

**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.**

This Document has been drawn up in accordance with the requirements of the PLUS Rules. The contents of this document have not been approved by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000.

The Directors of Early Equity Plc, whose names appear on page 3, accept responsibility for the information contained in this Document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The share capital of the Company is not presently listed or dealt in on any stock exchange.

**PLUS is a market operated by PLUS Markets Group Plc incorporating a primary market for the shares of small and medium companies (known as PLUS-quoted securities). PLUS-quoted securities are not listed and the market is not classified as a Regulated Market under EU financial services law. An investment in the shares of smaller companies tends to involve a higher investment risk than more mature companies. If you are in any doubt about the contents of this document you should consult a person authorised by the FSA to provide investment advice.**

It is emphasised that no application is being made or has been made for admission of the Ordinary Shares to the Official List of the London Stock Exchange or to trading on the AIM market of the London Stock Exchange.

Application will be made for the entire issued share capital of the Company to be introduced to trading on PLUS. It is expected the Introduction will take place on 1 November 2007.

**The whole of this Document should be read and in particular your attention is drawn to Part II of this Document which sets out certain risk factors. All statements regarding the Company's business, financial position and prospects should be viewed in light of such risk factors. The Company is a newly formed company which has no existing business record.**

**earlyequity**

unlocking potential, adding value to your business

## Early Equity Plc

*(Incorporated in England and Wales under the Companies Act 1985 with registered number 05531552)*

### Introduction to trading on PLUS

**Lion Capital Corporation Limited - Corporate Adviser to the Company**

*(Authorised and Regulated by the Financial Services Authority)*

### SHARE CAPITAL ON INTRODUCTION

Authorised			Issued	
Amount	Number		Amount	Number
£1,000,000	200,000,000	ordinary shares of 0.5p each	£197,170	39,434,001

Lion Capital Corporation Limited, which is authorised and regulated by the FSA and is a member of PLUS, is the Company's Corporate Adviser for the purposes of the Introduction. Lion Capital Corporation Limited has not made its own enquiries except as to matters which have come to its attention and on which it considered it necessary to satisfy itself and accepts no liability whatsoever for the accuracy of any information or opinions contained in this Document, or for the omission of any material information, for which the Directors are solely responsible.

The advisers named on page 3 are acting for the Company and for no one else in relation to the arrangements proposed in this Document and will not be responsible to anyone other than the Company for providing the protections afforded to clients of such advisers or for providing advice in relation to the Introduction.

**An investment in Early Equity Plc involves a high degree of risk and prospective investors should consider carefully whether an investment in the Company is suitable for them in the light of their personal circumstances, the financial resources available to them and after receiving appropriate professional advice.**

<b>CONTENTS</b>	<b>PAGE</b>
<b>DIRECTORS, SECRETARY AND ADVISERS</b>	<b>3</b>
<b>DEFINITIONS</b>	<b>4</b>
<b>PART I INFORMATION ON THE COMPANY</b>	<b>5</b>
<b>PART II RISK FACTORS</b>	<b>9</b>
<b>PART III ACCOUNTANTS' REPORT</b>	<b>11</b>
<b>PART IV STATUTORY AND GENERAL INFORMATION</b>	<b>19</b>

**DIRECTORS, SECRETARY AND ADVISERS**

<b>Directors</b>	Sir Bernard Zissman, <i>Non-Executive Chairman</i> Robert Painting, <i>Chief Executive</i> Neil Mackay, <i>Executive Director</i>
<b>Company Secretary</b>	ABA Corporate Directors Limited
<b>Registered Office</b>	Edgbaston House 3 Duchess Place Birmingham B16 8NH
<b>Corporate Adviser</b>	Lion Capital Corporation Limited 3 <sup>rd</sup> Floor, Henry Thomas House 5-11 Worship Street London EC2A 2BH
<b>Auditors to the Company</b>	JW Hinks Chartered Accountants 19 Highfield Road Edgbaston Birmingham B15 3BH
<b>Reporting Accountants</b>	Nexia Smith & Williamson 25 Moorgate London EC2R 6AY
<b>Solicitors to the Company</b>	Wilkes & Co 41 Church Street Birmingham B3 2RT
<b>Solicitors to the Introduction</b>	Marriott Harrison Staple Court 11 Staple Inn Buildings London WC1V 7QH
<b>Transaction Managers</b>	Corporate Liaison Limited 1 Carthusian Street London EC1M 6DZ
<b>Bankers</b>	National Westminster Bank 134 Aldersgate Street London EC1A 4LD
<b>Registrars</b>	Share Registrars Limited Craven House West Street Farnham Surrey GU9 7EN

