

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 Act 1986 who specialises in advising on the acquisition of shares and other securities.

This document comprises a prospectus and has been drawn up in accordance with the Public Offers of Securities Regulations 1995. A copy of this document has been delivered to the Registrar of Companies in England and Wales in accordance with Regulation 4(2) of the Public Offers of Securities Regulations 1995.

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.

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 through OFEX, a facility operated by J P Jenkins Limited to allow trading in the shares of unlisted companies. **It is emphasised that no application is being made for the admission of the Ordinary Shares to the Official List of the London Stock Exchange or to trading on the Alternative Investment Market.**

Gledhow Investments plc

(Incorporated in England with Registered Number 3848331)

Offer for Subscription

**of up to 24,999,800 Offer Shares of 1p each
at a price of 1p per share payable in full on application**

Fully Underwritten

Share capital immediately following the Offer

(assuming full subscription)

<i>Authorised</i>			<i>Issued</i>	
<i>Amount</i>	<i>Number</i>		<i>Amount</i>	<i>Number</i>
£1,000,000	100,000,000	ordinary shares of 1p each	£250,000	25,000,000

Ruegg & Co Limited, which is regulated by the Securities and Futures Authority, is the Company's Corporate Adviser for the purposes of the Offer.

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 customers of such advisers or for providing advice in relation to the Offer.

The subscription list for Offer Shares will open at 10am on 4 October 1999 and may be closed at any time thereafter, but in any event no later than 3pm on 19 October 1999, unless extended by the Directors. The procedure for application is set out on page 21 and the Application Form is set out on page 25 of this document. The Offer is fully underwritten.

The whole of the text of this document should be read. Gledhow Investments plc is a newly formed company with no existing business record. Investment in Gledhow Investments plc involves a high degree of risk and, in particular, your attention is drawn to the section entitled "Risk Factors" in Part I of this document. An investment in the Company may not be suitable for all recipients of this document. A prospective investor 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

Directors	Brett Lance Miller Geoffrey Hugh Melamet	Managing Director Non-Executive Director
	All of:	
Registered Office	39 Cheval Place London SW7 1SU	
Company Secretary	Brett Lance Miller	
Corporate Adviser	Ruegg & Co Limited Georgian House 63 Coleman Street London EC2R 5BB	
Auditors and Reporting Accountants	Hacker Young St Alphage House 2 Fore Street London EC2Y 5DH	
Solicitors to the Company and the Offer	Nicholson Graham & Jones 110 Canon Street London EC4N 6AR	
Bankers	Barclays Bank plc 35 Notting Hill Gate London W11 3HJ	
Registrars	Moorgate Registrars plc Dukesmead House 39 High Street Chelmsford Essex CM1 1DE	

DEFINITIONS

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

“the Act”	the Companies Act 1985 (as amended)
“Admission”	admission to OFEX of the whole of the ordinary issued share capital of the Company issued and to be issued pursuant to the Offer
“Application Form”	the application form set out at the end of this document
“Company”	Gledhow Investments plc
“Directors” or “Board”	the directors of the Company at the date of this document
“London Stock Exchange”	London Stock Exchange Limited
“Ordinary Shares”	ordinary shares of 1p each in the capital of the Company
“Offer”	the offer to subscribe for Offer Shares contained in this document
“OFEX”	a facility operated by J P Jenkins Limited, a member of the London Stock Exchange, which allows trading in the shares of unquoted companies
“Ruegg”	Ruegg & Co Limited
“Offer Price”	the offer price of 1p per Offer Share
“Offer Shares”	up to 24,999,800 Ordinary Shares which are the subject of the Offer
“POS Regulations”	Public Offers of Securities Regulations 1995
“Underwriting Agreement”	an underwriting agreement entered into between the Company and Ronald Bruce Rowan details of which are set out in paragraph 12.3 of Part III of this document
“Warrants”	the 21,000,000 warrants described in paragraph 7 of Part III of this document

OFFER STATISTICS

Offer Price	1p
Market capitalisation at the Offer Price	£250,000
Gross proceeds receivable by the Company pursuant to the Offer	£249,998
Number of Offer Shares the subject of the Offer	24,999,800
Number of Ordinary Shares in issue following completion of the Offer	25,000,000
Number of Warrants outstanding following completion of the Offer	21,000,000
Proportion of enlarged issued ordinary share capital now being offered	99.99 per cent.

PART I

INFORMATION ON THE COMPANY

Introduction

The Company has been incorporated to invest in companies which the Directors believe have the prospect of high returns and capital growth. These may be private companies which are not yet quoted on a stock exchange or, more usually, listed companies where the value is not recognised in the share price. The Company may invest in such companies by buying existing issued shares or by subscribing for new shares thus assisting such investee companies in their financing efforts. The investment objective of the Company is to achieve long-term capital growth in excess of the FTSE All Share Index by investing principally in smaller quoted and unquoted companies primarily in the United Kingdom.

The purpose of this document is to give details of the Company and the Offer which is intended to raise approximately £250,000 (before expenses) from investors. The Offer has been underwritten in full. The funds will be used to invest in companies which satisfy the Board's strategy as outlined below and to provide working capital.

Application will be made for the Ordinary Shares of the Company to be admitted to trading on OFEX. The Offer is conditional on Admission.

