same time, the, the benefit of the Licence was novated to the Company.

#### 7.8 *Deed of sub-licence:*

Pursuant to an agreement dated 20 April, the Company granted a sub-licence to Security Blinds Limited to manufacture and sell the products licensed under the Licence.

#### 7.9 *Beaumont Cornish Warrants*

By a resolution of the Board passed on 27 June 2005, the Company executed an instrument constituting the Beaumont Cornish Warrants and agreed to issue the Beaumont Cornish Warrants to Beaumont Cornish in accordance with the terms of their Engagement Letter referred to in paragraph 7.4 above. No application will be made for the Beaumont Cornish Warrants to be admitted to trading on AIM.

The principal terms of the Beaumont Cornish Warrants are as follows:

- (a) *Exercise Price*  
The exercise price for the Beaumont Cornish Warrants is 5 p per new Ordinary Share subject to certain limited circumstances (such as a rights issue).
- (b) *Exercise and Lapse of Warrants of Beaumont Cornish Warrants*  
The Beaumont Cornish Warrants are exercisable from the date of Admission until the seventh anniversary thereof, after which they will lapse.
- (c) *Variation in Share Price*  
In the event of certain variations in the issued share capital of the Company, the Company shall effect such adjustments (if any) to the exercise price and/or the number of Beaumont Cornish Warrants as the Company's auditors shall advise to be appropriate.

#### 7.10 *Other Warrants*

In addition to the above, the Company has also agreed to issue 4,400,000 Warrants to individuals or organisations. These include the proposed issue of 2,000,000 Warrants to Directors, and 2,400,000 Warrants to certain investors. Each Warrant will entitle the holder to subscribe for one Ordinary Share at the exercise price of 6p per share, such right to be exercisable at any time within the period of 7 years following Admission.

Save as disclosed above, there are no contracts (other than contracts entered into in the ordinary course of business) which have been entered into by the Company since its incorporation and which are or may be material.

## 8. The Patent

The Patent is a European patent application under number 01947685.2. The application is pending before grant and the European Patent Office has issued a Notice of Intention to Grant. The basis of the invention is a support structure securable in a window opening, a plurality of rigid blades extending across the support structure, with each blade then having a rigid member with a spindle attached.

## 9. Litigation

9.1 There are no legal or arbitration proceedings (including, to the knowledge of the Directors, any such proceedings which are pending or threatened by or against the Company) which may have or have had during the 12 months immediately preceding the date of this document a significant effect on the financial position of the Company.

## 10. Working Capital

10.1 The Directors are of the opinion that, having made due and careful enquiry and taking into account the net proceeds of the Placing, the working capital available to the Company will be sufficient for its present requirements, that is, for at least the next 12 months from the date of Admission.

## 11. Taxation

11.1 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, holding Ordinary Shares as investments and not as securities to be realised in the course of a trade, and are based on current HMRC legislation and 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.**

### 11.2 *Taxation of Chargeable Gains*

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

To the extent that a shareholder acquires Ordinary Shares allotted to him, the Ordinary 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 Ordinary Shares will constitute the base cost of a shareholder's holding; for individuals and certain trustees the amount paid for the Ordinary Shares subscribed may be eligible for taper relief allowance.

If a Shareholder disposes of all or some of his Ordinary Shares, a liability to tax on chargeable gains may, depending on his circumstances, arise.

### 11.3 *Loss Relief*

If an investor is an individual or an investment company, relief for losses incurred by that investor on disposal of the Ordinary Shares may be available under Sections 573 to 576 of the Income and Corporation Taxes Act 1988, against income of the same or prior year, or carried forward and set against gains in future tax years.

The relief should be available provided the Company and the investor satisfy the relevant statutory requirements.

#### 11.4 *Inheritance Tax*

Unquoted Ordinary Shares representing minority interests in trading companies such as the Company potentially qualify for 100 per cent. business property relief which gives up to 100 per cent. exemption from Inheritance Tax. Therefore, where an investor makes a lifetime gift of shares or dies while still owner of the shares, no inheritance tax will be payable in respect of the value of the shares, provided certain conditions are met. The main condition is that the investor held the shares for two years before the date of transfer or death.

#### 11.5 *Stamp Duty and Stamp Duty Reserve Tax*

No stamp duty or stamp duty reserve tax (“SDRT”) will generally be payable on the issue of the Ordinary Shares.