## DEFINITIONS

The following terms apply in this Document unless the context requires otherwise:

"Act"	Companies Act 1985, as amended
"AIM"	the market of that name operated by the London Stock Exchange
"Articles"	the articles of association of the Company
"Board" or "Directors"	the board of directors of the Company
"Company" or "Early Equity"	Early Equity Plc
"CREST"	the computerised settlement system operated by CRESTCo which facilitates the transfer of title to shares in uncertificated form
"CRESTCo"	CRESTCo Limited
"Document"	this document
"Founders"	the Directors and certain initial shareholders in the Company
"FSA"	the Financial Services Authority
"Introduction to PLUS" or "Introduction"	the introduction of the Ordinary Shares to trading on PLUS
"Lion Capital"	Lion Capital Corporation Limited, a company authorised and regulated by the FSA
"London Stock Exchange"	London Stock Exchange plc
"Memorandum"	the memorandum of association of the Company
"Ordinary Shares"	ordinary shares of 0.5p each in the capital of the Company
"PLUS"	a market operated by PLUS Markets Group Plc which allows trading of shares in unquoted companies
"PLUS Rules"	the PLUS Rules for Issuers containing application requirements for admission to the PLUS-primary market; requirements as to the continuing obligations of PLUS-quoted issuers once admitted; and guidance notes.
"SME" or "SMEs"	small and medium enterprises
"UK Listing Authority"	the FSA as the competent authority for listing in the UK

## PART I

### INFORMATION ON THE COMPANY

#### Strategy

Early Equity has been established to become a proactive investor in companies. The Company has raised £500,150 of initial capital in order to implement its strategic objective of making geographically and sector focussed investments designed to unlock potential, and to create and realise sustainable value in order to maximise capital gain for its shareholders.

Based in the West Midlands, Early Equity will focus primarily on companies based in the Midlands, the North and outside the South East, which the Directors believe is a large and relatively untapped market.

Early Equity's objective is to be a proactive manager and investor.

The Company seeks to realise gain and to generate income through innovative and creative management coupled with strategic investment.

Considerable management effort and resource will be brought to its investments both pre and post investment to ensure post investment value is maximised in both the long and short term.

Through its highly experienced management team, Early Equity is equipped to provide value adding solutions.

Key elements to achieving this strategy include:

- Investing in and promoting companies onto AIM and PLUS and generating fee income by providing strategic and board support;
- To invest in and list special purpose acquisition vehicles and increase their value through a "buy and build" strategy;
- Working with, and investing alongside, strategic partners in order to maximise synergies, reduce risk and to facilitate an early and profitable exit;
- Investment in private and early stage companies where equity injection would yield an attractive capital gain and where an early exit can be reasonably foreseen or created;
- Selective participation in new issues from new or established quoted companies where, in the opinion of the Directors, the market price does not reflect the underlying value of the business and where Early Equity can be proactive in unlocking that value; and
- Generation of fee income by provision of transaction services, strategic and operational management support.

#### Investment Criteria

The Company will have no activity or business interests upon its introduction to PLUS. However, the Directors have identified several prospects that they consider worthy of further investigation.

Early Equity is seeking companies which would typically have the following characteristics:

- A competent management team, capable of creating and managing that business and able to deploy and manage capital to deliver the strategy;
- Companies with proven viable products, services or technologies that are capable of delivering broadly based revenue streams and which have potential for growth and are clearly scalable; and
- Sector focussed complementary businesses that can be combined to form a group of companies which will create a value substantially greater than the sum of the individual parts.

#### The Target Market

The target market for Early Equity is Small to Medium Enterprises ("SMEs"). For this purpose an SME has been defined as satisfying two of the following three criteria:

	Turnover	Balance Sheet Gross Assets	Employees
Small	under £5.6m pa	under £2.8m	under 50
Medium	under £22.8m pa	under £11.4m	under 250

In the primary target areas of East and West Midlands, Yorkshire and Humberside and the North West; the Department of Trade and Industry statistics for 2005 show that there were approximately 539,000 "Small" enterprises and 12,900 "Medium" enterprises.

#### Management

The management team comprises experienced individuals who have a high profile in and broad knowledge of the Company's target region of operation.

In addition the Company will access the many experienced business angel investors/mentors working with Advantage Business Angels to play an integral part in the value enhancing operational and strategic management of the Company's investments. This broadly based market sector and functional skill base provides a wealth of experience to support the Company's development work.

Two of the Directors have worked to create one of the leading UK Business Angel Networks and the third Director was part of the team that created Addworth Plc, the AIM listed active capital investor.

