

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take or 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.**

The Directors of the Company, whose names appear on page 3 of this document, 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 there are no other facts the omission of which would affect the import of such information. All the Directors accept responsibility accordingly. In connection with the Offer, no person is authorised to give any information or make any representation other than as contained in this document.

This document, which comprises an admission document drawn up in accordance with the PLUS Rules, has been issued in connection with the proposed application for trading of the Ordinary Shares on the PLUS Market. This document does not constitute a prospectus and has not been filed with, examined or approved by the Financial Services Authority or the UK Listing Authority.

The share capital of the Company is not presently listed or dealt in on any stock exchange. It is intended that an application will be made for all the Ordinary Shares of the Company to be traded on the PLUS Market. **PLUS is a market operated by PLUS Markets 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. A decision to invest in PLUS securities should only be made on the basis of due and careful consideration and appropriate professional advice. 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 for the admission of the Ordinary Shares to the Official List of the UK Listing Authority or to trading on AIM. The rules of PLUS are less demanding than those of the Official List or AIM.**

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# High Road Capital plc

*(Incorporated in England and Wales under the Companies Act 1985 with Registered Number 06050613)*

## Offer for Subscription

**of up to 50,000,000 Ordinary Shares of 0.1p each  
at a price of 1p per share and Admission to the PLUS Market**

**Corporate Adviser  
Ruegg & Co Limited**

**Share Capital of the Company immediately following the Offer**  
(assuming full subscription of the Offer Shares)

<i>Authorised</i>			<i>Issued</i>	
<i>Amount</i>	<i>Number</i>		<i>Amount</i>	<i>Number</i>
£500,000	500,000,000	Ordinary Shares of 0.1p each	£80,000	80,000,000
£20,000	2,000,000	Redeemable Shares of 1p each	£Nil	Nil

Ruegg & Co Limited, which is authorised and regulated by the Financial Services Authority and is a member of PLUS, is the Company's Corporate Adviser for the purposes of the Offer and the application for the Ordinary Shares to be admitted to trading on PLUS.

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 for anyone other than the Company for providing the protections afforded to clients of such advisers or for providing advice in relation to the Offer.

The subscription list for the Offer Shares will open at 10.00 am on 29 January 2007 and may be closed at any time thereafter, but not later than 3.00 pm on 28 February 2007 unless at the discretion of the Directors it is extended beyond that date. The terms and conditions and procedure for application are set out in Part V of this document and the application form is set out at the end of this document.

**The whole text of this document should be read. An investment in High Road Capital plc involves a high degree of risk and, in particular, attention is drawn to the section entitled "Risk Factors" in Part II of this document. An investment in the Company may not be suitable for all recipients of this document. Prospective investors should consider carefully whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them.**

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## **DIRECTORS, SECRETARY AND ADVISERS**

<b>Directors</b>	Adam Richard Wilson	Non-Executive Chairman
	Gavin John Burnell	Non-Executive Director
<b>Company Secretary</b>	Gavin John Burnell	
<b>Registered Office</b>	39 Cheval Place London SW7 1EW	
<b>Corporate Adviser</b>	Ruegg & Co Limited 39 Cheval Place London SW7 1EW	
<b>Auditors and Reporting Accountants</b>	CLB Littlejohn Frazer 1 Park Place Canary Wharf London E14 4HJ	
<b>Solicitors to the Company and the Offer</b>	Edwin Coe 2 Stone Buildings Lincoln's Inn London WC2A 3TH	
<b>Registrars</b>	Share Registrars Limited Craven House West Street Farnham Surrey GU9 7EN	

## DEFINITIONS

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

“the Act”	the Companies Act 1985, as amended;
“Admission”	admission of the Ordinary Shares, in issue and to be issued pursuant to the Offer, to trading on the PLUS Market;
“Admission Document”	this document;
“AIM”	a market operated by the London Stock Exchange;
“Application Form”	the application form set out at the end of this document;
“Company”	High Road Capital plc;
“CREST”	the computer based system and procedures which enable title to securities to be evidenced and transferred without a written instrument administered by CRESTCo;
“CRESTCo”	CRESTCo Limited, the operator of CREST;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended from time to time;
“Directors” or “Board”	the board of directors of the Company;
“FSA”	Financial Services Authority;
“London Stock Exchange”	London Stock Exchange plc;
“Offer”	the invitation by the Company to subscribe for the Offer Shares set out in this document;
“Offer Price”	1p per Offer Share;
“Offer Shares”	up to 50,000,000 Ordinary Shares which are the subject of the Offer;
“Official List”	the Official List of the UK Listing Authority;
“Ordinary Shares”	ordinary shares of 0.1p each in the capital of the Company;
“PLUS”	PLUS Markets plc, a company authorised and regulated by the Financial Services Authority;
“PLUS Market”	the primary market operated by PLUS for dealings in the securities of issuers admitted to trading in accordance with the PLUS Rules;
“PLUS Rules”	the PLUS Rules for Issuers as amended or supplemented from time to time by a regulatory notice published by PLUS via Newstrack;
“Ruegg” or “Ruegg & Co.”	Ruegg & Co Limited;
“UK”	the United Kingdom of Great Britain and Northern Ireland;
“UK Listing Authority”	the FSA, acting in its capacity as the competent authority for the purposes of Part VI of Financial Services and Markets Act 2000;
“Warrants”	warrants to subscribe for Ordinary Shares, further details of which are set out in paragraph 11.1 of Part IV of this document.

## OFFER STATISTICS

Offer Price	1p
Market Capitalisation at the Offer Price on Admission (assuming full subscription)	£800,000
Number of Ordinary Shares in issue following the Offer (assuming full subscription)	80,000,000
Proportion of enlarged issued ordinary share capital now being offered, assuming full subscription	62.50%
Number of Offer Shares, the subject of the Offer	50,000,000
Gross proceeds receivable by the Company pursuant to the Offer (assuming full subscription)	£500,000
Net proceeds of the Offer receivable by the Company (assuming full subscription)	£419,000

## EXPECTED TIMETABLE

Offer opens	29 January 2007
Offer closes	28 February 2007
Issue of share certificates	By 7 March 2007
Expected date of Admission	7 March 2007

# PART I

## INFORMATION ON THE COMPANY

### **Introduction and Investment Strategy**

The Company was formed on 12 January 2007 to take advantage of opportunities to invest in or acquire a company or companies or businesses or assets. The Directors preferred structure would involve the acquisition by the Company of another company or business in exchange for the issue of Ordinary Shares in a single transaction (a “reverse takeover”).

The Directors believe that the status of the Company as a publicly traded investment vehicle will enable it to obtain favourable terms in providing capital investment for companies in growth situations.

The Directors intend to fund such investments or acquisitions using a mixture of cash, equity and/or debt and intend to actively monitor them following a transaction.

The Directors main investment criteria are:

- the renewable energy sector worldwide;
- the financial sector in the UK;
- businesses with developed products which require funding to grow;
- businesses with achievable business plans but which may involve some considerable risk reaching forecast turnover and which require funding to do so;
- businesses whose growth prospects, if achieved, will be earnings enhancing for shareholders;
- maximising the value of the cash within the Company which the Directors believe is a valuable asset for emerging companies for whom conventional fund raising opportunities are not always available.

However, these criteria are not intended to be exhaustive and the Directors may make an investment which does not fulfil any or all of the investment criteria if they believe it is in the interests of shareholders as a whole to proceed with such an investment. Any acquisition of a company would be put to the shareholders for their approval at the appropriate time.

Both Directors have been involved in the flotation of many companies in a variety of sectors as founders, investors, or advisers. In addition, the Directors receive many approaches from companies wishing to raise capital. The Board believes that its collective experience and potential dealflow will enable suitable targets to be identified and evaluated. Once the Offer is complete, the Directors intend to identify a suitable target as quickly as possible.