Strategy

The Directors believe there exists an opportunity to establish a company whose purpose is to make investments in small to medium sized undervalued or fast growing companies which are either quoted (either on a recognised investment exchange or on OFEX) or would be in a position, market circumstances permitting, to become quoted in the short to medium term. The Board believes that such investments if prudently made offer the prospect of high returns and high capital growth. The Directors believe that in the small capitalisation sector of the stock market it is possible to invest in sound companies trading at low valuations measured by book value, price to earnings ratios and discounted cash flow analyses. In addition because of what the Directors believe to be a near low point in the commodities cycle it is possible to invest in mining and exploration companies at very low asset values. These companies are often desperate for new funding and the Directors intend to exploit the opportunities that arise from being able to assist these companies in their financing efforts. The Directors intend to invest in companies offering value. It is the Directors' view that there exists a significant undervaluation of smaller companies in general, relative to large capitalised companies and it is this undervaluation which the Company will seek to exploit.

The Board will seek investments in companies in which the Directors consider have *inter alia*:

- an experienced and capable management focused on creating shareholder value;
- the possibility to achieve a revaluation of their assets;
- expansion potential; and
- the possibility to realise the investment in the short to medium term.

At present the Board have several possible investments which are being monitored but no firm decision nor any commitment has been made.

The net proceeds of the Offer will be placed on deposit or invested in easily realisable liquid assets pending investment and it is intended that running costs be kept to a minimum. The Directors will be incentivised by the Warrants they are being granted, details of which are set out in paragraph 7 of Part III of this document.

Directors

Brett Lance Miller, BA, LL.B. – Managing Director (aged 31)

Brett Miller graduated from the University of the Witwatersrand (South Africa) with a Bachelor degree majoring in Law and Economics and additionally holds a Law degree from the London School of Economics. He joined Nabarro Nathanson, a London-based law firm, in September 1993 where he did his articles and practised until December 1997. He has specialised in mergers and acquisitions in the energy and natural resources and smaller companies sectors. He is currently a director of Loeb Aron & Company Ltd., a London based corporate finance boutique.

Geoffrey Hugh Melamet – Non-Executive Director (aged 40)

Geoffrey Melamet graduated from the University of the Witwatersrand in South Africa with a Bachelor of Economic Science degree and a Master of Business Administration. Following a short spell at the Johannesburg Stock Exchange as an investment analyst, Geoffrey immigrated to the United Kingdom in 1984 where he has worked in trade finance and financial services since, having held a number of positions and directorships in this field. Geoffrey is currently managing director of Hertford Trade Finance Limited.

Further details of the arrangements with the Board are set out in paragraph 6 of Part III of this document.

Reasons for the Offer

The proceeds of the Offer will be used to finance the investment strategy of the Company and provide working capital for the Company.

The Company will apply for the Ordinary Shares in issue and to be issued pursuant to the Offer to be admitted to trading on OFEX.

Corporate Governance

The Directors acknowledge the importance of the guidelines set out in the Principles of Good Corporate Governance and Code of Best Practice (“Combined Code”). They therefore intend to comply with the Combined Code so far as is appropriate having regard to the size and nature of the Company. At this time, however, the Board comprises two members, only one of whom is executive.

As soon as the Company’s business has developed sufficiently, the Directors intend to establish an audit committee.

The Company has adopted the Model Code for Directors’ dealings as applicable to AIM companies and will take all reasonable steps to ensure compliance by Directors.

Marketability of Shares and OFEX

It is intended that an application will be made for the Company’s issued Ordinary Shares to be traded through OFEX and the Offer is conditional upon the grant of permission to trade Ordinary Shares on OFEX being obtained. OFEX is a share dealing facility operated by J P Jenkins Limited. OFEX provides a facility for member firms of the London Stock Exchange to deal through an independent market-maker, and access to a comprehensive company information and announcement system provided by Newstrack Limited, presently distributed by Bloomberg, PriMark (formerly ICV-Topic) and Reuters. Newstrack is an electronic news and information service for professional intermediaries which is available for private investors to access through the internet (<http://www.newstrack.co.uk>).

Any individual wishing to buy or sell shares, which have a trading facility on OFEX, must trade through a stockbroker as J P Jenkins Limited cannot deal directly with the public.

Dividend Policy

The Directors intend to achieve capital growth. In the short term they intend to reinvest any profits and therefore the Directors do not envisage declaring a dividend in the short term.

Warrants

The Company has agreed to issue the following Warrants entitling the holders to subscribe for up to 21,000,000 Ordinary Shares:

<i>Name</i>	<i>Number of Warrants</i>
Ronald Bruce Rowan	15,000,000
Brett Lance Miller	5,000,000
Geoffrey Melamet	1,000,000
	21,000,000

The exercise price of the Warrants is 1p and they will be exercisable at any time up to the fifth anniversary of the date of grant. 15,000,000 Warrants have been granted to Ronald Bruce Rowan in consideration of his agreeing to underwrite the Offer and 6,000,000 Warrants have been granted to the Directors as an incentive to achieve the Company's strategy. Further details of the principal terms and conditions of the Warrants are set out in paragraph 7 of Part III of this document.

