

# **Gledhow Investments plc**

*(incorporated in England and Wales with Company Registration No. 03848331)*

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2011**



# GLEDHOW INVESTMENTS PLC

## Company Information

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<b>Directors</b>	G Melamet (Non executive Director) R B Rowan (Managing Director)
<b>Secretary</b>	B L Miller
<b>Company number</b>	03848331
<b>Registered office</b>	39 Cheval Place London SW7 1EW
<b>Auditor</b>	UHY Hacker Young LLP Quadrant House 4 Thomas More Square London E1W 1YW
<b>Business address</b>	39 Cheval Place London SW7 1EW
<b>Bankers</b>	Barclays Bank Plc 35 Notting Hill Gate London W11 3HJ
<b>Registrars</b>	Capita Registrars The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

# GLEDHOW INVESTMENTS PLC

## Contents

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	<i>Page</i>
Managing Director's Statement	1
Directors' Report	2-4
Independent Auditors' Report	5
Profit and Loss Account	6
Balance Sheet	7
Cash Flow Statement	8
Notes to the Financial Statements	9-13
Notice of Annual General Meeting	14-15

# **GLEDHOW INVESTMENTS PLC**

## **Managing Director's Statement for the year ended 30 September 2011**

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I have pleasure in presenting your company's Annual Report and Financial Statements for the year ended 30 September 2011.

Your directors continue to follow the same investment strategy, namely to invest in small to medium sized undervalued or fast growing companies, with the investment objective of achieving long term capital growth in excess of the FTSE All Share Index.

The year under review was characterised by volatile equity markets. During the year, new investments were made in Hellenic Capital plc, Ascent Resources plc, Leed Petroleum plc and Port Erin Biopharma Investments Limited. We had cash of £466,392 at the year end (2010: £674,333). The pre-tax loss was £39,109 (2010: pre-tax profit £8,470).

Despite the uncertain economic environment the Company is in a strong position thanks to its strong cash position and we look forward to being able to take opportunistic investments in small to medium sized undervalued companies as they arise.

Bruce Rowan  
*Managing Director*

19 January 2012

# GLEDDHOW INVESTMENTS PLC

## Directors' Report for the year ended 30 September 2011

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The directors present their report and financial statements for the year ended 30 September 2011.

### Principal activities and review of the business

The principal activity of the Company continued to be that of dealing in shares of small to medium sized companies.

A review of the Company's business can be found in the Managing Director's Statement on page 1 of these accounts.

### Results and dividends

The results for the year are set out on page 6. No dividends were paid in the year.

### Risks and uncertainties

As set out in the Managing Director's Statement the Company's investment strategy is namely to invest in small to medium sized undervalued or fast growing companies. This strategy, which can provide long term growth, also has, due to its nature, risks and uncertainties inherent in it. The principal risks being the failure of these companies becoming successful, thus adversely affecting the Company's growth in the future.

### Key performance indicator

As the Company's results do not take into account the market value of its shares held as investments at the year end, due to the accounting policy of carrying the Company's investments held for resale (i.e. stock) at the lower of cost and net realisable value, the directors consider that the Company's key performance indicator is its adjusted net asset value per share. This has been calculated as follows:

	<i>2011</i>	<i>2010</i>
	£	£
Net assets as at 30 September	651,780	690,889
Adjustments for notional gain on investments and related warrants held at 30 September:		
Book value (note 7)	202,408	35,230
Market value or directors' valuation (note 7)	232,487	66,625
Notional gain	30,079	31,395
Notional tax at 21% (2010 – 21%)	(6,317)	(6,593)
Adjusted net assets	675,542	715,691
Number of shares in issue	49,000,000	49,000,000
Adjusted net asset value per share	1.38 pence	1.46 pence

# GLEDHOW INVESTMENTS PLC

## Directors' Report for the year ended 30 September 2011

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### Directors

The following directors have held office since 1 October 2010:

G Melamet  
R B Rowan

### Directors' interests

The directors' interests in the shares of the Company were as stated below:

	<i>Ordinary shares of 1p each</i>	
	<i>30 September 2011</i>	<i>1 October 2010</i>
G Melamet	500,000	500,000
R B Rowan *	40,851,991	40,851,991

\* Of the above 40,851,991 shares, 7,000,000 shares are held by Sunvest Corporation Limited a company controlled by R B Rowan.