#### The Board and Directors

##### Sir Bernard Zissman - Aged 72 - Non-Executive Chairman

Sir Bernard has been the Chairman of Advantage Business Angels since 2004 and is a director of a number of SME companies in the Midlands region. He is a member of the Council of the Birmingham Chamber of Commerce and Industry and served as a director of a number of regional businesses and organisations such as BRMB Radio, the Hyatt Regency Hotel and the Alexandra Theatre in Birmingham. He served as a leading member of Birmingham City Council from 1965 to 1995, during which time he was elected Leader of the Conservative Group and Lord Mayor of Birmingham.

He led the team which developed the Birmingham International Convention Centre and Symphony Hall, and later led the team which successfully bid for £50 million from the Millennium Commission to develop the Midlands project at Millennium Point in the Eastside of Birmingham and of which he now serves as chairman of the Trust.

Sir Bernard is also the Immediate Past Chairman of the Midlands Committee for the Princess Royal Trust for Carers, a trustee of the CBSO Benevolent Fund and City Watch Trust and President of the Representative Council of Birmingham and Midlands Jewry. He was knighted for public and political services in 1996, is a Freeman of the City of London and holds Honorary Degrees from the University of Birmingham (1997) and University of Central England (2001).

##### Rob Painting BSc, FCA - Aged 55 - Chief Executive

Rob is a chartered accountant who after qualifying with Price Waterhouse spent more than 20 years in senior positions with major international companies.

From 1986 to 1990 he was the Chief Financial Officer of the Keller Division of GKN plc. In 1990, as finance director, Rob was instrumental in the creation of Keller Group Plc, the UK quoted global construction services group company, via the management buy-out of the Keller companies from GKN Plc; the subsequent successful flotation of the group in 1994; and in co-developing and implementing its highly successful growth strategy.

Since leaving Keller Group Plc at the end of 1999, Rob worked as an independent consultant providing financial and strategic advice together with corporate finance transaction services to a variety of businesses. In addition to many years as a top level international financial director he has been heavily involved in corporate finance and is a serial investor in early stage businesses.

In 2004 he was appointed, a Non-Executive Director of GSH Group Plc a £135 million turnover facilities management company, which listed on AIM in 2005. He is a non-executive director of Addworth Plc, also listed on AIM.

### **Neil Mackay - Aged 52 - Executive Director**

Neil graduated from Warwick University and is both a Chartered Accountant and a Chartered Marketer. After qualifying with Arthur Andersen he worked for Rank Xerox, Pitney Bowes and then UDT which was taken over by TSB. He was a member of the LloydsTSB G.E.R. (Top 125 executives in the Group) working in the UK and overseas. He has extensive experience of company financing and development.

He joined The Business Angels Bureau Limited on 1 August 2002 as managing director and is one of three members. Since then the business has adopted the trading name of Advantage Business Angels; completed over 100 deals and established itself as one of the leading business angel groups in the UK.

### **Reasons for the Introduction to PLUS**

The Directors are of the opinion that the Company will have sufficient funds necessary for the Company to identify and carry out due diligence on potential acquisitions and investment targets in its target areas and to provide working capital for the Company's initial operations in line with its corporate strategy as set out in this Document. The Directors also believe that the principal benefit of the Introduction is the ability to heighten the Company's profile whilst also broadening the Company's investor base.

Furthermore, the Directors believe that the benefits of introducing the Company's shares to be traded on PLUS include:

- the ability to enter into negotiations with vendors of businesses or companies to whom the issue of publicly traded shares as consideration is potentially attractive;
- the increased potential to raise further funds in the future, either to enable a proposed acquisition or investment to be completed and/or to raise additional working capital or development capital for the Company once the acquisition or investment has been completed; and
- the increased potential to attract high quality directors and employees by offering share options at some time in the future. The Directors believe that the ability to grant options over PLUS traded shares is potentially more attractive to directors and employees than the grant of options over unquoted shares.

### **Employee Share Options**

In order to incentivise the management of the Company and any other company that Early Equity acquires, the Directors will, at an appropriate time, consider adopting a suitable share option scheme or schemes, although no such schemes are presently in place.

### **Corporate Governance and Internal Controls**

The Directors recognise the importance of sound corporate governance, whilst taking into account the size and nature of the Company. As the Company grows, the Directors intend that the Company should develop policies and procedures, which reflect the principles of good governance and Code of Best Practice, as published by the Committee on Good Governance (commonly known as the "Combined Code"), to the extent that they are appropriate to the size of the Company.

The Directors will comply with Paragraph 29 and Appendix 4 of the PLUS Rules relating to Directors' dealings and will take all reasonable steps to ensure compliance by the Company's applicable employees as well.