City Code on Takeovers and Mergers

Pursuant to Rule 9 of the City Code, any person, or group of persons acting in concert, holding shares carrying between 30 per cent and 50 per cent of the voting rights of a public company may not normally acquire further shares without making a general offer to all shareholders in that company. In addition, any such person or group of persons acting in concert holding shares consisting of less than 30 per cent of the voting rights of a public company may not normally acquire shares that would take his or its holding of shares to a level at which such holding carries 30 per cent. or more of the voting rights of a public company without making a general offer to all shareholders in that company.

As set out in paragraph 2 of Part III Ronald Bruce Rowan beneficially holds 100 per cent of the existing issued share capital of the Company. His shareholding will be diluted by the Offer but Ronald Bruce Rowan will be subscribing for a minimum of 50 per cent. of the Offer Shares. Ronald Bruce Rowan's interest in the Ordinary Shares will therefore not be less than 50 per cent. As set out in paragraph 12.3 of Part III Ronald Bruce Rowan has pursuant to the Underwriting Agreement been granted 15,000,000 Warrants by the Company to subscribe for Ordinary Shares at an exercise price of 1 pence per share exercisable at any time prior to the fifth anniversary of the date of the grant of the Warrants. Further to the Offer and Admission if Ronald Bruce Rowan were to increase his shareholding in the Company beyond 50 per cent. whether by exercise of Warrants or otherwise, he will do so without incurring an obligation under Rule 9 of the City Code to make a general offer to shareholders of the Company for the issued share capital of the Company which he does not own.

Risk Factors

The Directors believe the following risks to be the most significant for potential investors. However, the risks listed do not necessarily comprise all those associated with an investment in the Company:

- The Company has a small management team and the loss of a key individual could affect the Company's business. Whilst the Company has entered into letter agreements with the directors, the retention of their services cannot be guaranteed.
- The Company has no established investment record.

- The Company is likely to require further funding.
- The Company intends to invest in small to medium sized companies which have a greater associated risk of failure than larger companies.
- The Company is not currently regulated by any of the established financial sector regulatory organisations and may not qualify if authorisation is required and sought.
- In the case of private companies the opportunity for small and medium sized companies to float their equity on a public market is dependent on economic factors outside the Company's control.
- The Ordinary Shares are not listed or dealt in on any stock exchange. Notwithstanding the fact that an application will be made for the Ordinary Shares to be traded "off exchange" through OFEX, 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.
- While the Directors believe the Company's application to join OFEX will be accepted, admission to, and continued membership of OFEX are entirely at the discretion of J P Jenkins Limited.

The investment offered in this Prospectus may not be suitable for all of its recipients. Investors are accordingly advised to consult an investment adviser authorised under the Financial Services Act 1986 who specialises in investments of this kind before making their decision.

Terms Of The Offer

Up to 24,999,800 Ordinary Shares are being offered for subscription at 1p per share, to raise £250,000 before expenses. The net proceeds of the Offer, assuming full subscription, are estimated to be approximately £230,000 after expenses. The Offer is fully underwritten.

The Offer is conditional upon the Company's application to join OFEX being accepted. Investors may apply for a minimum of 50,000 Offer Shares (£500) and thereafter in multiples of 25,000 Offer Shares. Applications must be made on the Application Form. Details of the procedure for application for Offer Shares are set out on pages 21 to 23. 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 4 October 1999 and may be closed at any time thereafter but in any event no later than 3.00 pm on 19 October 1999, unless extended by the Directors. The subscription price of 1p 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 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.

Existing shareholders and Directors are not selling any Ordinary Shares pursuant to the Offer and all of the 24,999,800 Offer Shares are new shares being issued by the Company, representing a total of 99.99 per cent of the issued share capital of the Company immediately following the Offer.

PART II
ACCOUNTANTS' REPORT

The following is the text of a letter from the Company's auditors, Hacker Young regarding the Company.

The Directors
Gledhow Investments plc
39 Cheval Place
London
SW7 1SU

The Directors
Ruegg & Co Limited
Georgian House
63 Coleman Street
London EC2R 5BB

4 October 1999

Dear Sirs

Gledhow Investments PLC ("the Company")

We report on the financial information set out below. This financial information has been prepared for inclusion in the prospectus dated 4 October 1999 of the Company ("the Prospectus").

1. INTRODUCTION

The Company was incorporated in England and Wales on 21 September 1999 with registered number 3848331 and an authorised share capital of £1,000,000 divided into 100,000,000 ordinary shares of 1 pence each of which 200 shares were issued to the subscribers to the Memorandum of Association.

On 1 October 1999, 200 nil paid subscriber ordinary shares of 1 pence each were transferred to Gravitas Nominees Limited, to hold on behalf of Ronald Bruce Rowan who then paid them up at par.

Basis of preparation

The Company has not been required to prepare statutory accounts and the financial information set out below is based on the balance sheet of the Company as at 30 September 1999 (being the latest practicable date prior to the publication of this report). The financial information, which has been prepared on the basis off the historical cost convention does not comprise statutory accounts within the meaning of Section 240 of the Companies Act 1985.

Responsibility

Such Company balance sheet is the responsibility of the Directors of the Company who have approved it.

The Directors of the Company are responsible for the contents of the Prospectus in which this report is included.