At present the Directors are seeking suitable investment or acquisition targets and have not, at this stage, carried out any due diligence and no commitments have been entered into. Initial due diligence will be carried out by the Directors who may, in addition, commission third party due diligence as appropriate. Any such third parties will be carefully chosen based on their relevant experience. Once terms have been negotiated and finalised for any possible investment or acquisition, shareholders approval will be sought if the transaction constitutes a reverse takeover.

The Company will keep overheads to a minimum and the Directors will not be remunerated until such time as a substantial investment or acquisition has been made. Furthermore, the Directors may recruit additional board members in due course, who would also not be remunerated until such time as a transaction has been completed.

The net proceeds of the Offer will be utilised to fund review of, and due diligence on, potential acquisitions or investments, to provide working capital and if applicable be applied towards the funding of acquisitions or investments.

Upon Admission the Company will have no trading activity.

**Your attention is drawn to the Risk Factors set out in Part II of this document.**

## **Directors**

### ***Adam Richard Wilson, aged 37, Non-Executive Chairman***

Adam graduated from Essex University in 1992 with a BA (Hons) in Accounting and Financial Management. He qualified as a barrister before joining NM Rothschild in 1994 as a graduate trainee. He subsequently moved to LCF Rothschild, specialising in equity derivative and structured product sales. In 1997 he joined Teather & Greenwood where he became Head of Derivatives before joining Hichens, Harrison & Co. plc in 2003. He was appointed Managing Director of Hichens, Harrison & Co. plc in October 2004. Adam is an associate member of the Institute of Investment Management and Research and a member of the Securities Institute as well as being a certified FFAS financial analyst.

### ***Gavin John Burnell, aged 29, Non-Executive Director***

Gavin Burnell has specialised in the small-cap market for the last six years. He joined Ruegg & Co, an AIM Nominated Adviser and PLUS Corporate Adviser, in 2001 and is now responsible for equity sales and maintaining client relationships with a number of AIM and PLUS corporate clients. Gavin is a founder shareholder and Non-Executive director of Stratex International plc, an AIM-traded resources company with gold exploration properties in Turkey and a Non-Executive Director of Icen Oil and Gas Limited, a private company with North Sea oil exploration projects. He served as a Non-Executive director of Agricola Resources plc, a PLUS-traded company, between October 2003 and October 2005. Gavin is also a founder and Non-Executive director of Israeli Acquisitor I plc and Fairholt Resource Investments plc, again PLUS-traded companies. Gavin holds a degree in Accounting and Finance.

## **Corporate Governance**

The Directors recognise the importance of sound corporate governance and intend to observe the requirements of the Code of Best Practice, as published by the Committee on Corporate Governance (commonly known as the "Combined Code") to the extent they consider appropriate in light of the Company's size, stage of development and resources. At present, due to the size of the Company, audit and risk management issues will be addressed by the Board. As the Company grows the Board will consider establishing an audit and management committee and will consider developing further policies and procedures which reflect the principles of good governance and the Combined Code.

## **Commitment Agreements**

Sunvest Corporation Limited, in consideration of the grant of 4,000,000 Warrants, has agreed to subscribe for 15,000,000 Offer Shares prior to closing of the Offer (or such lesser amount of Offer Shares being the maximum number that the Company determines that Sunvest Corporation Limited may hold without triggering a mandatory offer under Rule 9 of the City Code on Takeovers and Mergers). Hichens, Harrison (Ventures) Limited has agreed to subscribe for 8,000,000 Offer Shares prior to closing of the Offer. Each of Axia Capital Limited and Michael Lee have agreed to subscribe for 2,500,000 Offer Shares prior to closing of the Offer.

## **Warrants**

The Company has agreed, conditional on Admission, to grant 4,000,000 Warrants to Sunvest Corporation Limited. In addition the Company has agreed to grant Warrants equating to 5% of the issued share capital upon Admission to each of Hichens, Harrison (Ventures) Limited and Gavin Burnell. Each Warrant entitles the holder to subscribe for one new Ordinary Share at 1p per share at any time until the fifth anniversary of Admission. Further details of the Warrants can be found in paragraph 11.1 of Part IV of this document.

## **Marketability of Ordinary Shares and PLUS**

The share capital of the Company is not presently listed or dealt in on any stock exchange. It is intended that an application will be made for the Company's issued Ordinary Shares to be traded on the PLUS Market and the Offer is conditional upon the grant of permission to trade Ordinary Shares on the PLUS Market being obtained. It is emphasised that no application is being made for admission of these securities to AIM or the Official List. The PLUS Market is a market operated by PLUS and is not part of the London Stock Exchange. PLUS also has a comprehensive company information and announcement system called Newstrack PLUS, which is presently distributed by Bloomberg, Thomson Financial, Reuters, Telekurs and FT Interactive Data (incorporating Comstock). Newstrack is an electronic news and information service for professional intermediaries which carries information on PLUS companies, announcements by such companies and other information on the PLUS Market 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 shares, which are traded on the PLUS Market, must trade through a stockbroker (being a member of PLUS and regulated by the Financial Services Authority) as the market's facilities are not available directly to the public.

### **Terms of the Offer**

Existing shareholders are not selling any Ordinary Shares pursuant to the Offer and up to 50,000,000 new Ordinary Shares are being issued by the Company, representing a total of 62.5 per cent of the issued share capital of the Company immediately following the Offer (assuming full subscription). In the event of over-subscription, the Directors reserve the right to issue up to an additional 20,000,000 Offer Shares.

The Offer is conditional upon the Company's application to join the PLUS Market being accepted. Investors may apply for a minimum of 150,000 Offer Shares (£1,500) and thereafter in multiples of 50,000 Offer Shares. Applications must be made on the Application Form. Details of the procedure for application for Offer Shares are set out in Part V of this document. The Directors reserve the right to reject in whole or in part or to scale down any application.

The subscription list will open at 10.00 am on 29 January 2007 and may be closed at any time thereafter but in any event no later than 3.00 pm on 28 February 2007, unless extended by the Directors. The subscription price of 1 penny per Offer Share is payable in full on application.

The Offer Shares will, following allotment, rank *pari passu* in all respects with the existing issued Ordinary Shares, be freely transferable and will have the right to receive all dividends and other distributions hereafter declared, made or paid in respect of the issued ordinary share capital of the Company.

### **Reasons for the Offer**

The Offer will raise approximately £419,000 for the Company net of expenses (assuming full subscription). The proceeds of the Offer will be used to provide funds needed by the Company to identify and carry out due diligence on potential acquisitions and investments and to provide working capital for the Company's initial operations in line with its acquisition and investment strategy.

The Directors believe that the benefits of the Offer and Admission 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 more attractive than the issue of shares in an equivalent private company for which no market exists;
- the ability 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 ability to attract and incentivise high calibre directors and employees by offering share options. The Directors consider that the ability to grant options over publicly traded shares is potentially more attractive to directors and employees than the grant of options over unquoted shares.

The Directors believe that the profile of the Company will be significantly enhanced by its position as a company whose shares are traded on the PLUS Market. None of the Directors is selling any Ordinary Shares in or as a consequence of the Offer.

### **Lock-in Arrangements**

On the start of trading on the PLUS Market, the Directors will be interested in the issued share capital of the Company as explained in paragraph 4.1 of Part IV of this document.

Each of the Directors has undertaken that, save in limited circumstances or otherwise with the prior written consent of Ruegg & Co, they will not (and will procure, in so far as they are able, that any person with whom they are connected for the purposes of Section 346 of the Act will not) during a period of twelve months from start of trading on the PLUS Market, dispose of any interest in Ordinary Shares held by them or any interest in Warrants held by them or Ordinary Shares that are issued to them on exercise of such Warrants.



### **Share Dealing Code**

The Company has adopted and will operate a share dealing code to prevent directors and applicable employees from dealing in Ordinary Shares during close periods in accordance with Rule 46 of the PLUS Rules.

### **Dividend Policy**

The Company has not yet commenced trading and the Directors consider that it is inappropriate to give an indication of the likely level of any future dividends until such time as the Company's business has been built and developed.