Stamp duty and SDRT treatment will be as follows:

- in relation to the Placing Shares, no liability to stamp duty or SDRT will arise on their issue or on the issue of definitive share certificates by the Company (provided that the Placing Shares are not issued to, or to a nominee or agent for, a person whose business is or includes the provision of clearance services or issuing depository receipts);
- the transfer of Ordinary Shares outside the CREST system will generally be liable to stamp duty on the instrument of transfer at the rate of 0.5 per cent. of the amount or value of the consideration given (rounded up to the nearest multiple of £5). Stamp duty is normally the liability of the purchaser or transferee of the Ordinary Shares. An agreement to transfer Ordinary Shares will generally be subject to SDRT at 0.5 per cent. of the agreed consideration. If, however, 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. SDRT is normally the liability of the purchaser or transferee of the Ordinary Shares;
- no stamp duty or SDRT will arise on a transfer of Ordinary Shares into CREST for conversion into uncertified form, 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 above;
- a transfer of Ordinary Shares effected on a paperless basis within CREST will generally be subject to SDRT at the rate of 0.5 per cent. of the amount or value or the consideration. CREST is obliged to collect SDRT from the purchaser of the Ordinary Shares on relevant transactions settled within the system; and
- where Ordinary Shares are issued or transferred: (i) to, or to a nominee for, a person whose business is or includes the provision of clearance services; or (ii) to, or to a nominee or agent for, a person whose business is or includes issuing depository receipts, stamp duty (in the case of a transfer only to such persons) or SDRT may be payable at a rate of 1.5 per cent. of the amount or value of the consideration payable or, in certain circumstances, the value of the Ordinary Shares or, in the case of an issue to such persons, the issue price of the Ordinary Shares.

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

#### 11.6 *Dividends and Other Distributions*

Dividends paid by the Company will carry an associated tax credit of one-ninth of the cash paid. 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 ordinary rate (10 per cent.) or the upper rate (32.5 per cent).

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 individual and associated tax credit. Individual shareholders whose income tax liability is less than the tax credit will not be entitled to claim a repayment of all or part of the tax credit associated with such dividends.

A UK resident corporate shareholder should not be liable to corporation tax or income tax in respect of dividends received from the Company unless that company is carrying on a trade of dealings in shares. UK corporate shareholders holding 10 per cent. or more of the Company's share capital may be entitled to claim relief against UK corporation tax in respect of the Company's underlying tax.

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 trust rate, currently 32.5 per cent.

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 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 In the Directors' opinion, the minimum amount which must be raised by the Company pursuant to the Placing in order to provide the sums required pursuant to paragraph 21(a) of Schedule 1 to the POS Regulations is £770,000 comprising:

Issue expenses and commissions	£165,000
Working Capital	£605,000
Total	<u>£770,000</u>

12.2 The total proceeds which will be raised by the Placing are £870,000 and the net proceeds after deduction of expenses are estimated at £ 700,000.

12.3 The accounting reference date of the Company is 31 December and the first audited accounts will be made up to 31 December 2005.

12.4 The expenses of and incidental to the Admission, including registration and London Stock Exchange fees, professional fees and the costs of printing and distribution, are estimated to amount to approximately £ 170,000 (excluding VAT).

12.5 No person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has:

- (a) received, directly or indirectly, from the Company within 12 months preceding the date of this document; or
- (b) entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from the Company on or after Admission any of the following:
  - (i) fees totalling £10,000 or more; or
  - (ii) securities in the Company with a value of £10,000 or more; or
  - (iii) any other benefit with a value of £10,000 or more at the date of Admission.

- 12.6 The financial information contained in Part III of this document does not constitute full statutory accounts as referred to in Section 240 of the Act.
- 12.7 Jeffreys Henry LLP have given and not withdrawn their written consent to the issue of this document with the inclusion of their Reports and references to their name in the form and context in which they appear. Jeffreys Henry LLP accept responsibility for their its reports and they have not become aware, since the dates of their reports, of any matter affecting the validity of their reports at that date.
- 12.8 Beaumont Cornish has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and references to its name in the form and context in which they appear.
- 12.9 S P Angel has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and references to its name in the form and context in which they appear.
- 12.10 Save as set out in this document, the Directors are not aware of any exceptional factors that have influenced the Company's activities.
- 12.11 The Placing has not be underwritten or guaranteed by any person.
- 12.12 Save as disclosed in paragraph 7.5 above, no commission is payable by the Company to any person in consideration of his agreeing to subscribe for securities to which this document relates or of his procuring or agreeing to procure subscriptions for such securities.
- 12.13 No paying agent has been appointed by the Company.
- 12.14 The Placing Shares will be issued at 5p per share, a premium of 4p per Ordinary Share above nominal value.
- 12.15 No payment (including commissions) or other benefit has been or is to be paid or given to any promoter of the Company.
- 12.16 Save as disclosed in Part I of this document and in paragraphs 7.7, 7.8 and 8 above, there are no patents or other intellectual property rights, licences or particular contracts which are, or may be, of fundamental importance to the business of the Company.
- 12.17 Save as disclosed in this document, there are no investments in progress which are significant.

### **13. Documents available for inspection**

Copies of this document will be available free of charge to the public at the offices of Beaumont Cornish at Georgian House, 63 Coleman Street, London EC2R 5BB and from the registered office of the Company at Underwood House Shepherdess Walk Buildings Underwood Street London N1 7LG during normal business hours on any weekday (Saturdays and public holidays excepted) from the date of this document until at least 30 days after the date of Admission

27 June 2005