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

Basis of opinion

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

preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

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 mis-statement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the Prospectus, a true and fair view of the state of affairs of the Company as at 30 September 1999.

Consent

We consent to the inclusion in the Prospectus of this report and accept responsibility for this report for the purposes of paragraph 45(8)(b) of Schedule 1 to the Public Offers of Securities Regulations 1995

2. BALANCE SHEET

Company Balance Sheet

	<i>As at 30 September 1999 £</i>
Current Assets	
Cash	2
	<u>2</u>
Capital and Reserves	
Called up share capital	2
Equity Shareholders' Funds	<u>2</u>

3. NOTES TO THE FINANCIAL STATEMENTS

- (i) Gledhow Investments plc was incorporated on 21 September 1999 and has not traded since its incorporation, neither have any dividends been declared or paid since the date of incorporation.
- (ii) Share Capital

	<i>At 30 September 1999</i>	
<i>Authorised</i>	<i>Number</i>	<i>£</i>
Ordinary Shares of 1p each	100,000,000	1,000,000
	<u>100,000,000</u>	<u>1,000,000</u>
<i>Issued</i>	<i>At 30 September 1999</i>	
	<i>Number</i>	<i>£</i>
Ordinary Shares of 1p each	200	2.00
	<u>200</u>	<u>2.00</u>

On incorporation on 21 September 1999 as a public limited company, 200 ordinary shares were issued at 1 pence each. All shares are fully paid.

Yours faithfully

Hacker Young
Chartered Accountants
Registered Auditor

PART III

ADDITIONAL INFORMATION

1. The Company

- 1.1 The Company was incorporated and registered in England and Wales as a public limited company on 21 September 1999 under the Act with the name Gledhow Investments plc and with registered number 3848331. The principal legislation under which the Company operates is the Act and the regulations made thereunder.
- 1.2 The liability of the members of the Company is limited.

2. Share Capital

- 2.1 The authorised and issued share capital of the Company at the date of this document is as follows:

	<i>Authorised</i>		<i>Issued</i>	
	<i>Number</i>	<i>£</i>	<i>Number</i>	<i>£</i>
Ordinary Shares	100,000,000	1,000,000	200	2

- 2.2 Since incorporation there have been the following changes in the issued share capital of the Company:
- (a) on 1 October 1999, 200 nil paid subscriber ordinary shares of 1 pence each were transferred to Gravitas Nominees Limited to hold on behalf of Ronald Bruce Rowan who then paid them up at par;
- (b) on 1 October 1999, resolutions of the Company were passed for the following purposes:
- (i) to adopt new articles of association of the Company which are summarised in paragraph 3.2 below;
- (ii) to authorise the Directors pursuant to and in accordance with Section 80 of the Act 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 5 years after the passing of the resolution; and
- (iii) to empower the Directors pursuant to Section 95 of the Act to allot equity securities (as defined in section 94 of the Act) for cash pursuant to the authority conferred by resolution (ii) above 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 2000 (whichever is the earlier).
- 2.3 Save as disclosed in sub-paragraph 2.2(b)(iii) above, the provisions of section 89 of the Act, which to the extent not disapplied pursuant to section 95 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 apply to the authorised but unissued share capital of the Company.
- 2.4 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.
- 2.5 Save for the issue of Ordinary Shares pursuant to the Offer and on the exercise of the Warrants as described in paragraph 7 below, the Company has no present intention to issue any of the authorised but unissued share capital of the Company.

2.6 Except as stated in this Part III:

- (a) the Company does not have in issue any securities not representing share capital; and
- (b) there are no outstanding convertible securities issued by the Company.

2.7 Following the Offer and Admission, the authorised and issued share capital of the Company will be, as follows:

	<i>Authorised Number</i>	<i>£</i>	<i>Issued (fully paid) Number</i>	<i>£</i>
Ordinary Shares	100,000,000	1,000,000	25,000,000	250,000

3. Memorandum and Articles of Association

3.1 Memorandum of Association

The Memorandum of Association of the Company provides that the Company's principal object is that of a general trading company. The objects of the Company are set out in full in clause 4 of its Memorandum of Association.

3.2 Articles of Association

The Articles of Association of the Company, which were adopted on 1 October 1999 contain provisions, inter alia, to the following effect:

- (a) *Voting rights.* Subject to any special rights or restrictions attached to the shares, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative and is entitled to vote shall have one vote and on a poll every member who is present in person or by proxy and entitled to vote shall have one vote for every share of which he is a holder. Where, in respect of any shares, any registered holder or any other person appearing to be interested in such shares fails to comply with any notice given by the Company under Section 212 of the Act, then not earlier than 28 days after service of such notice (or 14 days where the shares concerned represent at least 0.25 per cent of the issued shares of the relevant class) the Company may disenfranchise the shares in question.
- (b) *Variation of rights.* Subject to the Act and every other statute for the time being in force concerning companies and affecting the Company ("the Statutes"), if at any time the capital of the Company is divided into different classes of shares, all or any of the rights or privileges attached to any class of share may be varied or abrogated either (a) in such manner (if any) as may be provided by the rights attaching to such class or (b) in the absence of any such provision, with the consent in writing of the holders of three-fourths of the issued shares of the relevant class or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the shares of the relevant class. At any such separate meeting the holders present in person or by proxy of one-third of the issued shares of the class in question shall be a quorum. Unless otherwise provided by the rights attached to any shares, these rights shall not be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto.
- (c) *Alteration of capital.* The Company may from time to time by ordinary resolution increase its share capital, consolidate and divide all or any of its share capital into shares of a larger amount, sub-divide all or any of its shares into shares of a smaller amount and cancel any shares not taken or agreed to be taken by any person.