**At present, due to the Company's size, the risk and audit management will be addressed by the Board. As the Company grows, the Board will consider establishing an audit and risk management committee. The Board will also consider developing further policies and procedures which reflect the principles of good governance and the Combined Code.**

### **Dividend Policy**

The Company has not yet commenced trading and the Directors believe that it is inappropriate to give an indication of the likely level of future dividends, although the Company intends to commence the payment of dividends once the Company's earnings and cash flows support such payments.

### **Taxation**

Due to the nature of the Company's proposed business, it is not possible to ascertain whether the issue of Ordinary Shares will rank as a qualifying investment for the purposes of the Enterprise Investment Scheme, or whether it will be a 'Qualifying Holding' for the purposes of investment by Venture Capital Trusts.

Further information regarding taxation in relation to the Introduction to PLUS is set out in paragraph 10 of Part IV of this Document. If you are in any doubt as to your tax position you should consult your own professional adviser immediately.

## **Introduction to PLUS**

The Company will make an application for the Ordinary Shares to be introduced to trading on PLUS. Dealings in the Ordinary Shares are expected to commence on or around 1 November 2007.

The share capital of the Company is not presently listed or dealt in on any stock exchange. An application will be made for the Company's issued Ordinary Shares to be traded on PLUS. It is emphasised that no application is being made for the admission of these securities to trading on AIM, the market operated by the London Stock Exchange or the Official List of the UK Listing Authority.

PLUS has a comprehensive company information and announcement system called Newstrack, which is presently distributed by Bloomberg, Thomson Financial, Reuters, ADVFN, Telekurs and FT Interactive Data Europe. Newstrack is an electronic news and information service for professional intermediaries which carries information on PLUS-quoted companies, announcements by such companies and other information on PLUS, including mid-prices. Newstrack is available to private investors through the Internet at [www.plusmarketsgroup.com](http://www.plusmarketsgroup.com). Any individual wishing to buy or sell PLUS-quoted shares, must trade through a stockbroker regulated by the FSA, as the market cannot deal directly with the public.

## **Lock-In Arrangements**

On Introduction, the Directors will be interested in 12 million Ordinary Shares representing approximately 30.43 per cent. of the issued share capital of the Company.

Rob Painting and the Founders whose aggregate shareholding will amount to 65.93 per cent. of the issued share capital of the Company, have undertaken to the Company and to Lion Capital that, in accordance with paragraph 10 of the PLUS Rules, save in certain limited circumstances with the prior written consent of PLUS, they and their connected persons will not during a period of twelve months from the date of the Introduction, dispose of any interest in Ordinary Shares held by them.

## **Administration and Management**

The Directors are aware of rule 46 of the PLUS Rules and will adopt a Code of Dealing sufficient to ensure an orderly market in the Company's shares.

## **Financial Information**

An Accountants' Report on the Company, which has no trade or business, is set out in Part III of this Document. The information provided comprises a short form report prepared by the Company's Reporting Accountants, Nexia Smith & Williamson, for the period from its incorporation on 9 August 2005 to 31 August 2007.

The Company's accounting reference date is 31 August.

## **Strategy Implementation**

If the Company has not implemented its strategy within 12 months from the date of the Introduction, then it shall convene a meeting of its shareholders to determine the future of the Company which may include proposals to wind up the Company.

## **CREST**

The Company's Articles permit the Company to issue shares in uncertificated form in accordance with the Uncertificated Securities Regulations 2001. Application has been made for the Ordinary Shares to be admitted to CREST upon start of trading on PLUS.

## **Risk Factors**

Your attention is drawn to the risk factors set out in Part II of this Document. Potential investors should carefully consider the risks described in Part II before making a decision to invest in the Company.



## PART II

### RISK FACTORS

The attention of potential investors is drawn to the fact that ownership of shares in the Company involves a variety of risks. Investors should be aware of the risks associated with an investment in a business in the early stages of development. All potential investors should carefully consider the entire contents of this Document including, but not limited to, the factors described below before deciding whether or not to invest in the Company. The information below does not purport to be an exhaustive list or summary of the risks affecting the Company and are not set out in any particular order of priority. There may be additional risks of which the Directors are not aware. Investors should carefully consider these risks before making a decision to invest in the Company.