### **CREST**

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument in accordance with the CREST Regulations. The Company's Articles of Association permit the holding of Ordinary Shares to be evidenced in uncertificated form in accordance with CREST Regulations. The Directors have applied for the Ordinary Shares to be admitted to CREST with effect from Admission and CRESTCo has agreed to such admission. Accordingly settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system, should Shareholders so wish.

CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able so to do.

All the Ordinary Shares will be in registered form and no temporary documents of title will be issued.

### **Taxation**

Due to the nature of the Company's proposed business, the issue of Ordinary Shares will not rank as a qualifying investment for the purposes of the Enterprise Investment Scheme nor will it be a "qualifying holding" for the purposes of investment by Venture Capital Trusts.

Further information regarding taxation in relation to the Offer and Admission is set out in paragraph 7 of Part IV of this document. If you are in any doubt as to your tax position you should consult your own independent financial adviser immediately.

### **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 the purchase of Ordinary 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 consider carefully 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 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.**

#### General Risks

The success of the Company depends largely upon the expertise of the current Directors and their ability to find suitable investments or acquisitions for the Company. The loss of one or other of the Directors or their inability to find suitable investments or acquisitions for the Company would have an adverse effect on the Company and its viability.

The Company's future success will also depend, *inter alia*, on its future directors and management team. The recruitment of suitably skilled directors and retention of their services or the services of any future management team cannot be guaranteed.

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 on the PLUS Market 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.

Continued membership of the PLUS Market is entirely at the discretion of PLUS.

The PLUS Market is not 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.

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.

It is likely that the Company will need to raise further funds in the future, either to complete a proposed acquisition or investment or to raise further working or development capital for such an acquisition or investment. 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 at the same price as the Offer Price, or higher. Shareholders may be materially diluted by any further issue of Ordinary Shares by the Company.

If the Company has not undertaken an acquisition or significant investment or otherwise commenced trading within 12 months of Admission, there is no guarantee that the Company can maintain a PLUS trading facility.

The 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.

Any changes to the regulatory environment, in particular the PLUS Rules regarding companies such as the Company, could for example, affect the ability of the Company to maintain a trading facility on the PLUS Market.

### **Risks relating to the Company and its business**

The Company will initially be dependent upon the ability of the Directors to identify suitable investment or acquisition opportunities and implement the Company's strategy. During this identification process resources may be expended fruitlessly on investigative work and due diligence.

### **Financing**

The Company's ability to raise further funds will depend on the success of their investment strategy and acquired operations. The Company may not be successful in procuring the requisite funds on terms which are acceptable to it (or at all) and, if such funding is unavailable, the Company may be required to reduce the scope of its investments or anticipated expansion.

### **Environmental facts**

The Company may invest in operations that may be subject to environmental and safety regulation (including regular environmental impact assessments and permitting). This will include a wide variety of matters, such as prevention of waste, pollution and protection of the environment, labour regulations and worker safety. The regulations may change in a manner that may require stricter or additional standards than those currently in effect, a heightened degree of responsibility for companies and their directors and employees and more stringent enforcement of existing laws and regulations.

### **Competition**

The Company may face competition from other entities for the same investments or acquisitions, many of which may have significantly greater financial resources than the Company.

### **Other directorships**

Investors should note that neither of the Directors is in any way limited (other than by their normal duties as company directors) by way of their involvement with the Company, from acting in the management or conduct of the affairs of any other company. Should any conflicts of interest be identified, they will be declared and dealt with appropriately.

### **Economic, political, judicial, administrative, taxation or other regulatory matters**

The Company may be adversely affected by changes in economic, political, judicial, administrative, taxation or other regulatory factors, as well as other unforeseen matters.

### **Initial Operating Risks**

The Company does not have an established track record. The Company is not currently producing cash flow and its ultimate success will depend on its ability to generate cash flow from its investments in the future.

### **Due diligence costs**

The Company may incur costs in conducting due diligence into potential opportunities that may not result in an acquisition being made.

### **Integration of acquisitions**

There is no guarantee that, following any acquisition, the Company will be able to successfully integrate and manage such newly acquired business.

### **Other risks**

The management of targeted companies may not always welcome pro-active involvement and may be resistant to change.

**The investment opportunity offered in this document 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

### ACCOUNTANT'S REPORT ON HIGH ROAD CAPITAL PLC

The following is the text of a report received from CLB Littlejohn Frazer, reporting accountants:

CLB LITTLEJOHN FRAZER  
Chartered Accountants

The Directors  
High Road Capital plc  
39 Cheval Place  
London  
SW7 1EW

The Directors  
Ruegg & Co Limited  
39 Cheval Place  
London  
SW7 1EW

24 January 2007

Dear Sirs

#### HIGH ROAD CAPITAL PLC

##### **Introduction**

We report on the financial information set out below relating to High Road Capital plc ("the Company"). This information has been prepared for inclusion in the PLUS admission document dated 25 January 2007 (the "Admission Document") relating to proposed admission to PLUS Markets plc ('PLUS') of the Company and is given for the purpose of complying with Paragraph 26 Appendix 1 of the PLUS Rules and for no other purpose.

##### **Responsibility**

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in the notes to the financial information and in accordance with the financial reporting framework.

It is our responsibility to form an opinion on the financial information 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 Appendix 1 of the PLUS Rules to any person as and to the extent provided, and save for any responsibility that we have expressly agreed in writing to assume, to the fullest extent permitted by law we do not assume responsibility and will not accept any liability to any other 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 Appendix 1 of the PLUS 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 judgments made by those responsible for the preparation of 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 in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

**Opinion**

In our opinion, the financial information gives, for the purposes of the PLUS Admission Document dated 25 January 2007, a true and fair view of the state of affairs of the Company as at 24 January 2007 in accordance with the basis of preparation and with the applicable financial reporting framework as described in note 2.

Yours faithfully

**CLB Littlejohn Frazer**  
Reporting Accountants

## Balance Sheet

	<i>Notes</i>	<i>As at 24 January 2007</i>
		£
<b>Assets</b>		
<b>Current assets</b>		
Other receivables	4	15,000
Cash and cash equivalents	5	35,000
<b>Total assets</b>		<u>50,000</u>
<b>Equity</b>		
<b>Capital and reserves</b>		
Share capital	6	50,000
<b>Total equity and liabilities</b>		<u>50,000</u>

## Statement of changes in equity

	<i>Share capital</i>	<i>Total equity</i>
	£	£
At the beginning of the period	–	–
Issue of share capital	50,000	50,000
At end of the period	<u>50,000</u>	<u>50,000</u>

## Cash Flow Statement

	<i>From 12 January 2007 to 24 January 2007</i>
	£
<b>Cash flows from operating activities</b>	
Changes in working capital	
– Other receivables	(15,000)
<b>Cash flows from financing activities</b>	
Proceeds from issuance of ordinary shares	30,000
Proceeds from issuance of redeemable shares	20,000
	<u>50,000</u>
<b>Net increase in cash and cash equivalents</b>	35,000
Cash and cash equivalents at beginning of the period	–
<b>Cash and cash equivalents at the end of the period</b>	<u>35,000</u>

## Notes to the financial statements

### 1. General information

The Company was incorporated in England and Wales on 12 January 2007 as a public limited company with the name High Road Capital plc.

The Company has not traded, has not prepared any financial statements, has incurred neither profit nor loss, and has neither declared nor paid dividends or made any other distributions in the period since incorporation. There have been no transactions other than the allotment of shares described in note 6 below, accordingly, no income statement is presented in this report.

The financial information has been prepared solely for the purposes of the PLUS admission document and does not constitute statutory accounts for the period presented.

The financial statements are presented in Sterling.

### 2. Basis of preparation

The financial information is prepared under the historical cost convention and is in accordance with International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”).

The financial information has been prepared in accordance with the IFRS’s issued by the IASB as at 31 December 2006.