The Company may, subject to the Statutes, by special resolution reduce its share capital, any capital redemption reserve and any share premium account.

Subject to and in accordance with the provisions of the Statutes, the Company may purchase its own shares (including redeemable shares) provided that the Company

shall not purchase its own shares unless such purchase has been sanctioned by an extraordinary resolution passed at a separate meeting of the holders of any class of convertible securities.

- (d) *Transfer of shares.* Any member may transfer all or any of its shares by instrument in writing in any usual or common form or in any other form approved by the Directors. Any instrument of transfer shall be signed by or on behalf of the transferor and the transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered in the Register of Members. The Directors may refuse to register the transfer of a share which is in favour of more than four transferees or which is in respect of more than one class of shares or which has not been presented for registration duly stamped accompanied by the share certificates for the shares to which the transfer relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. Where in respect of any shares any registered holder or any other person appearing to be interested in such shares fails to comply with any notice given by the Company under Section 212 of the Act, then, provided that the shares concerned represent at least 0.25 per cent in nominal amount of the issued shares of the relevant class, the Company may prohibit transfers of such shares otherwise than following a sale shown to the satisfaction of the Directors to be of the full legal and beneficial ownership of such shares at arm's length. The registration of transfers may be suspended by the Directors for any period not exceeding 30 days in a year.
- (e) *Dividends and other distributions.* Subject to the provisions of the Statutes, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but not exceeding the amount recommended by the Directors. The Directors may pay interim dividends if it appears to them that they are justified by the profits of the Company. Except as otherwise provided by the Articles of Association of the Company or the rights attached to any shares issued by the Company, the holders of shares are entitled *pari passu* amongst themselves to share in the whole of the profits of the Company paid out as dividends and the whole of any surplus in the event of liquidation of the Company. A liquidator may, with the sanction of an extraordinary resolution, divide the assets among the members in specie. The Directors may, with the sanction of an ordinary resolution, offer the shareholders or any class of them (other than those not entitled to the relevant dividend or dividends) the right to elect to receive Ordinary Shares, credited as fully paid, instead of cash in respect of the whole or part of any dividend or dividends which are the subject of the ordinary resolution.
- Where in respect of shares, any registered holder or any other person appearing to be interested in shares of the Company fails to comply with any notice given by the Company under Section 212 of the Act, then, provided that the shares concerned represent at least 0.25 per cent in nominal amount of the issued shares of the relevant class, the Company may withhold dividends on such shares.
- All unclaimed dividends may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. Any dividend which is not claimed for a period of 12 years from the date on which the dividend became due for payment shall be forfeited and cease to remain owing by the Company.
- (f) *Constitution of Board of Directors.* The number of Directors shall be not less than two nor more than ten. No shareholder qualification is required of a Director.
- (g) *Retirement of Directors by rotation.* At every annual general meeting of the Company one-third of the Directors or the number nearest to but not exceeding one-third shall retire by rotation and be eligible for re-election. The Directors to retire will be those who have been longest in office or, in the case of those who were appointed or re-appointed on the same day, will (unless they otherwise agree) be determined by lot.

- (h) *Remuneration of Directors.* The aggregate ordinary remuneration of Directors shall not exceed £20,000 per annum or such greater amount as may be determined by the Company in general meeting. The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending at meetings of the Directors of the Company or otherwise in the discharge of their duties as a Director. Any Director who holds any executive office or who serves on any committee or who devotes special attention to the business of the Company or who otherwise performs services which, in the opinion of the Directors, are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, lump sum, participation in profits or otherwise as the Directors determine.
- (i) *Executive Directors.* The Directors may from time to time appoint one or more of their body to be the holder of any executive office on such terms and for any such period as they may think fit. A Director so appointed shall receive such remuneration as the Directors may determine. The Directors may confer upon a Director holding an executive office any of the powers exercisable by the Directors upon such terms and conditions and with such restrictions as they think fit.
- (j) *Permitted interests of Directors.* Subject to the provisions of the Statutes, a Director is not disqualified by his office from contracting with the Company in any manner, nor is any contract in which he is interested liable to be avoided, and any Director who is so interested is not liable to account to the Company for any profit realised by the contract, by reason of the Director holding that office or of the fiduciary relationship thereby established.

A Director may hold any other office or place with the Company (except that of auditor) in conjunction with his office of Director and may act in a professional capacity for the Company (other than as auditor) on such terms as to tenure of office, remuneration or otherwise as the Directors may determine. A Director may also hold office as a director or other officer or be otherwise interested in any other company of which the Company is a member or in which the Company is otherwise interested and shall not be liable to account to the Company for any remuneration or other benefits received by him from that company.