If any of the events described in the following risks actually occur, the Company's business, financial conditions, results or future operations could 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 and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect upon the Company. These might include the following:-

- i. The success of the Company depends largely upon the expertise of the current Directors and their ability to identify suitable investment and flotation opportunities and implement the Company's strategy. The loss of one or other of the key Directors could have an adverse effect on the Company.
- ii. The Company's future success will also depend, *inter alia*, on its future Directors and management team. The recruitment of suitable skilled directors and retention of their services or the services of any future management team cannot be guaranteed.
- iii. The value of the Ordinary Shares will depend, to a significant degree, on the Company's ability to identify and make suitable investments in a reasonable timeframe and the success of its flotations. The Directors intend that appropriate due diligence be carried out by the Company on potential prospects, but there is an inherent risk in researching companies or businesses, which could adversely affect the value of the Ordinary Shares.
- iv. As part of its corporate strategy in buying into projects the Company may well acquire shares in quoted companies where the market price may be volatile and may therefore be difficult to realise due to a potentially illiquid market. The Company's strategy also includes investing in unquoted private companies. Investments in private companies carry a high risk and these may be even more difficult to value and realise.
- v. The Company is a newly formed company with no established trading record and does not presently carry on any trading activities. The value of an investment in the Company is dependent *inter alia* upon the Company investing in or floating on PLUS (previously called Ofex) and acquiring a company or business that meets the Company's corporate strategy. There can be no guarantee that the Company will develop any project, company or business meeting the Company's criteria or that any such company or business so promoted will be profitable or achieve significant or sustainable growth. As a consequence, resources might have been expended fruitlessly on investigative work and due diligence.
- vi. The Ordinary Shares are not listed or traded on any stock exchange. Notwithstanding the fact that an application will be made for the Ordinary Shares to be traded through PLUS this should not be taken as implying that there will be a "liquid" market in the Ordinary Shares. An investment in the Ordinary Shares may thus be difficult to realise. The value of the Ordinary Shares may go down as well as up. Investors may therefore realise less than their original investment, or sustain a total loss of their investment.
- vii. Share market conditions, may affect the ultimate value of the Company's share price regardless of future operating performance.
- viii. The market price of the Ordinary Shares may not reflect the underlying value of the assets of the Company.
- ix. Continued membership of PLUS is entirely at the discretion of PLUS Markets Group plc.
- x. PLUS is not on the AIM or the Official List. Consequently, it may be more difficult for an investor to sell his or her Ordinary Shares and he or she may receive less than the amount paid. The market price of the Ordinary Shares may not reflect the underlying value of the Company's net assets or operations.
- xi. The share prices of public companies are often subject to significant fluctuations. In particular, the market for shares in smaller public companies is less liquid than for larger public companies. Consequently, the

Company's share price may be subject to greater fluctuation and the Ordinary Shares may be difficult to sell.

- xii. It is likely that the Company will need to raise further funds in the future to raise further working or development capital. There is no guarantee that the then prevailing market conditions will allow for such a fundraising or that new investors will be prepared to subscribe for Ordinary Shares. Shareholders may be materially diluted by any further issue of ordinary shares by the Company.
- xiii. The Company's Ordinary Shares are intended for capital growth and therefore may not be suitable as a short-term investment. Investors may therefore not realise their original investment at all, or within the time-frame they had originally anticipated.

**Investment in this Company's equity may not be suitable for all recipients of this Document. Investors are therefore strongly recommended to consult an adviser authorised under the Financial Services and Markets Act 2000, who specialises in investments of this nature before making their decision to invest.**

**PART III**  
**ACCOUNTANTS' REPORT**

**Nexia Smith & Williamson**

**The Directors**  
**Early Equity Plc**  
**Edgbaston House,**  
**3 Duchess Place,**  
**Birmingham**  
**B16 8NH**

**The Directors**  
**Lion Capital Corporation Limited**  
**3<sup>rd</sup> Floor, Henry Thomas House**  
**5-11 Worship Street**  
**London**  
**EC2A 2BH**

16 October 2007

**Dear Sirs**

**Early Equity Plc ("the Company")**

**Introduction**

We report on the financial information set out on pages 13 to 18. This financial information has been prepared for inclusion in the PLUS Markets Group Admission Document dated 16 October 2007 (the "Admission Document") of the Company on the basis of the accounting policies set out in note 1 to the financial information. This report is required by paragraph 26 of Appendix 1 of the PLUS Markets Group Rules of Issuers and is given for the purpose of complying with that schedule and for no other purpose.

Early Equity Plc was incorporated on 9 August 2005 as Early Equity Limited. The Company re-registered as a Plc on 17 July 2007.

**Responsibilities**

The directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information.

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

Save for any responsibility arising under paragraph 26 of Appendix 1 of the PLUS Markets Group Rules to any person and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with paragraph 26 of Appendix 1 of the PLUS Markets Group Rules, consenting to its inclusion in the Admission Document.