### 3. Significant accounting policies

#### Redeemable shares

Redeemable shares are recognised as equity where they do not exhibit the characteristics of a liability.

### 4. Other receivables

	<i>As at</i>
	<i>24 January</i>
	<i>2007</i>
	£
Unpaid redeemable shares	15,000
	<hr/>
	15,000

### 5. Cash and cash equivalents

Cash represents funds held to the Company’s order in a nominated solicitors’ escrow account.

### 6. Share capital

	<i>As at</i>
	<i>24 January</i>
	<i>2007</i>
	£
<b>Authorised:</b>	
500,000,000 ordinary shares of 0.1p each	500,000
2,000,000 redeemable shares of 1p each	20,000
	<hr/>
	520,000
<b>Allotted and called up:</b>	
30,000,000 ordinary shares of 0.1p each	30,000
2,000,000 redeemable shares of 1p each	20,000
	<hr/>
	50,000

The Company was incorporated on 12 January 2007 with authorised share capital of £520,000 divided into 500,000,000 ordinary shares of 0.1 pence each and 2,000,000 redeemable shares of 1p each of which 2 ordinary shares were issued to the subscribers to the Company’s Memorandum of Association.

On 24 January 2007 29,999,998 ordinary shares were issued at 0.1p each, fully paid up and 2,000,000 redeemable shares were issued at 1p each, one quarter paid up.

The redeemable shares can only be redeemed at the Company’s option.

**7. Warrants**

On 24 January 2007 the Company agreed to grant warrants over 5% of the issued share capital of the Company to each of Gavin Burnell and Hichens, Harrison (Ventures) Limited and granted 4,000,000 warrants to Sunvest Corporation Limited, in each case, conditional on Admission.

**8. Auditors**

The Company has not yet passed its first accounting reference date and no financial information has been presented to its members.



## PART IV

### ADDITIONAL INFORMATION

#### 1. Incorporation and Registration

- 1.1 The Company was incorporated in England and Wales with registration number 06050613 on 12 January 2007 as a public limited company with the name High Road Capital plc. The principal legislation under which the Company operates is the Act and the regulations made under it. The liability of the members of the Company is limited.
- 1.2 On 23 January 2007, the Company was issued with a certificate permitting it to commence business and borrow under section 117(1) of the Act.
- 1.3 The registered office of the Company is at 39 Cheval Place, London SW7 1EW and the telephone number is 020 7584 3663.

#### 2. Share Capital

- 2.1 On incorporation, the share capital of the Company was 520,000 divided into 500,000,000 Ordinary Shares of 0.1 pence each of which 2 Ordinary Shares were issued to the subscribers to the Company's Memorandum of Association and 2,000,000 redeemable shares of 1p each.
- 2.2 Since incorporation, there have been no changes in the Company's authorised share capital.
- 2.3 Since incorporation, there have been the following changes in the issued share capital of the Company:
  - 2.3.1 on 12 January 2007, one Ordinary Share of 0.1p was transferred from the subscribers to each of Ruegg & Co Limited and Gavin Burnell;
  - 2.3.2 on 24 January 2007, resolutions of the Company were passed for the following purposes:
    - (i) to authorise the Directors pursuant to and in accordance with Section 80 of the Act to exercise all the powers of the Company to allot relevant securities (as defined in section 80 of the Act) up to an aggregate nominal amount of the authorised but unissued share capital of the Company, such authority to expire 15 months after the passing of the resolution; and
    - (ii) to empower the Directors pursuant to Section 95 of the Act to allot equity securities up to the amount of the authorised but unissued share capital of the Company (as defined in section 94 of the Act) for cash pursuant to the section 80 authority as if Section 89(1) of the Act did not apply to any such allotment, such power to expire 15 months after the date of the resolution or the date of the annual general meeting of the Company to be held in 2008 (whichever is the earlier);
  - 2.3.3 on 24 January 2007 the Company issued 29,999,998 new Ordinary Shares at a price of 0.1 pence per share fully paid and 2,000,000 redeemable shares of 1p each at a price of 1p per share, which were one quarter paid up;
  - 2.3.4 save as disclosed in paragraph 2.1 and 2.3.3, there has been no issue of share capital of the Company since its incorporation.
- 2.4 By Deeds of Warrant dated 24 January 2007 the Company granted 4,000,000 Warrants to Sunvest Corporation Limited and agreed to grant Warrants to each of Gavin Burnell and Hichens, Harrison (Ventures) Limited equivalent to 5 per cent of the issued share capital of the Company on Admission, in each case, conditional on Admission.
- 2.5 Save to the extent disapplied as disclosed in paragraph 2, the provisions of section 89 of the Act 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.
- 2.6 No shares of the Company are currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.

- 2.7 Save as disclosed in this paragraph 2 and in paragraph 11.1.2 below, no share capital or loan capital of the Company has been issued and save for the Offer Shares and Ordinary Shares to be issued upon exercise of the Warrants referred to in this paragraph 2 no share or loan capital of the Company is now proposed to be issued, either fully or partly paid or for cash or any other consideration. Save as disclosed in this paragraph 2, no share or loan capital of the Company or any other member of the Group is proposed to be issued or is under option or is agreed conditionally or unconditionally to be put under option.
- 2.8 Save for the issue of the Offer Shares and on the exercise of the Warrants as described in this paragraph 2, the Company has no present intention to issue any of the authorised but unissued share capital of the Company.
- 2.9 The redeemable shares referred to in paragraphs 2.1 and 2.3.3 above will be redeemed at par by the Company immediately prior to Admission.
- 2.10 Except as stated in this Part IV:
- 2.10.1 the Company does not have in issue any securities not representing share capital; and
- 2.10.2 there are no outstanding convertible securities issued by the Company.

### **3. Memorandum and Articles of Association**

- 3.1 The Memorandum of Association of the Company provides that the Company's principal objects are to carry on the business of a holding company. The objects of the Company are set out in full in Clause 4 of the Memorandum of Association.
- 3.2 The liability of the members of the Company is limited.
- 3.3 The Articles of Association contain provisions as summarised below:–
- 3.3.1 Dividends
- Subject to relevant statutory provisions, and to the rights attaching to any class of shares, the holders of the Ordinary Shares are entitled, *pari passu* amongst themselves, to the profits of the Company available for distribution and resolved to be distributed according to the amounts paid up on the Ordinary Shares held by them provided that no dividend shall be declared in excess of the amount recommended by the Directors. Interim dividends may be paid if profits are available for distribution and if the Directors so resolve. No dividends payable in respect of an Ordinary Share shall bear interest. The Directors may, with the prior sanction of an ordinary resolution of the Company, offer the holders of the Ordinary Shares the right to elect to receive further Ordinary Shares, credited as fully paid, instead of cash in respect of all or part of such dividends.
- 3.3.2 Return of Capital
- On a winding up of the Company, the balance of the assets available for distribution shall, subject to any sanction required by statute, be divided among the members at the discretion of the liquidator.
- 3.3.3 Voting
- Subject to any special rights or restrictions as to voting attached to any class of shares, on a show of hands at any general meeting every holder of Ordinary Shares who is present in person shall have one vote and on a poll every such holder who is present in person or by proxy shall have one vote for each Ordinary Share held by him. A corporate member may, by resolution of its directors or other governing body, authorise a person to act as its representative at general meetings and such person shall be entitled to exercise such powers as the corporate member could exercise if it were an individual member.
- 3.3.4 Restrictions on Voting
- (i) A member of the Company shall not be entitled, in respect of any Ordinary Share held by him, to vote (either personally or by proxy) at any general meeting of the Company unless all amounts payable by him in respect of that Ordinary Share have been paid.

- (ii) A member of the Company shall not, if the Directors so determine, be entitled to attend or vote, or to exercise rights of membership as aforesaid, if he or any other person appearing to be interested in such Ordinary Shares has failed to comply with a notice given under section 212 of the Act within 14 days from the date of service of such notice. The restrictions will continue until the information required by the notice is supplied to the Company or until the Ordinary Shares in question are transferred or sold in the circumstances set out in the Articles.