- (k) *Restrictions on voting by Directors.* Save as provided below, a Director shall not vote on or in respect of any contract or arrangement or any other proposal in which he has an interest which is to his knowledge a material interest otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise in or through the Company. **However a Director shall be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.**

A Director shall (in the absence of some other material interest than is indicated below) be entitled to vote and be counted in the quorum in respect of any resolution concerning any of the following matters:

- (i) the giving of any security, guarantee or indemnity in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiary undertakings;
- (ii) the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (iii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings for subscription or purchase in which offer he is or is to be interested as a holder of securities or as a participant in the underwriting or sub-underwriting thereof;

- (iv) any proposal concerning any other company in which he does not to his knowledge hold directly or indirectly an interest in shares representing one per cent or more of any class of the equity share capital or voting rights;
 - (v) any arrangement for the benefit of employees of the Company and its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates; and
 - (vi) any contract for the purchase or maintenance of insurance against any liability of any Directors.
- (l) *Pensions and gratuities of Directors.* The Directors may provide gratuities or pensions or other benefits for former or present employees of the Company and its subsidiaries including Directors or former Directors or their relations or dependants.
- (m) *Borrowing powers.* The Directors may exercise all powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets (both present and future) including uncalled capital and to issue debentures and other securities. The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries so as to secure (insofar as they can) that the aggregate principal amount for the time being remaining undischarged of all monies borrowed by the Company and/or the subsidiaries (if any) shall not without the previous sanction of an ordinary resolution before the date of the first audited consolidated balance sheet of the Company and its subsidiaries (if any) exceed £1,500,000 and, if greater at any time thereafter, exceed a sum equal to two and a half times the aggregate of the amount paid up or credited as paid up on the issued share capital of the Company and the amounts standing to the credit of the consolidated capital and revenue reserves of the Company (including retained earnings) as shown in the latest published audited consolidated balance sheet of the Company but after making certain adjustments specified in the Articles of Association of the Company.
- (n) *Uncertified shares.* The Board may resolve that a class of shares is to become a participating security (as defined in The Uncertified Securities Regulations 1995) and may at any time determine that a class of shares shall cease to be a participating security. Where the Company is entitled under the Act, the said regulations or its Articles of Association to dispose of, forfeit, enforce a lien or sell or otherwise procure the sale of a share held in uncertified form, such entitlement shall include certain rights, including the right to require the deletion of any computer-based entries relating to shares held in uncertified form and, by notice in writing to the holder concerned, to change his holding of such uncertified shares into certified form.

4. Directors' and other interests

The interests of the Directors (all of which are beneficial) in the issued share capital of the Company as at the date of this document and immediately following completion of 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 and Schedule 13 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 Director within the meaning of section 346 of the Act, the existence of which is known or which could, with reasonable diligence, be ascertained by a Director are, and will be, as follows:

<i>Director</i>	<i>Number of Ordinary Shares as at the date of this document</i>	<i>Number of Ordinary Shares Immediately following Admission</i>	<i>Percentage of issued ordinary share capital</i>	<i>Warrants</i>
Brett Miller	0	100,000	0.4%	5,000,000
Geoffrey Melamet	0	0	–	1,000,000

The Directors have undertaken to Ruegg that they will not dispose of any Ordinary Shares for a period of twenty four months from the date of Admission.

At the date of this document and immediately following Admission, so far as the Directors are aware, no person or persons, other than as set out below, are or will, immediately following the Offer, be interested, directly or indirectly, in 3 per cent or more of the votes able to be cast at general meetings of the Company.

<i>Name</i>	<i>Number of Ordinary Shares held beneficially at the date of this document</i>	<i>Number of Ordinary Shares immediately following Admission</i>	<i>Percentage of issued ordinary share capital</i>	<i>Warrants</i>
Ronald Bruce Rowan*	200	12,500,000	50%	15,000,000

*Mr R. Bruce Rowan has agreed to underwrite the Offer in full. Mr Rowan has also been guaranteed an allocation of 12,500,000 shares – at the date of this document it is uncertain what Mr Rowan's shareholding will be immediately after the Offer but it will be a minimum of 50 per cent.

Save as disclosed above, and in so far as the Company has the information, the Directors are not aware of any person or persons 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 five 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>
Brett Miller	Loeb Aron & Company Ltd.	–
Geoffrey Melamet	Limestar Investments Limited CT Executive Travel Limited Hertford Trade Finance Limited Associated – Henriques plc B'nai B'rith district 15 of Great Britain & Ireland Goalfix Limited	Birdi (U.K.) Limited Winterspirit Limited Cheval Acceptance plc

None of the Directors has any unspent convictions, has been declared bankrupt or has 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 of any partnership at the time or within 12 months preceding its compulsory liquidation, 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' service agreements and emoluments

The Directors have entered into service agreements with the Company as follows:

- 6.1 Pursuant to a letter of engagement dated 1 October 1999, Mr Miller agreed to act as Managing Director of the Company for an annual fee of £9,000 payable quarterly in arrears and the grant of 5,000,000 Warrants. Mr Miller shall forfeit these Warrants in the event that he resigns or his appointment is terminated otherwise than for reasons of unfair or wrongful dismissal. The appointment is for an initial period of one year from Admission and is terminable thereafter on six months' notice by either party.