**Basis of opinion**

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

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

**Opinion**

In our opinion, the financial information gives, for the purposes of the PLUS Markets Group Admission Document, a true and fair view of the state of affairs of the Company as at the dates stated and of its results and cash flows for the periods then ended in accordance with the basis of preparation set out in note 1.

**Declaration**

We are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with the PLUS Markets Group Rules.

Yours faithfully

**Nexia Smith & Williamson**  
25 Moorgate  
London, EC2R 6AY

**Financial information****PROFIT AND LOSS ACCOUNTS**

	Notes	Year ended 31 August 2007	Period from 9 August 2005 to 31 August 2006
		£	£
Turnover	1	-	-
Administrative expenses		(2,938)	-
<b>Operating loss</b>	2	<b>(2,938)</b>	-
Interest receivable	3	974	-
<b>Loss on ordinary activities before taxation</b>		<b>(1,964)</b>	-
Tax on loss on ordinary activities	4	-	-
<b>Retained loss for the financial year/period</b>		<b>(1,964)</b>	-
<b>Loss per share (pence)</b>			
Basic	14	0.06p	-

The company's operations are classed as continuing. There were no gains or losses other than those included in the above profit and loss account.

**BALANCE SHEETS**

	Notes	31 August 2007 £	31 August 2006 £
<b>Current assets</b>			
Debtors	5	10,000	1
Cash at bank and in hand		184,005	-
		<hr/>	<hr/>
		194,005	1
<b>Creditors: amounts falling due within one year</b>	6	(1,469)	-
		<hr/>	<hr/>
<b>Net current assets</b>		192,536	1
		<hr/>	<hr/>
<b>Net assets</b>		192,536	1
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	7	115,000	1
Shares to be issued	9	79,500	-
Profit and loss account	8	(1,964)	-
		<hr/>	<hr/>
<b>Equity shareholders' funds</b>	10	192,536	1
		<hr/>	<hr/>

## CASH FLOW STATEMENTS

	Notes	Year ended 31 August 2007 £	Period ended 31 August 2006 £
<b>Net cash outflow from operating activities</b>	11	(1,469)	-
<b>Returns on Investments and servicing of finance</b>			
Interest received		974	-
<b>Financing</b>			
Issue of ordinary share capital		105,000	-
Proceeds in respect of shares to be issued		79,500	-
<b>Net cash inflow from financing</b>		<u>184,500</u>	<u>-</u>
<b>Increase in cash</b>	12	<u>184,005</u>	<u>-</u>

## NOTES TO THE FINANCIAL INFORMATION

### 1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial information. The financial information has been prepared in accordance with applicable United Kingdom Generally Accepted Accounting Principles. The more important accounting policies adopted are described below.

#### Basis of accounting

The financial statements are prepared under the historical cost convention and on a going concern basis.

#### Turnover

Turnover, which excludes value added tax, represents the value of services supplied.

### 2. Operating loss is stated after charging:

	Year ended 31 August 2007 £	Period ended 31 August 2006 £
Auditors' remuneration:		
- audit	1,469	-
- other services	1,469	-
	<hr/>	<hr/>
<b>3. Interest receivable</b>	<b>£</b>	<b>£</b>
Bank interest	974	-
	<hr/>	<hr/>

### 4. Taxation charge

There was no corporation tax charge incurred due to the trading losses suffered during the period ended 31 August 2005 and the year ended 31 August 2006. The difference between the nil tax charge incurred and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	£	£
Loss on ordinary activities before tax	(1,964)	-
Loss on ordinary activities multiplied by standard rate corporation tax in the UK of 20% (2006: 19%)	(392)	-
	<hr/>	<hr/>
Tax effects of:		
Losses not utilised	392	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

The Company has an unrecognised deferred tax asset of £392 (2005: £nil) relating principally to pre-trading losses not utilised. The deferred tax asset has not been recognised in the accounts due to the uncertainty surrounding its recoverability. The deferred tax asset should be recovered against suitable future trading profits.

### 5. Debtors

	2007 £	2006 £
Unpaid share capital	10,000	1
	<hr/>	<hr/>



6.	<b>Creditors: amounts falling due within one year</b>	<b>2007</b>	<b>2006</b>
		<b>£</b>	<b>£</b>
	Accruals	1,469	-
7.	<b>Called up share capital</b>	<b>2007</b>	<b>2006</b>
		<b>£</b>	<b>£</b>
	<b>Authorised:</b>		
	200,000,000 (2006: 100) ordinary shares of 0.5p (2006: £1) each	1,000,000	1
	<b>Allotted, called up and fully paid</b>		
	23,000,000 (2006: 1) ordinary shares of 0.5p (2006: £1) each	115,000	1

The Company was incorporated on 9 August 2007 with an authorised share capital of 100 ordinary shares of £1 each. On this date, one £1 ordinary share was issued for a consideration of £1.

