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**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the course of action to be taken you are recommended to consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser (being, in the case of persons resident in the United Kingdom, a person authorised under the Financial Services and Markets Act, 2000 and, in the case of persons resident in Ireland, a person authorised or exempted under the Investment Intermediaries Act, 1995 or the Stock Exchange Act, 1995 of Ireland who, in either case, specialises in advising on the acquisition of shares or other securities). This document is not for distribution in or into the United States of America, Canada, Australia or Japan.

**This document contains information relating to Fitzwilliam Capital plc (“the Company”) and in particular relating to the proposed placing of 1,086,957 Ordinary Shares in the Company.**

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

It is emphasised that the share capital of Fitzwilliam Capital plc is not listed on any stock exchange. At the date of this document no application has been made for listing on any stock exchange. Application will be made to the London Stock Exchange for the whole of the issued ordinary share capital of the Company to be admitted to trading on AIM. The rules of AIM are less demanding than those of the Official List.

**AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and if appropriate, consultation with an independent financial adviser.**

**London Stock Exchange plc has not itself examined or approved the contents of this document. AIM securities are not admitted to the Official List of the UK Listing Authority.**

**It is expected that dealings in Ordinary Shares will commence on AIM on 2 July 2004.**

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# Fitzwilliam Capital plc

*(Incorporated in England and Wales with registration number 5098197)*

## PLACING

of

**1,086,957 Ordinary Shares of 1p each at 46p per share**

and

**Admission to trading on AIM**

**NOMINATED ADVISER AND BROKER**

**DAVY**

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## SHARE CAPITAL

The following table shows the authorised and issued share capital of the Company immediately following the Placing assuming that the Placing is fully subscribed.

	Authorised		Issued and fully paid	
	Amount	Number	Amount	Number
Ordinary Shares of 1p each	£2,000,000	200,000,000	£84,695	8,469,457

The Placing Shares will rank *pari passu* in all respects with the Existing Ordinary Shares and will rank in full for all dividends or other distributions declared, made or paid on the Ordinary Shares after Admission. It is expected that Admission will take place on 2 July 2004.

Copies of this document will be made available free of charge during normal business hours on any weekday except public holidays at the offices of Fitzwilliam Capital plc, Fourth Floor, 74 Chancery Lane, London WC2A 1AD for a period of one month from the date of Admission. Davy, which is regulated by the Irish Financial Services Regulatory Authority in Ireland and which is a member of the London Stock Exchange, is acting as nominated adviser and broker to Fitzwilliam Capital plc. Davy is not acting for anyone else and will not be responsible to any other person for providing the protection afforded to customers or for providing advice in relation to the contents of this document or the Placing or Admission. Davy's responsibilities as the Company's nominated adviser and broker under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of any decision to acquire shares in the Company in reliance on any part of this document. No representation or warranty, express or implied, is made by Davy as to any of the contents of this document (without limiting the statutory rights of any person to whom this document is issued). Davy will not be offering advice and will not be responsible for providing customer protections to recipients of this document in respect of the acquisition of shares in the Company. Davy has not authorised the contents of any part of, or the issue of, this document for the purpose of Regulation 13(1)(g) of the POS Regulations or otherwise.

Davy has been appointed as nominated adviser and broker to the Company. In accordance with the AIM Rules, Davy has confirmed to the London Stock Exchange that it has satisfied itself that the Directors have received advice and guidance as to the nature of their responsibilities and obligations to ensure compliance by the Company with the AIM Rules and that, in its opinion and the best of its knowledge and belief, all relevant requirements of the AIM Rules have been complied with. No liability whatsoever is accepted by Davy for the accuracy of any information or opinions contained in this document or for the omission of any material information, for which it is not responsible.

**The whole of the text of this document should be read. Fitzwilliam Capital plc is a newly formed company with no existing business record. Investment in Fitzwilliam Capital plc is speculative and involves a degree of risk. Your attention is drawn to the Risk Factors set out in Part 3 of this document.**

**This document does not constitute an offer to sell, or the solicitation of an offer to acquire Placing Shares in any jurisdiction where such offer is unlawful or solicitation is unlawful. The Placing Shares have not been and will not be registered under the United States Securities Act 1933 (as amended) or under the securities laws of Canada (or any province thereof), Japan or Australia and may not be (subject to certain exemptions) be offered, sold or delivered directly or indirectly in or into the United States of America, Canada, Australia or Japan.**

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### FORWARD-LOOKING STATEMENTS

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This document contains forward-looking statements. These statements relate to the Company's future prospects, developments and business strategies.

Forward-looking statements are identified by their use of terms and phrases such as "believe", "could", "envisage", "estimate", "expect", "intend", "may", "plan" "will" or the negative of those, variations or comparable expressions, including references to assumptions.

The forward-looking statements in this document are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements.