#### 3.3.5 Record Dates and Unclaimed Dividends

The Company or its Directors may fix any date as the record date on which registered holders of Ordinary Shares shall be entitled to receipt of any dividend provided that such record date may be on or at any time within 6 months before or after any date on which the dividend is said or made. Any dividend unclaimed after a period of 12 years from the date when it became due for payment shall be forfeited and shall revert to the Company.

#### 3.3.6 Variation of Rights

Subject to the statutory provisions, any rights attaching to any class of share in the Company may be varied with the written consent of the holders of not less than three quarters in nominal value of the issued shares of the class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the relevant class. The quorum for any such separate general meeting shall be persons holding, or representing by proxy, not less than one third in nominal value of the issued shares of the relevant class.

#### 3.3.7 Transfer

Except as may be required by any procedures implemented pursuant to the Articles in accordance with the Act following the introduction of paperless trading, all transfers of shares must be effected by written instrument in any usual form or in any other form acceptable to the Directors and must be executed by or on behalf of the transferor and (in the case of a partly paid Ordinary Share) the transferee. The transferor is deemed to remain the holder of the shares concerned until the name of the transferee is entered in the register of members in respect of them. The Directors have a discretion to refuse to register a transfer of any share which is not fully paid without giving a reason but must provide the transferee with a notice of the refusal within two months. The Directors may also decline to register any instrument of transfer unless (i) it is in respect of only one class of share; (ii) it is lodged with the Company, together with the relevant share certificate(s); and (iii) it is in favour of not more than four transferees jointly.

The Directors may subject to the provision of the Articles relating to disclosure of interests, decline to register a transfer in respect of shares which are the subject of a notice under section 212 of the Act and which represent 0.25 per cent or more in nominal value of the issued shares of their class, and in respect of which the required information has not been received by the Company within 14 days.

#### 3.3.8 Alteration of Capital

The Company may alter its share capital as follows:

- (i) by ordinary resolution, it may increase its share capital, consolidate and divide all or any of its shares into shares of larger amount, sub divide all or any of its shares into shares of smaller amount and cancel any shares not taken or agreed to be taken by any person; and
- (ii) by special resolution and subject to the statutory provisions, it may reduce its share capital, any capital redemption reserve or any share premium account in any manner.
- (iii) Subject to the statutory provisions and with the sanction of an extraordinary resolution of the holders of any class of shares carrying rights to convert into equity share capital of the Company, the Company may purchase any of its own shares.

#### 3.3.9 Directors

- (i) Unless altered by ordinary resolution of the Company, the minimum number of Directors of the Company is two; there is no maximum.

- (ii) The aggregate fees paid to the Directors for their services in the office of Director in addition to any remuneration payable to a Director as the Board may in its discretion determine by reason of his appointment to any executive office or payable to a Director who performs services which, in the opinion of the Directors, go beyond the ordinary duties of a Director shall not exceed such amount as may be determined by the Board.
- (iii) At each annual general meeting of the Company one third of the Directors who are subject to retirement by rotation (or, if their number is not three or a multiple of three, the number nearest to but not more than one third) shall retire from office by rotation.
- (iv) A person shall not be prevented from being appointed a Director and shall not be required to vacate the office of Director, by reason only of the fact that such person has attained the age of 70 years. A Director shall not be required to hold any shares in the Company.

#### 3.3.10 Directors' interests

Save as provided in the Articles, a Director shall not vote or be counted in a quorum at a meeting in relation to any resolution concerning any contract or arrangement in which he is to his knowledge materially interested.

#### 3.3.11 Borrowing Powers

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property, assets and uncalled capital and to issue debentures and other securities. The Directors shall restrict the borrowing of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to any subsidiary or subsidiary undertaking so as to secure (so far, as regards subsidiaries and subsidiary undertakings, as by such exercise they can secure) that the aggregate amount at any one time outstanding in respect of all money borrowed by the Company and/or any of its subsidiaries or subsidiary undertakings (other than intra group borrowing) shall not, without the previous sanction of an ordinary resolution of the Company, exceed an amount equal to four times the issued share capital of the Company. The certified opinion of the auditors as to the amount of the share capital or amount borrowed or to the effect that the limit on the powers of the Company to borrow has not or will not be exceeded shall be conclusive.

### 4. Directors' shareholdings and other interests

- 4.1 The interests of the Directors (all of which are beneficial unless otherwise stated) in the issued share capital of the Company as at the date of this document and immediately following completion of the Offer assuming full subscription under the Offer, such interests being those which are required to be notified by each Director to the Company under the provisions of section 324 or 328 of the Act or which are required to be entered in the register of interests required to be maintained pursuant to section 325 of the Act or which are interests of persons connected with the Directors within the meaning of section 346 of the Act, the existence of which is known or which could, with reasonable diligence, be ascertained by the Directors are, and will be, as follows:

<i>Director</i>	<i>Existing and Following Admission (assuming full subscription)</i>			
	<i>Number of Ordinary Shares</i>	<i>Percentage of issued ordinary share capital</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued ordinary share capital</i>
Adam Wilson*	–	–	–	–
Gavin Burnell**	3,000,000	10.00%	3,000,000	3.75%

\* Adam Wilson has an interest of approximately 10.5% in the issued share capital of Hichens, Harrison & Co. plc, which is the holding company of Hichens, Harrison (Ventures) Limited. The latter company is interested in 9,000,000 Ordinary Shares at the date of this document, representing 30% of the issued ordinary share capital of the company. Pursuant to the commitment agreements explained in Part I and paragraph 11 of Part IV of this document, Hichens, Harrison (Ventures) Limited will be interested in 17,000,000 Ordinary Shares representing 21.25% of the issued ordinary share capital of the Company assuming full subscription under the Offer.

\*\* Gavin Burnell also has an interest of 11.5 per cent in the issued share capital of Ruegg & Co Limited which is interested in 6,000,000 Ordinary Shares representing 20.00 per cent of the issued ordinary share capital of the Company before Admission.

In addition, the Company has agreed to grant Warrants over 5% of the issued share capital of the Company upon Admission to each of Hichens, Harrison (Ventures) Limited and Gavin Burnell. The Directors have undertaken to Ruegg that they will not (and will procure, insofar as they are able, that any person connected with them for the purposes of Section 346 of the Act will not) dispose of any interest in Ordinary Shares held by them or Ordinary Shares issued to them on exercise of any Warrants, for a period of 12 months from the date of Admission.

- 4.2 At the date of this document and immediately following Admission, the Directors are not aware of any party (within the meaning of Part VI of the Act), other than disclosed in sub-paragraph 4.1 above or set out in this sub-paragraph 4.2, who, immediately following the Offer, will be interested, directly or indirectly, in 3% or more of the votes able to be cast at general meetings of the Company.

<i>Director</i>	<i>Existing and Following Admission (assuming full subscription)</i>			
	<i>Number of Ordinary Shares</i>	<i>Percentage of issued ordinary share capital</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued ordinary share capital</i>
Ruegg & Co Limited	6,000,000	20%	6,000,000	7.50%
Sunvest Corporation Limited	9,000,000	30%	24,000,000	30.00%
Hichens, Harrison (Ventures) Limited	9,000,000	30%	17,000,000	21.25%
Axia Capital Limited	1,500,000	5%	4,000,000	5%
Michael Lee	1,500,000	5%	4,000,000	5%

Save as disclosed above, and in so far as the Company has the information, the Directors are not aware of anyone who either alone or, if connected, jointly following the completion of the Offer will (directly or indirectly) exercise or could exercise control over the Company.