On 13 July 2007, the Company increased the authorised share capital from £100 to £1,000,000 by the creation of 999,900 ordinary shares of £1 each ranking pari passu with the existing ordinary shares of the Company. On the same day, the Company split each of the issued and unissued ordinary shares of nominal value £1 each into 200 ordinary shares of 0.5p each.

On 13 July 2007 the Company issued 22,999,800 ordinary shares of 0.5p each for 0.5p per share.

8.	<b>Reserves</b>	<b>Shares to be issued reserve</b>	<b>Profit and loss account</b>	<b>Total</b>
		<b>£</b>	<b>£</b>	<b>£</b>
	At 9 August 2005 and 31 August 2006	-	-	-
	Loss for the financial year	-	(1,964)	(1,964)
	Shares to be issued	79,500	-	79,500
	At 31 August 2007	79,500	(1,964)	77,536

9. **Shares to be issued**

During the year the company received gross consideration of £79,500 in respect of 3,180,000 ordinary shares, which were issued on 16 October 2007.

10.	<b>Reconciliation of movements in shareholders' funds</b>	<b>Year ended 31 August 2007</b>	<b>Period ended 31 August 2006</b>
		<b>£</b>	<b>£</b>
	Loss for the financial period	(1,964)	-
	Share capital issued during the period	114,999	1
	Shares to be issued	79,500	-
	Net addition to shareholders' funds	192,535	1
	Opening shareholders' funds	1	-
	Closing shareholders' funds	192,536	1

11. Reconciliation of operating loss to net cash outflow from operating activities	Year ended 31 August 2007 £	Period ended 31 August 2006 £
Operating loss	(2,938)	-
Increase in creditors	1,469	-
Net cash outflow from operating activities	<u>(1,469)</u>	<u>-</u>

12. Reconciliation of net cash flow to movement in net funds	Year ended 31 August 2007 £	Period ended 31 August 2006 £
Increase in cash in the year/period	184,005	-
Net funds at 1 September	-	-
Net funds at 31 August	<u>184,005</u>	<u>-</u>

13. Analysis of net debt	At 9 August 2005 £	Cash flow £	At 31 August 2006 £
Cash at bank and in hand	-	-	-
Analysis of net debt	At 1 September 2006 £	Cash flow £	At 31 August 2007 £
Cash at bank and in hand	-	184,005	184,005

**14. Basic loss per share**

The basic loss per share is based upon a loss of £1,964 (2005: £nil) and the weighted average number of shares of 3,150,686 (2006: 1) in issue during the year.

**15. Post balance sheet events**

On 16 October 2007, 16,434,001 (including the shares to be issued as shown in note 9) ordinary shares were issued for a consideration of £395,150.

## PART IV

### STATUTORY AND GENERAL INFORMATION

#### 1 Incorporation and details of the Company

- 1.1 The Company was incorporated and registered in England and Wales on 9 August 2005, as a private limited company with registered number 05531552. The Company was re-registered as a public limited company on 17 July 2007.
- 1.2 The Company's registered office is at Edgbaston House, 3 Duchess Place, Birmingham B16 8NH and its telephone number is 0121 456 7948.
- 1.3 The principal legislation under which the Company operates is the Act and the regulations made thereunder.
- 1.4 The liability of the members of the Company is limited.

#### 2 Share Capital of the Company

- 2.1 The authorised and issued share capital of the Company at the date of this Document and following the Introduction to PLUS are as follows:-

	£
<b>Authorised</b>	
200,000,000 Ordinary Shares	<u>1,000,000</u>
<b>Issued</b>	
39,434,001 Ordinary Shares	<u>197,170</u>

- 2.2 The following Ordinary Shares have been issued by the Company before the date of this Document:-

Date of issue	No. of Ordinary shares allotted	Nominal Value per share	Amount invested £
8 August 2006	1 subscriber share	£1	1
13 July 2007	22,999,800	£0.005	114,999
16 October 2007	3,000,000	£0.005	15,000
16 October 2007	570,001	£0.005	8,550
16 October 2007	4,864,000	£0.005	121,600
16 October 2007	8,000,000	£0.005	240,000

- 2.3 Each of the issued shares in the capital of the Company is fully paid.