Certain risks to and uncertainties for the Company are specifically described in Part 3 of this document headed "Risk Factors". If one or more of these risks or uncertainties materialises, or if underlying assumptions prove incorrect, the Company's actual results may vary materially from those expected, estimated or projected. Given these risks and uncertainties, potential investors should not place any reliance on forward-looking statements.

These forward-looking statements speak only as at the date of this document. Neither the Directors nor the Company undertake any obligation to update forward-looking statements or risk factors other than as required by the AIM Rules or by the rules of any other securities regulatory authority, whether as a result of new information, future events or otherwise.

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## DIRECTORS AND ADVISERS

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**Directors**

Pierce Casey (Chairman)  
Brian Stephens (Finance Director)  
David Kleeman (Director)

all of Fourth Floor, 74 Chancery Lane, London WC2A 1AD.

**Registered Office**

Fourth Floor,  
74 Chancery Lane,  
London WC2A 1AD.

**Secretary**

Matsack UK Limited.

**Nominated Adviser and  
Broker**

Davy,  
Davy House,  
49 Dawson Street,  
Dublin 2,  
Ireland.

**Auditors to the Company  
and Reporting Accountant**

Ernst & Young LLP,  
1 More London Place,  
London SE1 2AF.

**Solicitors to the Company**

Matheson Ormsby Prentice,  
Third Floor,  
Pinnacle House,  
23-26 St Dunstan's Hill,  
London EC3R 8HN.

**Registrar**

Capita Registrars,  
The Registry,  
34, Beckenham Road,  
Beckenham,  
Kent BR3 4TU.

**Principal Bankers**

Allied Irish Bank (GB),  
City Office,  
9/10 Angel Court,  
London EC2R 7AB.

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## DEFINITIONS

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*In this document the following expressions have the following meanings, unless the context otherwise requires or unless it is otherwise specifically provided:*

“Act”	Companies Act 1985 (as amended);
“Admission”	the admission of all the Existing Ordinary Shares (and the Placing Shares) to trading on AIM, becoming effective in accordance with the AIM Rules, expected to occur on 2 July 2004;
“AIM”	the market of that name operated by the London Stock Exchange;
“Admission Document”	this document;
“AIM Rules”	the rules for AIM companies and their nominated advisors issued by the London Stock Exchange in relation to AIM traded securities;
“Articles”	the articles of association of the Company;
“City Code”	the City Code on Takeovers and Mergers;
“Combined Code”	The Code of Best Practice, including the principles of good governance, which is in force under the Listing Rules of the UK Listing Authority in respect of the relevant accounting period;
“Concert Party”	the persons deemed to be acting in concert for the purposes of the City Code, as set out in paragraph 4(g) of Part 4 of this document;
“CREST”	the relevant system (as defined in the Uncertified Securities Regulations 2001) in respect of which CRESTCo is the operator (as defined in those Regulations);
“Davy”	J&E Davy, (trading as Davy);
“Directors” or “the Board”	the directors of Fitzwilliam Capital whose names are set out on page 3;
“EIS”	Enterprise Investment Scheme;
“Enlarged Issued Ordinary Share Capital”	8,469,457 Ordinary Shares in issue following the placing (assuming full subscription);
“Engagement Letters”	letter of engagement dated 18 June 2004 in respect of the provision of services by Adelaide Capital Corp Limited to the Company and a letter of engagement dated 21 June 2004 with Daman Financial Services Limited, also in respect of the provision of services to the Company;
“Existing Ordinary Shares”	the 7,382,500 existing issued Ordinary Shares in the capital of the Company as at the date of this document;
“Fitzwilliam Capital ” or “the Company”	Fitzwilliam Capital plc;
“Ireland” and “Republic of Ireland”	the island of Ireland, save for Northern Ireland;
“London Stock Exchange”	London Stock Exchange plc;

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“Model Code”	the Code of Dealing imposed on directors and certain employees of listed companies contained in an appendix to the Listing Rules of the UK Listing Authority;
“Official List”	the Official List maintained by the UK Listing Authority;
“Ordinary Shares”	ordinary shares of 1p each in the capital of the Company;
“Placing”	the conditional placing of the Placing Shares at the Placing Price;
“Placees”	those who subscribe for the Placing Shares;
“Placing Price”	46p per Placing Share;
“Placing Shares”	1,086,957 Ordinary Shares which are the subject of the Placing;
“POS Regulations”	the Public Offer of Securities Regulations 1995, as amended;
“Regulations”	Uncertified Securities Regulations 2001;
“Shareholders”	holders of Ordinary Shares;
“subsidiary”	has the meaning ascribed to it by Section 736 of the Companies Act 1985;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“UK Listing Authority”	the Financial Services Authority, acting in its capacity as the competent authority for the purposes of Part IV of the Financial Services and Markets Act, 2000;
“uncertificated” or “in uncertificated form”	a share recorded on a company’s share register as being held in uncertificated form in CREST, and title to which, by virtue of the Regulations, may be transferred by means of CREST; and
“Warrant Instrument”	the warrant instrument created by the Company on 25 June 2004 in respect of 175,000 Ordinary Shares in favour of Davy.