### Substantial Shareholdings

In addition to the directors' shareholdings above, the directors have been notified or are aware of the following interest of 3% or more of the ordinary share capital of the Company as at 11 January 2012.

	<i>Ordinary shares of 1p each</i>	
	<i>Number</i>	<i>Percentage</i>
B L Miller	2,225,000	4.54%

# GLEDDHOW INVESTMENTS PLC

## Directors' Report for the year ended 30 September 2011

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### **Creditors' payment policy**

It is the Company's policy that payments to suppliers are made in accordance with the terms and conditions under which business transactions with their suppliers are conducted.

### **Auditors**

In accordance with the Company's articles, a resolution proposing that UHY Hacker Young LLP be reappointed as auditors of the Company will be put to the Annual General Meeting.

### **Directors' responsibilities**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Statement of disclosure to auditor**

So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware. Additionally, they have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the board

R B Rowan  
*Director*

19 January 2012



# Independent Auditors' Report to the Members of Gledhow Investments Plc for the year ended 30 September 2011

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We have audited the financial statements of Gledhow Investments Plc on pages 6 to 13 for the year ended 30 September 2011. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement on page 4 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

## **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2011 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Colin Jones (Senior Statutory Auditor)**  
**For and on behalf of UHY Hacker Young LLP**

*Chartered Accountants*  
**Statutory Auditor**

19 January 2012

**Quadrant House**  
**4 Thomas More Square**  
**London E1W 1YW**

# GLEDHOW INVESTMENTS PLC

## Profit and Loss Account for the year ended 30 September 2011

	<i>Notes</i>	<i>2011</i> £	<i>2010</i> £
<b>Turnover</b>	2	13,096	138,547
Cost of sales		(16,966)	(95,956)
<b>Gross (loss)/profit</b>		(3,870)	42,591
Administrative expenses		(35,239)	(34,121)
<b>Operating (loss)/profit</b>	3	(39,109)	8,470
Interest receivable and similar income	4	–	–
<b>(Loss)/profit on ordinary activities before taxation</b>		(39,109)	8,470
Taxation	5	–	(1,780)
<b>(Loss)/profit for the year</b>		(39,109)	6,690
<b>Basic (loss)/earnings per share (pence)</b>	6	(0.08p)	0.014p
<b>Diluted (loss)/earnings per share (pence)</b>	6	(0.08p)	0.014p

The Company's operation in the year continued unchanged; no operations were disposed of or acquired.

There are no recognised gains and losses other than those passing through the profit and loss account.

# GLEDHOW INVESTMENTS PLC

Balance Sheet as at 30 September 2011

	<i>Notes</i>	<i>£</i>	<i>2011</i>	<i>£</i>	<i>2010</i>	<i>£</i>
<b>Current assets</b>						
Investments held for resale	7	202,408		35,230		
Cash at bank and in hand		466,392		674,333		
		<u>668,800</u>		<u>709,563</u>		
<b>Creditors: amounts falling due within one year</b>	8	<u>(13,132)</u>		<u>(14,786)</u>		
<b>Net current assets and total assets less current liabilities</b>			655,668		694,777	
<b>Provision for liabilities and charges</b>			<u>(3,888)</u>		<u>(3,888)</u>	
			<u>651,780</u>		<u>690,889</u>	
<b>Capital and reserves</b>						
Called up share capital	9		490,000		490,000	
Share premium account	10		71,122		71,122	
Profit and loss account	10		55,784		94,893	
Other reserve	10		34,874		34,874	
<b>Shareholders' funds – equity interests</b>	14		<u>651,780</u>		<u>690,889</u>	

The financial statements were approved by the Board and authorised for issue on 19 January 2012.