On 13 July 2007 the following written resolutions were passed:

- (a) THAT the authorised share capital of the Company be increased from £100 to £1,000,000 by the creation of 999,900 ordinary shares of £1 each;
- (b) THAT each of the issued and unissued shares in the capital of the Company be subdivided into 200 ordinary shares of 0.5p each in the capital of the Company, having the rights and being subject to the restrictions set out in the existing Articles of Association of the Company;
- (c) THAT the directors be and they are hereby generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities (within the meaning of Section 80 of the Companies Act 1985) up to a maximum amount equal to the nominal amount of the authorised but unissued share capital for the time being for a period expiring five years from the date of this resolution, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired;
- (d) THAT, subject to the passing of the previous resolution, the directors be and they are hereby empowered pursuant to section 95 of the Companies Act 1985 to allot equity securities (within the meaning of section 94 of the said Act) pursuant to the authority conferred by resolution (c) as if section 89(1) of the said Act did not apply to any such allotment provided that this authority is for a period expiring five years from the date of this resolution, save that the Company may before such expiry 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 such offer or agreement as if the power conferred had not expired.

- 2.4 The provisions of section 89(1) of the Act (which confer on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash other than by way of allotment to employees under an employees' share scheme as defined in section 743 of the Act) apply to the authorised but un-issued share capital of the Company to the extent not disapplied as described in paragraph 2.3 (d) above.
- 2.5 In connection with the Introduction no share or loan capital of the Company is proposed to be issued or is under option or agreed, conditionally or unconditionally, to be put under option.

### **3 Memorandum and Articles**

- 3.1 The Memorandum provides that its principal object is to carry on business as a general commercial company. Its objects are set out in full in clause 4 of the Memorandum.
- 3.2 The Articles which were adopted on 13 July 2007 include provisions to the following effect:

#### **3.2.1 Voting Rights**

Subject to any terms as to voting under which any shares may be issued, or may for the time being be held, every member present in person shall have one vote on a show of hands and, on a poll, every member shall have one vote for every Ordinary Share of which he is the holder. The duly authorised representative of a corporate member may exercise the same powers on behalf of that corporation as it could exercise if it were an individual member. A member is not entitled to vote unless all calls due from him have been paid. A member is not entitled to attend or vote at meetings of the Company in respect of any shares held by him in relation to which he or any other person appearing to be interested in such shares has been duly served with a notice under section 212 of the Act and, having failed to supply the Company with the information which he knows to be, or having recklessly given information which is, false in any material particular, within the period specified in such notice (being not less than 14 days or 28 days, depending on the size of his shareholding, from the date of service of such notice) is served with a disenfranchisement notice. Such disenfranchisement notice will apply only for so long as the notice from the Company has not been complied with.

#### **3.2.2 Dividends**

Subject to the Act, the Companies Act 1989 and every other statute for the time being in force concerning companies and affecting the Company ("the Statutes"), the Company may by ordinary resolution declare dividends to be paid to members of the Company according to their rights and interests in the profits available for distribution, but no dividend shall be declared in excess of the amount recommended by the Board. Subject to the Statutes, the Board may from time to time pay to the members of the Company such interim dividends as appear to the Board to be justified by the profits available for distribution and the position of the Company.

Except in so far as the rights attaching to, or the terms of issue of, any share otherwise provide (no such shares presently being in issue), all dividends shall be apportioned and paid pro rata according to the amounts paid or credited as paid up (other than in advance of calls) on the shares during any portion or portions of the period in respect of which the dividend is paid. Any dividend unclaimed after a period of 12 years from the date of declaration shall be forfeited and shall revert to the Company.

The Board may, if authorised by an ordinary resolution, offer the holders of Ordinary Shares the right to elect to receive additional Ordinary Shares, credited as fully paid, instead of cash in respect of any dividend or any part of any dividend.

#### **3.2.3 Distribution of Assets on a Winding Up**

On a winding-up any surplus assets will be divided between the holders of the shares according to the respective number of shares held by them, subject to the rights of any shares which may be issued with special rights or privileges. The liquidator may, with the sanction of an extraordinary resolution of the Company and subject to the Insolvency Act 1986, divide amongst the members of the Company *in specie* the whole or any part of the assets of the Company, and vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as the liquidator, with the like sanction, shall determine but no member shall be compelled to accept any assets on which there is a liability.

#### **3.2.4 Transfer of Shares**

The Ordinary Shares are in registered form. Any member may transfer all or any of his shares by an instrument of transfer in the usual form or in such other form as the Board may approve. The instrument of transfer shall be executed by or on behalf of the transferor and (in the case of a partly paid share) by or on behalf of the transferee. The transferor shall be deemed to remain the holder until the name of the transferee is entered in the register. There is no restriction on the registration of a transfer of a fully paid