## 5. Additional Information on the Directors

The directorships of the Directors currently held and held over the 5 years preceding the date of this document (other than of the Company) are as follows:

<i>Director</i>	<i>Current directorships</i>	<i>Past directorships</i>
Adam Wilson	Hichens, Harrison & Co. plc Hichens Harrison (Asia) Limited Hichens, Harrison (Middle East) Limited Hichens Harrison (South America) Limited Hichens, Harrison (Africa) Limited Hichens Investment Management Limited Hichens, Harrison (Ventures) Limited Blomfield Street Securities Limited Asian Independent Power limited African Wireless Limited South America Wireless Telecommunications Limited Asian Biofuels Limited African Biofuels Limited Student Accommodation Company (India) Limited London Wall Nominees Limited London Wall Capital Limited London Wall Capital Investment Management Limited Ethical Investments Limited Medserv (me) Limited	9999plc Teather & Greenwood limited Hitlines UK Limited

<i>Director</i>	<i>Current directorships</i>	<i>Past directorships</i>
Gavin John Burnell	Woodland Capital Limited Fairholt Resource Investments plc Israeli Acquisitor I plc Iceni Oil and Gas Ltd Lizzy Bet Limited Stratex Exploration Limited Stratex International plc	NCI Vehicle Rescue plc Leveraged Finance Limited Loan Solutions Limited Axia Capital Limited Agricola Resources plc

None of the Directors have any unspent convictions, have been declared bankrupt or have been the subject of an individual voluntary arrangement. None of the Directors were directors of any company at the time of, or within the 12 months preceding, its bankruptcy, receivership, administration, liquidation, company voluntary arrangement or composition or arrangement with its creditors generally. There have been no public criticisms of any of the Directors by any statutory or regulatory authority and no Director has ever been disqualified by a Court from acting as a Director of a Company or from acting in the management or conduct of the affairs of any company. No Director was partner in any partnership at the time or within 12 months preceding its compulsory liquidation, dissolution, administration or partnership or voluntary arrangement. None of the Directors has been contacted by the Department of Trade and Industry in connection with their conduct with respect to any of the companies set out above.

## **6. Directors' Letters of Appointment and Emoluments**

6.1 Each of the Directors has entered into a letter of appointment each dated 24 January 2007 with the Company conditional on Admission as follows:

### 6.1.1 Position

Each will act as a non-executive Director of the Company and Adam Wilson will be non-executive Chairman. Each Director will have the primary function of seeking and progressing potential acquisitions and investments as described in Part I.

### 6.1.2 Remuneration

Each Director has agreed to waive entitlement to fees until the Company has made an acquisition or investment in accordance with its investment strategy as set out in Part I of this document. Following the completion of such a transaction each Director's fees will be reviewed and amended to an appropriate rate in line with their responsibilities.

### 6.1.3 Term

Each letter of appointment will be for an initial period of 12 months effective from Admission and terminable thereafter by either party giving three months notice in writing.

6.2 Save as referred to above, there are no service agreements or letters of appointment in existence between any of the Directors and the Company which cannot be determined by the Company without payment of compensation (other than statutory compensation) within one year and there have been no changes to the Directors' letters of appointment in the last six months.

6.3 It is estimated that the aggregate remuneration of the Directors (including benefits in kind and pension contributions) for the current financial period being from 12 January 2007 to 30 March 2008 is £Nil unless the Company completes an investment or acquisition during the period.

Save as set out above, there are no existing or proposed service agreements between any of the Directors and the Company.

## **7. United Kingdom Taxation**

The statements below are intended only as a general guide to the United Kingdom tax position as at the date of this document for United Kingdom residents beneficially entitled to their Ordinary Shares held as investments and is based on current legislation and practice. It may not apply to certain classes of shareholders such as dealers in securities. Investors should consult their own tax advisers. This summary is not exhaustive and does not generally consider tax reliefs or exemptions.

### 7.1 Reliefs available for PLUS Market securities

As unquoted securities for tax purposes, various reliefs may be available for PLUS Market securities, including inheritance tax business property relief (Chapter 1 of Part V of the Inheritance

Tax Act 1984). The precise details of reliefs are not within the scope of this summary, however any person who is in any doubt as to his taxation position should consult an appropriate professional adviser without delay.

## 7.2 Taxation of Capital Gains

An individual shareholder who is either resident or ordinarily resident in the United Kingdom (whether or not domiciled there), may be liable to capital gains tax on any disposal of his shares in the Company.

A United Kingdom resident corporate shareholder may be liable to corporation tax on chargeable gains on any disposal of its shares in the Company.

A shareholder who is not resident (nor, in the case of an individual, ordinarily resident) in the United Kingdom, will not normally be liable to United Kingdom tax on capital gains on any disposal of shares in the Company unless the shareholder carries on a trade, profession or vocation in the United Kingdom through a branch or agency, and the shares are, or have been used, held or acquired for the purpose of such trade, profession or vocation, branch or agency.

## 7.3 Taxation of income

Individual shareholders who are resident in the United Kingdom for tax purposes will be liable to income tax on the aggregate of the dividend received and the tax credit ("the gross dividend"). The value of the tax credit attached to dividends paid by the Company in future for individual shareholders will be one ninth of any dividend paid and will be available to set against their income tax liability. Lower and basic rate taxpayers will have no further liability to tax on their dividend. Higher rate taxpayers will be liable to tax on all or part of the sum of the dividend plus the tax credit at the higher rate of 32.5 per cent. against which liability they can offset the tax credit. No part of the tax credit is repayable.

A United Kingdom resident corporate shareholder will normally not be liable to United Kingdom corporation tax on any dividend received. No part of the tax credit will be available for set off against losses. No claim for repayment of a tax credit can be made in relation to a dividend paid to a pension fund or venture capital trust. Special transitional rules apply to charities.

Shareholders who are not resident in the United Kingdom may be subject to foreign taxation in respect of the dividend received from the Company under the laws of their own country of residence. Such shareholders should consult their own tax advisers concerning their tax liabilities, both in the United Kingdom and their country of residence, on whether they can benefit from all or any part of any tax credit and whether a relief or credit may be claimed in the jurisdiction in which they are resident.

## 7.4 Stamp Duty and Stamp Duty Reserve Tax

Except in relation to depository receipt arrangements and clearance services where special rules apply, under current law, no stamp duty or SDRT will be payable on the issue of shares.

**The above is a general summary of certain tax matters and should not be considered as constituting advice. Any person who is in any doubt as to his taxation position, or is subject to taxation in a jurisdiction other than the United Kingdom, should consult an appropriate professional adviser without delay.**

## 8. Working Capital

The Directors are of the opinion, having made due and careful enquiry, that the working capital available to the Company will be sufficient for the period of at least 12 months from Admission.

## 9. Minimum Subscription

In the opinion of the Directors, the minimum amount which must be raised from the Offer is £100,000 made up as follows:

Purchase price of property	– Nil
Expenses of the Offer and commission	– £55,000
Repayment of borrowings	– Nil
Working capital	– £45,000

## **10. Litigation**

The Company has not been, and is not currently, engaged in any governmental, legal or arbitration proceedings and, so far as the Directors are aware, there are no proceedings pending or threatened against the Company.

## **11. Material Contracts**

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

11.1.1 a letter dated 12 January 2007 whereby the Company appointed Ruegg & Co as corporate adviser. The Company has agreed to pay Ruegg a corporate finance fee of £15,000 plus VAT and disbursements and a commission of 6 per cent of funds raised pursuant to the Offer by Ruegg & Co. The Company has also agreed to pay Ruegg & Co an annual corporate advisory fee of £10,000 plus VAT and disbursements.

11.1.2 letters dated 24 January 2007 whereby the Company agreed that for any completed transaction introduced by Ruegg and/or Sunvest Corporation Limited and/or Hichens, Harrison (Ventures) Limited to the Company an introduction fee representing 3% of the share capital of the Company as enlarged by the transaction shall be payable to the introducer.