R B Rowan  
*Director*

**Company No. 03848331**

# GLEDFLOW INVESTMENTS PLC

## Cash Flow Statement for the year ended 30 September 2011

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	<i>Notes</i>	<i>2011</i>		<i>2010</i>	
		£	£	£	£
<b>Net cash (outflow)/inflow from operating activities</b>	11		(206,161)		104,426
Taxation			(1,780)		(2,262)
<b>Net cash (outflow)/inflow before management of liquid resources and financing</b>			<u>(207,941)</u>		<u>102,164</u>
<b>(Decrease)/increase in cash in the year</b>	12		<u><u>(207,941)</u></u>		<u><u>102,164</u></u>

# GLEDHOW INVESTMENTS PLC

## Notes to the Financial Statements for the year ended 30 September 2011

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### 1 Accounting policies

#### 1.1 Basis of preparation

The financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards.

#### 1.2 Turnover

Turnover represents the sale proceeds arising from the disposal of investments held for resale, and dividends receivable from such investments held.

#### 1.3 Stock

Stock, representing investments held for resale is valued at the lower of cost and net realisable value.

### 2 Turnover

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

### 3 Operating (loss)/profit

	<i>2011</i>	<i>2010</i>
	£	£
Operating (loss)/profit is stated after charging:		
<b>Audit services</b>		
Fees payable to the company's auditors for the audit of the company's annual accounts	8,000	7,875
<b>Non audit services</b>		
Tax services	1,300	1,170
Other	1,500	1,500
Total auditors' remuneration	<u>10,800</u>	<u>10,545</u>

### 4 Other interest receivable and similar income

	<i>2011</i>	<i>2010</i>
	£	£
Bank interest	<u>-</u>	<u>-</u>

# GLEDHOW INVESTMENTS PLC

## Notes to the Financial Statements for the year ended 30 September 2011

### 5 Taxation

	<i>2011</i>	<i>2010</i>
	<i>£</i>	<i>£</i>
<b>Domestic current year tax</b>		
U.K. corporation tax	–	1,780
<b>Current tax charge</b>	<u>–</u>	<u>1,780</u>
<b>Factors affecting the tax charge for the year</b>		
(Loss)/profit on ordinary activities before taxation	<u>(39,109)</u>	<u>8,470</u>
(Loss)/profit on ordinary activities before taxation multiplied by the small company rate of UK corporation tax of 21% (2010: 21%)	<u>(8,213)</u>	<u>1,780</u>
Effects of:		
Tax losses	8,213	–
	<u>8,213</u>	<u>–</u>
<b>Current tax charge</b>	<u>–</u>	<u>1,780</u>

### 6 Earnings per ordinary share

	<i>2011</i>	<i>2010</i>
Weighted average number of ordinary shares in issue	<u>49,000,000</u>	<u>49,000,000</u>
(Loss)/profit for the year	<u>(39,109)</u>	<u>6,690</u>
Basic (loss)/earnings per share (pence)	<u>(0.08p)</u>	<u>0.014p</u>
Diluted (loss)/earnings per share	<u>(0.08p)</u>	<u>0.014p</u>

There are no potential dilutive shares or share options outstanding and therefore the diluted (loss)/ earnings per share is the same as the basic (loss)/earnings per share.

### 7 Current asset investments

	<i>2011</i>	<i>2010</i>
	<i>£</i>	<i>£</i>
Investments traded on AIM market	137,500	–
Investments traded on PLUS market	64,908	35,230
	<u>202,408</u>	<u>35,230</u>
Market valuation of all quoted investments at 30 September 2011	<u>232,487</u>	<u>66,625</u>

# GLEDHOW INVESTMENTS PLC

## Notes to the Financial Statements for the year ended 30 September 2011

### 8 Creditors: amounts falling due within one year

	2011	2010
	£	£
Corporation tax	–	1,780
Accruals and deferred income	13,132	13,006
	<u>13,132</u>	<u>14,786</u>

### 9 Share capital

	2011	2010
	£	£
<b>Allotted, called up and fully paid</b>		
49,000,000 Ordinary shares of 1p each	<u>490,000</u>	<u>490,000</u>