- 6.2 Pursuant to a letter of engagement dated 1 October 1999, Mr Melamet agreed to act as non-executive Director of the Company in return for an annual fee of £1,000 payable in two equal installments every six months in arrears and the grant of 1,000,000 Warrants. Mr Melamet shall forfeit these Warrants in the event that he resigns or his appointment is terminated otherwise than for reasons of unfair or wrongful dismissal. The appointment is for an initial period of one year from Admission and is terminable thereafter on six months' notice by either party.

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

The aggregate amount payable and benefits in kind to be granted to the Directors under the arrangements in force at the date of this document during the financial year ending 30 September 2000 are estimated to amount to £10,000.

7. Warrants

By resolution of the Board passed on the 1 October 1999 the Company adopted a form of Deed of Warrant Grant to be used in connection with:

- 7.1 Warrants issued to Ronald Bruce Rowan in consideration for his agreeing to underwrite the Offer; and
- 7.2 Warrants issued to the Directors of the Company.

The Deeds of Warrant Grant have been entered into between the Company and the parties entitled to subscribe for Ordinary Shares under the terms of the Deeds of Warrant Grant. The parties so entitled are collectively referred to hereinafter as "the Warrant Holders".

- 7.3 The principal terms of the Deeds of Warrant Grant are as follows as they apply to:

7.3.1 The Warrants granted to Mr Rowan:

- 7.3.1.1 Mr Rowan has been granted a Warrant to subscribe for 15,000,000 Ordinary Shares exercisable at a price of 1p per share at any time within 5 years from the date of grant.

7.3.2 The Director Warrants

- 7.3.2.1 Brett Miller has been granted a Warrant to subscribe for 5,000,000 Ordinary Shares. Geoffrey Melamet has been granted a Warrant to subscribe 1,000,000 Ordinary Shares. These warrants can be exercised at an exercise price of 1p per share within 5 years of their respective grants. The Directors have agreed not to transfer, sell or exercise their warrants for two years from the date of grant.

- 7.4 The Deeds of Warrant Grant contains provisions for adjustment of the number of Ordinary Shares and subscription price upon the capitalisation of reserves and for appropriate adjustment to the subscription price on a rights issue or on a sub-division or consolidation of share capital.
- 7.5 To the extent that the rights of the Warrant Holders have not been exercised by the fifth anniversary of its date of grant they shall lapse.
- 7.6 The Warrants granted pursuant to the Deeds of Warrant Grant may be assigned by the Warrant Holders.
- 7.7 Full exercise of the subscription rights under the Deeds of Warrant Grant would result in the issue of 21,000,000 new Ordinary Shares.

8. 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.

(a) Reliefs available for OFEX securities

As unquoted securities for tax purposes, various reliefs may be available for OFEX securities, including inheritance tax business property relief (Chapter 1 of Part V 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.

(b) 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.

(c) 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 a dividend paid by the Company after 6 April 1999 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.

(d) 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.

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.

9. Working Capital

The Company is of the opinion, having made due and careful enquiry, that the working capital available to the Company will, from Admission, be sufficient for their present requirements, that is for at least the next 12 months.

10. Minimum Subscription

In the opinion of the Directors, the minimum amount which must be raised from the Offer for the purposes mentioned in paragraph 21 of the POS Regulations is £120,000 made up as follows:

- 10.1 Purchase price of property – Nil
- 10.2 Expenses of the Offer and commission – £20,000
- 10.3 Repayment of borrowings – Nil
- 10.4 Working capital – £100,000

11. Litigation

There are no legal or arbitration proceedings active, threatened or pending against, or being brought by, the Company.

12. Material Contracts

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

- 12.1 The Deeds of Warrant Grant
- 12.2 An agreement dated 1 October 1999 made between the Company (1), Ruegg (2) and the Directors (3) (“the Corporate Adviser Agreement”) under which the Company has appointed Ruegg as corporate adviser to the Company. The Company has given certain representations, warranties and indemnities as the accuracy of the information given in this Prospectus and other matters in relation to the Company and its business.
- 12.3 On 1 October 1999 the Company entered into an Underwriting Agreement in respect of the Offer with Ronald Bruce Rowan whereby Mr Rowan agreed to underwrite the full amount of shares being offered pursuant to the Offer in consideration for the grant to him of 15,000,000 Warrants to subscribe for Ordinary Shares at an exercise price of 1p per share for 5 years. The Underwriting Agreement is conditional upon Admission. If Admission has not taken place by midnight on 31 December 1999 or such later time or date as Mr Rowan shall agree the obligations of the parties will cease and no parties shall have any claim against any other party. In addition the Underwriting Agreement contains the following provisions:
 - (a) The Directors of the Company if so requested by Mr Rowan within a period of 12 months from Admission have agreed so far as they are able to appoint a non-executive Director to the Company nominated by Mr Rowan.
 - (b) The Directors will not without Mr Rowan’s written consent put before the shareholders for a period of 12 months from the Admission resolutions for any of the following:
 - (i) any consolidation of the share capital;
 - (ii) reduction of the par value of the shares;
 - (iii) any amendment to the voting rights of the shares of the Company; or
 - (iv) the creation of any new class of shares or warrants or options in the Company.