11.1.3 deeds of Warrant each dated 24 January 2007 made between the Company and each of Gavin Burnell, Hichens, Harrison (Ventures) Limited and Sunvest Corporation Limited. Under these Deeds of Warrant, the Company granted 4,000,000 Warrants to Sunvest Corporation Limited and has agreed to grant Warrants over 5% of the issued share capital of the Company upon Admission to each of Hichens, Harrison (Ventures) Limited and Gavin Burnell. Each Warrant entitles the holder to subscribe for one new Ordinary Share at an exercise price of 1p per share at any time until the fifth anniversary of Admission.

11.1.4 a commitment agreement dated 24 January 2007 with Sunvest Corporation Limited whereby it agreed to subscribe for 15,000,000 Offer Shares prior to closing of the Offer or such lesser amount of Offer Shares being the maximum number that it may hold without triggering a mandatory offer under Rule 9 of the City Code on Takeovers and Mergers.

11.1.5 a commitment agreement dated 24 January 2007 with Hichens, Harrison (Ventures) Limited whereby it agreed to subscribe for 8,000,000 Offer Shares prior to closing of the Offer and to use its reasonable endeavours to procure subscribers for at least a further 10,000,000 Offer Shares.

11.1.6 a commitment agreement dated 24 January 2007 with Axia Capital Limited whereby it agreed to subscribe for 2,500,000 Offer Shares prior to closing of the Offer.

11.1.7 a commitment agreement dated 24 January 2007 with Michael Lee whereby he agreed to subscribe for 2,500,000 Offer Shares prior to closing of the Offer.

## **12. General**

12.1 The auditors of the Company are CLB Littlejohn Frazer of 1 Park Place, Canary Wharf, London E14 4HJ.

12.2 The financial information contained in this document does not amount to full accounts within the meaning of the Act.

12.3 Assuming full subscription the expenses of or incidental to the Offer payable by the Company are estimated to amount to £74,905 (excluding VAT), including commission of £30,000.

12.4 CLB Littlejohn Frazer has given and not withdrawn its written consent to the inclusion of references to the firm herein in the form and context in which they appear and to the inclusion of its reports and letters in the document and have not become aware, since the date of such reports, of any matter affecting the validity of its reports at that date.



- 12.5 Ruegg has given and not withdrawn its written consent to the issue of this document with its name included in it and references to it in the form and context in which they appear.
- 12.6 The Company's accounting reference date is 31 March.
- 12.7 The nominal value of each Ordinary Share is 0.1 pence and they are being offered at 1 pence per Ordinary Share, giving a premium of 0.9 pence per Ordinary Share.
- 12.8 Other than the current application for admission of Ordinary Shares to trading on the PLUS Market, the Ordinary Shares have not been admitted to dealings on any recognised investment exchange nor has any application for such admission been made, nor are there intended to be, any other arrangements for there to be dealings in the Ordinary Shares.
- 12.9 This document has been prepared in accordance with current UK tax legislation, practice and concession and interpretation thereof. Such legislation and practice may change and the current interpretation may therefore no longer apply.
- 12.10 Save for remuneration received in respect of services rendered to the Company, no payment or other benefits have been paid or given or are now proposed to be paid or given to any promoter. The Directors are the promoters of the Company.
- 12.11 Save as disclosed in this document the Directors are not aware of any exceptional factors which have influenced the Company's activities nor are the Directors aware of any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuers prospects for at least the current financial year.
- 12.12 Save as described in this document, there are no patents or intellectual property rights, licences or particular contracts which are or may be of fundamental importance to the Company's business.
- 12.13 At the date of this document the Company has no intention to make any new principal investments save as set out herein.
- 12.14 Except as disclosed in this document and for the advisers named on page 3, no person has received, directly or indirectly, from the Company during the 12 months preceding the date of this document or has entered into a contractual arrangement to receive, directly or indirectly, from the Company on or after the start of trading on the PLUS Market, fees totaling £10,000 or more or securities in the Company with a value of £10,000 or more calculated by reference to the Offer Price or any other benefit to the value of £10,000 or more.
- 12.15 Save as disclosed in this document there has been no significant change in the financial or trading position of the Company which has occurred since the end of the last financial period for which audited financial information has been published.

### **13. Documents Available for Inspection**

- 13.1 Copies of the following documents will be available for inspection at the offices of Edwin Coe at 2 Stone Buildings, Lincoln's Inn, London, WC2A 3TH during normal business hours on any week day (Saturdays, Sundays and public holidays excepted) until the Offer is closed.
  - 13.1.1 Memorandum and Articles of Association of the Company.
  - 13.1.2 The Letters of Engagement referred to in paragraph 6 above.
  - 13.1.3 The Material Contracts referred to in paragraph 11 above.
  - 13.1.4 The written consents referred to in paragraphs 12.4 and 12.5 above.
  - 13.1.5 The Report by CLB Littlejohn Frazer set out in Part III of this document.

### **14. Availability of Document**

Copies of this document will be available free of charge from the offices of Ruegg at 39 Cheval Place, London SW7 1EW during normal business hours on any week day (Saturdays, Sundays and public holidays excepted) and will remain available for at least one month after the date of Admission.

## PART V

### TERMS AND CONDITIONS AND PROCEDURE FOR APPLICATION

1. Applications for Offer Shares are subject to the terms and conditions included in the Application Form and set out below.
2. The basis of allotment will be determined by the Directors and Ruegg & Co Limited in their absolute discretion. Dealings prior to the issue of share certificates will be at the risk of applicants. A person so dealing must recognise the risk that an application may not have been accepted to the extent anticipated or at all. The Directors and Ruegg & Co Limited reserve the right:
  - (i) to reject any application in whole or in part or to scale down any applications or to accept applications on a “first come first served” basis;
  - (ii) to extend the period during which the subscription list remains open; and
  - (iii) to treat any application as valid and binding on an applicant even if the Application Form is not complete in all respects or is not accompanied by a power of attorney where required.
3. The Application Form should be completed in full and sent or delivered to the address set out on the Application Form together with a remittance for the full amount payable. Cheques and banker’s drafts must be payable to Share Registrars Limited, a/c High Road Capital and crossed “Not negotiable” and should be drawn in sterling on an account at a branch (which must be in the United Kingdom, the Channel Islands or the Isle of Man) of a bank which is either a settlement member of the Cheque and Clearing Company Limited or the CHAPS & Town Clearing Company Limited or a member of either of the committees of the Scottish or Belfast Clearing Houses which has arranged for its cheques and bankers’ drafts to be cleared through the facilities provided by either of those companies or those committees (and must bear the appropriate sorting code number in the top right hand corner). Applications must be for a minimum of 150,000 Offer Shares and thereafter in multiples of 50,000 Offer Shares. The issue price of the Offer Shares is 1 pence per share and applications must therefore be for a minimum of 150,000 Offer Shares at an aggregate price of £1,500 and thereafter in multiples of £500 for each additional tranche of 50,000 Offer Shares applied for (or such smaller number for which the application may be accepted). Applicants are advised to allow two full business days for delivery through the post and to use first class mail. Applications will not be acknowledged.
4. The right is reserved to present all cheques and banker’s drafts on receipt and to retain certificates for new ordinary shares and any monies returnable pending the clearance of all cheques or pending investigations of any suspected breach of the terms applying to the application. All cheques, certificates and other documents sent or returned to applicants will be sent at the risk of the person(s) entitled thereto.
5. Cheques will be presented by Share Registrars Limited for payment on receipt into an interest bearing collection account with HSBC Bank plc. If Share Registrars Limited has not received £100,000 (being the minimum amount) by 3.00 pm on 28 February 2007 or such later date as the Board may resolve, the Offer will lapse and all monies will be refunded to applicants within seven days thereafter without interest by crossed cheque through the post at the risk of the applicant. Any interest accruing thereon will accrue to the Company. Monies may be transferred to the Company as the Directors and Ruegg & Co Limited may determine against allotment and issue of Offer Shares. If any application is not accepted, the amount paid on application will be returned without interest in each case sent through the post at the applicant’s risk.
6. By completing and delivering an Application Form, you irrevocably undertake as follows:
  - (i) to subscribe for such number of shares specified in the Application Form (or such lesser number as is accepted), on the terms of, and subject to, the conditions set out in this document, including these terms and conditions and subject to the Memorandum and Articles of Association of the Company;
  - (ii) to accept such new Ordinary Shares as may be allotted to you in accordance with Box 1 of the Application Form or such lesser number (being not less than £1,500 sterling in value) of Offer Shares in respect of which this application may be accepted;