### 10 Statement of movements on reserves

	<i>Share premium account</i>	<i>Other reserve</i>	<i>Profit and loss account</i>
	£	£	£
Balance at 1 October 2010	71,122	34,874	94,893
Loss for the year	–	–	(39,109)
Balance at 30 September 2011	<u>71,122</u>	<u>34,874</u>	<u>55,784</u>

### 11 Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities

	2011	2010
	£	£
Operating (loss)/profit	(39,109)	8,470
(Increase)/decrease in stocks	(167,178)	95,956
Increase in creditors within one year	126	–
Net cash (outflow)/inflow from operating activities	<u>(206,161)</u>	<u>104,426</u>

### 12 Analysis of movement in net funds

	<i>1 October 2010</i>	<i>Cash flow</i>	<i>30 September 2011</i>
	£	£	£
Net cash:			
Cash at bank and in hand	674,333	(207,941)	466,392
Net funds	<u>674,333</u>	<u>(207,941)</u>	<u>466,392</u>

# GLEDHOW INVESTMENTS PLC

## Notes to the Financial Statements for the year ended 30 September 2011

### 13 Reconciliation of net cash flow to movement in net debt

	2011	2010
	£	£
(Decrease)/increase in cash in the year	(207,941)	102,164
<b>Movement in net funds in the year</b>	<b>(207,941)</b>	<b>102,164</b>
Opening net funds	674,333	572,169
Closing net funds	<u>466,392</u>	<u>674,333</u>

### 14 Reconciliation of movements in shareholders' funds

	2011	2010
	£	£
(Loss)/profit for the financial year	(39,109)	6,690
Net (decrease)/increase in shareholders' funds	(39,109)	6,690
Opening shareholders' funds	690,889	684,199
Closing shareholders' funds	<u>651,780</u>	<u>690,889</u>

### 15 Directors' emoluments

	2011	2010
	£	£
Emoluments for qualifying services	<u>1,000</u>	<u>1,000</u>

### 16 Employees

#### Number of employees

There were no employees during the year apart from the directors and the company secretary.

#### Employment costs

	2011	2010
	£	£
Wages and salaries	10,000	10,000
Social security costs	422	95
	<u>10,422</u>	<u>10,095</u>

### 17 Financial instruments

The Company raises finance through equity issues and places surplus cash on short term deposits, in addition to its principal activity of dealing. The Company has no financial liabilities or borrowing facilities. The main risk associated with the group's financial instruments is market price risk. The policies for managing this risk are kept under review by the directors.

The disclosures below exclude short term debtors and creditors of a trading nature.

#### a) *Interest rate profile of financial assets*

At 30 September 2011 the Company had sterling cash deposits of £466,392 (2010: £674,333), earning variable rates of interest. These cash deposits were established from proceeds from issues of shares and from disposal of current asset investments. The principal purpose of these cash funds is to assist in the development and expansion of the Company's investment activities.

At 30 September 2011 the Company had investments in securities held as trading stock of £202,408 (2010: £35,230).

#### b) *Fair value of financial assets*

The fair value of the Company's trading stock at 30 September 2011 was £232,487 (2010: £66,625) which is £30,079 (2010: £31,395) higher than book value.

The fair value of the Company's other recorded financial assets does not materially differ from their book values.



# GLEDFLOW INVESTMENTS PLC

## Notes to the Financial Statements for the year ended 30 September 2011

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c) *Foreign currency risk*

The Company does not trade overseas.

d) *Financial risk management and treasury policies*

The directors recognise that this is an area in which they may need to develop specific policies should the Company become exposed to wider financial risks as the business develops.

**18 Control**

R B Rowan owns 69.09% of the issued shares. A further 14.29% of the issued shares are owned by Sunvest Corporation Limited, a company listed on the Australian Stock Exchange, which is controlled by R B Rowan.

# GLEDHOW INVESTMENTS PLC

## Notice of Annual General Meeting

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Notice is hereby given that the Annual General Meeting of Gledhow Investments plc (“the Company”) will be held at 3.00 pm on 6 March 2012 at 100 Seymour Place, London W1H 1NE for the following purposes:

### ORDINARY BUSINESS

1. To receive the Directors’ Report and audited financial statements of the Company for the year ended 30 September 2011.
2. To re-elect G. Melamet as a director of the Company.
3. To re-elect R.B. Rowan as director of the Company.
4. To re-appoint UHY Hacker Young LLP as auditors of the Company and to authorise the directors to fix their remuneration.