13. General

- (a) The auditors of the Company are Hacker Young of St Alphage House, 2 Fore Street, London EC2Y 5DH.
- (b) The financial information contained in this document does not amount to full accounts within the meaning of section 240 of the Companies Act 1985. Full audited accounts have not been delivered to the Registrar of Companies for the Company as the Company has not been incorporated for a sufficient length of time.
- (c) The expenses (assuming full subscription) of or incidental to the Offer payable by the Company are estimated to amount to £20,000 (excluding VAT). The net proceeds are estimated at £230,000 for the Company.
- (d) Hacker Young have given and have not withdrawn their written consent to the inclusion in Part II of this Prospectus of their letter and references to the letter and to their name in the form and context in which they are included and they have authorised the contents of their letter for the purposes of regulation 13(1)(g) of the POS Regulations 1995.
- (e) Ruegg have given and not withdrawn their written consent to the issue of this Prospectus with their name included in it and references thereto in the form and context in which they appear.
- (f) The Company's accounting reference date is 30 September.
- (g) The Company will be a close company (as defined in the Income and Corporation Taxes Act 1988) immediately following the Offer.
- (h) The nominal value of each Ordinary Share is 1p and they are being offered at 1p per Ordinary Share giving a premium of nil per Ordinary Share.
- (i) Other than the current application for Admission, 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.
- (j) 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.
- (k) 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 may be promoters of the Company.
- (l) Save as disclosed in this document the Directors are not aware of any exceptional factors which have influenced the Company's activities.
- (m) 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.
- (n) At the date of this document the Company has no intention to make any new principal investments save as set out herein.

14. Availability of Document

Copies of this document will be available free of charge from the offices of Ruegg at Georgian House, 63 Coleman Street, London EC2R 5BB and shall remain available for at least 14 days after the date of Admission.

4 October 1999

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 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 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 Moorgate Registrars plc, account Gledhow Investments plc 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). An application will be invalid unless these requirements are fulfilled. Applications must be for a minimum of 50,000 Offer Shares and thereafter in multiples of 25,000 Offer Shares. The issue price of the Offer Shares is 1 pence per share and applications must therefore be for a minimum of 50,000 Offer Shares at an aggregate price of £500 and thereafter in multiples of £250 for each additional tranche of 25,000 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 Moorgate Registrars plc for payment on receipt into an interest bearing collection account with National Westminster Bank. If Moorgate Registrars plc has not received £120,000 (being the minimum amount) in cleared funds by 3pm on 19 October 1999 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 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 Prospectus, 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 £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 prospectus 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 Prospectus 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. If the value of your application is £10,000 or more (or is one of a series of linked applications the aggregate value of which equals or exceeds that amount), the verification of identity requirements of the Money Laundering regulations 1993 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 and seek guidance.

If within a reasonable period of time following a request for verification of identity, Ruegg 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 paying agents in relation to the Offer are Moorgate Registrars plc of Dukesmead House, 39 High Street, Chelmsford, Essex CM1 1DE.
13. Any applicant requiring assistance in completing the Application Form should telephone Ruegg on 0171 628 0990 or fax them on 0171 628 0991.

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GLEDHOW INVESTMENTS PLC

(Incorporated in England with Registered Number 3848331)

Issue of up to 24,999,800 ordinary shares of 1p each at 1p per share payable in full on application

APPLICATION FORM

This Application Form should be completed and sent to **Moorgate Registrars plc, Dukesmead House, 39 High Street, Chelmsford, Essex CM1 1DE**, together with your cheque or banker's draft payable to "Moorgate Registrars plc – a/c Gledhow Investments plc" 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 am on 4 October 1999 and may be closed at any time thereafter and in any event by 3 pm on 19 October 1999 (unless extended by the Directors).

IMPORTANT – Before completing this Application Form you should carefully read the Terms and Conditions and Procedure for Application on pages 21, 22 and 23 of the Prospectus dated 4 October 1999 ("the Prospectus"). If you need further copies of the Prospectus, which includes an Application Form, please call **Ruegg & Co Limited on 0171 628 0990**.

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

This Application Form is only made available with and as an enclosure to the Prospectus. The entire contents of the section in the Prospectus 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 Gledhow Investments plc on the terms and conditions set out in the Prospectus 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 50,000 shares at a subscription price of £500 and thereafter in multiples of 25,000 shares at 1p per share.

Box 2	I/We attach a cheque or banker's draft payable to Moorgate Registrars plc account Gledhow Investments plc, for the total amount of (multiply the number of shares applied for by 1p sterling)	£
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Box 3	Forename(s) (in full)	
	Surname	
	(Mr/Mrs/Ms/Miss or title)	
PLEASE USE BLOCK CAPITALS	Address (in full)	
		
	Postcode.....	Daytime Telephone Number.....
	Signature.....	
	Date.....	



The first or sole applicant should sign and complete Box 3. Fill in Boxes 4 and 5 only if there is more than one joint applicant. Insert in Box 4 the names and addresses of the second and third 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 (Mr/Mrs/Ms./Miss or title)	Surname (Mr/Mrs/Ms./Miss or title)	Surname (Mr/Mrs/Ms./Miss or title)
			
	Address (in full)	Address (in full)	Address (in full)
			
	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 Moorgate Registrars plc on 01245 494 549.