- (iii) that all applications, acceptances, allotments and contracts arising from it will be governed by and construed in accordance with English law;
  - (iv) that you are not under the age of 18 and that if you sign the Application Form on behalf of somebody else or a corporation you have the authority to do so and such person will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these terms and conditions of application;
  - (v) you authorise the Company or any of its respective agents to send by post a share certificate for the number of Offer Shares for which your application is accepted and/or a crossed cheque and/or return your cheque(s) or banker's draft(s) for any moneys returnable, in each case at the risk of the person(s) entitled thereto, to your address (or that of the first named applicant) as set out in the Application Form and to procure that your name (together with the name(s) of any other joint applicant(s)) is/are placed on the Register of Members of the Company in respect of such Ordinary Shares;
  - (vi) that you are not relying on any information or representation other than those contained in this document and accordingly you agree that neither the Company nor any person responsible solely or jointly for this Admission Document or any part thereof shall have any liability for any such other information or representation;
  - (vii) that the cheque or banker's draft accompanying your Application Form will be honoured on first presentation and you agree that if it is not so honoured the Company may (without prejudice to any other rights it may have) avoid the agreement to allot the relevant Offer Shares and may allot or sell them to some other person in which case you will not be entitled to any refund or payment in respect thereof; and
  - (viii) that you have read and complied with paragraph 7 below.
7. Applications will not be accepted from persons resident in the United States of America, Canada or Australia and by completing and returning the Application Form the applicant warrants that he is not a person so resident. No person receiving a copy of this Admission Document and/or an Application Form in any other territory (other than the United Kingdom) may treat the same as constituting an invitation or offer to him, nor should he in any event use such Application Form, unless in the relevant territory such an invitation or offer could lawfully be made to him and such Application Form could lawfully be used without contravention of any regulation or other legal requirements. It is a condition of any application by any such person outside the United Kingdom that he has satisfied himself as to the full observance of the laws of any relevant territory, including the obtaining of any governmental or other consents which may be required and has observed any other formalities in such territory and paid any issue, transfer or other taxes due in such territory. The Company reserves the right to request applicants to produce evidence satisfactory to them of their right to apply for Offer Shares under the Offer and that such application would not result in the Company, its advisors or the Directors being in breach of any laws or regulations of the relevant jurisdiction.
  8. The Company reserves the right to treat any application, which does not comply strictly with the terms and conditions of the application as nevertheless valid.
  9. No letters of allotment or other renounceable or temporary documents of title or receipts will be issued in respect of accepted applications but share certificates will be despatched within 28 days of allotment.
  10. Applications will be irrevocable.
  11. The verification of identity requirements of the Money Laundering Regulations 2003 will apply and verification of the identity of the applicant(s) may be required. A failure to provide the necessary evidence of identity may result in the rejection of your application or in delays in the despatch of a share certificate or the return of the application monies. In order to avoid this, you should ideally make payment by means of a cheque drawn by the person named in Box 3 of the Application Form. If this is not practicable and you use a cheque drawn by a third party or a building society cheque or a bankers' draft, you should:
    - (i) write the name and address of the person named in Box 3 of the Application Form on the back of the cheque, building society cheque or banker's draft;

- (ii) if a building society cheque or banker's draft is used, ask the building society to endorse on the cheque or banker's draft the name and account number of the person whose building society or bank account is being debited. The bank or building society endorsement should be overlaid with the branch stamp; and
- (iii) if you are making the application as agent for one or more persons, indicate in the bottom of the Application Form whether you are a UK or EC regulated person or institution (e.g. a bank or broker) and specify your status. If you are not a UK or EC regulated person or institution, you should contact Ruegg & Co Limited and seek guidance.

If within a reasonable period of time following a request for verification of identity, Ruegg & Co Limited and/or Share Registrars Limited has not received satisfactory evidence, the Company may at its absolute discretion reject your application in which event the application monies will be returned without interest to the account at the drawee bank from which such monies emanate.

- 12. The receiving agents in relation to the Offer are Share Registrars Limited, Craven House, West Street, Farnham, Surrey, GU9 7EN.
- 13. Any applicant requiring assistance in completing the Application Form should telephone Ruegg & Co Limited on 020 7584 3663 or fax them on 020 7584 4664.

# HIGH ROAD CAPITAL PLC

(Incorporated in England with Registered Number 06050613)

Issue of up to 50,000,000 Ordinary Shares of 0.1p each at 1p per share payable in full on application

## Application Form

This Application Form should be completed and sent to **Share Registrars Limited, Craven House, West Street, Farnham, Surrey GU9 7EN** together with your cheque or banker's draft payable to "Share Registrars Limited – a/c High Road Capital" and crossed "Not Negotiable" for the amount payable (inserted in Box 2) so as to arrive as soon as possible. The subscription list will open at 10.00am on 29 January 2007 and may be closed at any time thereafter and in any event by 3.00 p.m. on 28 February 2007 (unless extended by the Directors).

**IMPORTANT** – Before completing this Application Form you should carefully read the Terms and Conditions and Procedure for Application set out in Part V of the Admission Document dated 25 January 2007 ("the Admission Document"). If you need further copies of the Admission Document, which includes an Application Form, please call **Ruegg & Co Limited on 020 7584 3663**.

Definitions used in the Admission Document shall have the same meaning in this Application Form.

This Application Form is only made available with and as an enclosure to the Admission Document. The entire contents of the section in the Admission Document headed "Terms and Conditions and Procedures for Application" is deemed to be included and set out in this Application Form.

Any person signing this Application Form under power of attorney must enclose the original power of attorney (or a copy certified by a solicitor) for inspection. If you post your Application Form, you are recommended to use first class post and allow at least two working days for delivery.

Box 1	I/We hereby irrevocably offer to subscribe for	Offer Shares at 1p each
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in High Road Capital plc on the terms and conditions set out in the Admission Document and subject to the Memorandum and Articles of Association of the Company or any smaller number of Ordinary Shares for which this application is accepted.

**Note: Applications must be for a minimum of 150,000 shares at a subscription price of 1p per share and thereafter in multiples of 50,000 shares at 1p per share. Please use block capitals.**

Box 2	I/We attach a cheque or banker's draft payable to Share Registrars Limited a/c High Road Capital, for the total amount of (multiply the number of shares applied for by 1p sterling)	£
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	Forename/s (in full)
	Surname (Mr/Mrs/Miss or title)

Box 3	Address (in full)
	Postcode
Please use block capitals	E-mail <span style="float: right;">Daytime Telephone Number</span>
	Signature <span style="float: right;">Date</span>

The first or sole applicant should sign and complete Box 3. Fill in Boxes 4 and 5 only if there is more than one applicant. Insert in Box 4 the names and addresses of the further joint applicants, each of whose signature is required in Box 5.



**PLEASE USE BLOCK CAPITALS**

Box 4	Forename(s) in full	Forename(s) in full	Forename(s) in full
	Surname	Surname	Surname
	Mr, Mrs, Ms., Miss or title	Mr, Mrs, Ms., Miss or title	Mr, Mrs, Ms., Miss or title
	Address (in full)	Address (in full)	Address (in full) Box 4
	Postcode	Postcode	Postcode

Box 5	Signature	Signature	Signature
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I/We authorise /I /We do not authorise (delete whichever is inapplicable) the Company or its advisers to contact me by telephone in connection with any queries arising on my application.

If you have any queries relating to the completion of this Application Form, please telephone Ruegg & Co Limited on 020 7584 3663.