### SPECIAL BUSINESS

5. To consider and, if thought fit, pass the following resolution which will be proposed as an ordinary resolution:

That the directors be generally and unconditionally authorised under section 551 of the Companies Act 2006 (the Act) to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company on and subject to such terms as the directors may determine up to a total nominal amount of £510,000, such authority shall expire at the conclusion of the next annual general meeting of the Company after the date of the passing of this resolution unless renewed, varied or revoked by the Company in general meeting. The directors shall be entitled, under this authority, to make at any time prior to the expiry of this authority any offer or agreement which would or might require relevant securities to be allotted after the expiry of this authority.

To consider and, if thought fit, pass the following resolutions as special resolutions:

6. That, subject to the passing of resolution 5 in this notice, the directors be empowered under section 570 of the Companies Act 2006 (“the Act”) to allot equity securities (within the meaning of section 560 of the Act) for cash under the authority given by resolution 5 in this notice as if sub-section 561(1) of the Act did not apply to such allotment, provided that this power shall be limited:
  - (a) to the allotment of equity securities in connection with an offer of such securities to holders of ordinary shares where the equity securities for which ordinary shares are respectively entitled to subscribe are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any overseas territory or the requirements of any regulatory body or stock exchange; and
  - (b) to the allotment (otherwise than under sub-paragraph (a) above) of equity securities for cash up to a total nominal value of £510,000;

and shall expire on the date of the next annual general meeting of the Company, or if earlier, 15 months after the date of passing this resolution, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Board may allot equity securities under such offer or agreement as if the power conferred by this resolution had not expired.

7. That the Company be generally and unconditionally authorised to make market purchases within the meaning of section 693(4) of Companies Act 2006 (the Act) of its ordinary shares of 1p each in the capital of the Company (“shares”) on such terms and in such manner as the directors may from time to time determine, provided that:
  - (a) the maximum number of shares authorised to be purchased is 7,350,000 being the number representing 15% of the issued ordinary share capital of the Company at the date of the meeting;
  - (b) the minimum price (exclusive of expenses) which may be paid per share is 1p (being the nominal value per share) and the maximum price which may be paid per share is an amount equal to 20% higher than the average of the middle market quotations per share as derived from PLUS for the fifteen business days immediately preceding the day on which the shares are purchased;

# GLEDDHOW INVESTMENTS PLC

## Notice of Annual General Meeting

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- (c) the authority shall expire at the conclusion of the next annual general meeting of the Company; and
- (d) the Company may make a contract to purchase shares under the authority before the expiry of the authority, and may make a purchase of shares under such contract even though the authority has ended.

By Order of the Board  
Brett Miller  
Secretary

Registered Office:  
39 Cheval Place  
London SW7 1EW

Dated: 19 January 2012

**Notes:**

1. Shareholders, their duly appointed representatives or proxies are entitled to attend, speak and vote at the AGM. A shareholder can appoint the Chairman of the meeting or anyone else as their proxy and their proxy need not be a member of the Company. A shareholder may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to different ordinary shares. To appoint more than one proxy, the proxy form should be photocopied and completed for each proxy holder. The proxy holder's name should be written on the proxy form together with the number of shares in relation to which the proxy is authorised to act. The box on the proxy form must also be ticked to indicate that the proxy instruction is one of multiple instructions being given. All proxy forms must be signed and, to be effective, must be lodged at the registered office of the company not later than 48 hours before the time of the meeting or any adjourned meeting.
2. The return of a completed proxy form will not prevent a shareholder attending the AGM and voting in person if they wish to do so.
3. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, only those members entered on the Company's register of members at 6:00pm on 4 March 2012 or, if the meeting is adjourned, shareholders entered on the Company's register of members at 6:00pm on the day two days before the date of any adjournment shall be entitled to attend and vote at the AGM.