**Notes:**

*All references in this document to money are to denominations of Sterling currency except where otherwise stated. In this document references to a person include references to a firm and body corporate, the singular includes the plural, the masculine includes the feminine and neutral genders and vice versa, in each case unless the context otherwise requires. Unless otherwise stated, all references to legislation in this document refer to the laws of the United Kingdom.*

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## **Placing Statistics**

Placing Price	46p
Number of Ordinary Shares being placed	1,086,957
Number of Ordinary Shares in issue following the Placing	8,469,457
Percentage of Enlarged Issued Ordinary Share Capital being placed	12.8%
Total proceeds of the Placing	£500,000
Net proceeds of the Placing (after expenses)	£415,000
Market capitalisation at the Placing Price <sup>(1)</sup>	£3.9 million

*Notes;*

- 1. Market Capitalisation has been calculated based on the number of Ordinary Shares in issue following the Placing at the Placing Price.*
- 2. The above statistics assume that the Placing is fully subscribed*

## **Expected Timetable of Principal Events**

Admission effective and dealings expected to commence on AIM	2 July, 2004
CREST accounts credited	2 July, 2004
Despatch of definitive share certificates	by 9 July, 2004

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## PART 1 – INFORMATION ON THE COMPANY

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### BACKGROUND

Fitzwilliam Capital is a newly incorporated company, formed to make one or more acquisitions. In considering potential acquisition targets the Directors will focus on businesses offering high returns and substantial capital growth. At the date of Admission, the Company will have no trading business. The Directors believe that in the current environment Fitzwilliam Capital will be able to identify appropriate acquisition opportunities.

### BUSINESS AND STRATEGY

The Directors believe that current market conditions are well suited to the establishment of a focused investment vehicle with a view to creating a large, single industry group through both acquisition and organic growth. The Directors also believe that current market conditions combine strong investor demand for companies with a proven management record, and abundant opportunities to acquire sound, growth businesses at reasonable prices. The Company's search for acquisitions will focus on opportunities available from three sources:

- private equity industry: following three years of low activity in the IPO markets (by historical standards) and a relative paucity of trade buyers, the Directors believe that private equity firms currently have many attractive businesses available for sale. In this context the Company would be prepared to consider an acquisition structured as an accelerated IPO;
- corporate divestment: the Directors believe that as a result of the accelerating move to a focus on their core businesses many medium and large public companies continue to divest non-core operations offering attractive opportunities; and
- family businesses: the Directors believe that following the recent upturn in investment sentiment the scale of activity in family business disposals at reasonable prices appears to be increasing.

The Company will seek to invest in a company or business, which the Directors consider to have:

- an experienced and professional management team;
- an identified growing market; and
- expansion potential.

The Company's acquisition search will be directed towards the services sector in the UK and Europe, with an initial focus on information technology service businesses excluding the distribution of IT products.

The Directors believe that their backgrounds in private equity, corporate finance and operational management affords the Company the opportunity to access and assess suitable investment targets. Potential acquisitions will be identified through the Directors' own research and from external sources. The investment process will consist of initial internal due diligence to be followed by a detailed heads of terms before incurring any substantial external due diligence costs. In addition the Company will generally seek to avoid lengthy, auction type situations.

It is likely that acquisitions will be funded from the Company's own resources and by a combination of new equity and debt as appropriate. Prior shareholder approval will be sought for any acquisition that constitutes a reverse takeover within the meaning of the AIM Rules.

In the event that an acquisition is not made within the period of 24 months following Admission, a resolution to continue the Company will be put to shareholders. This resolution will require approval of 75% (by value) of the shareholders voting (whether in person or by proxy) at the relevant shareholders meeting.

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## **REASONS FOR THE PLACING AND ADMISSION TO AIM**

The Company requires capital to fund initial due diligence and other expenses associated with identifying acquisition opportunities and where appropriate to finance an acquisition of a business or businesses when it identifies a suitable opportunity or opportunities. The Directors believe that the associated benefits of the Placing and Admission include:

**(i) Corporate Profile**

The Directors believe that the performance of any company acquired will benefit from the perceived status and stature of being part of a publicly traded entity, which will help enhance its status with potential customers and suppliers.

**(ii) Access to capital markets**

The Directors believe that capital of publicly traded companies carries a lower cost and is more freely available than that of private companies not quoted on an exchange or trading facility.

**(iii) Acquisition currency**

The Directors believe that the issue of publicly traded shares as consideration may be more attractive to potential vendors of businesses than the issue of non-publicly traded shares.

**(iv) Incentivising key staff**

The Directors believe that the acquisition and retention of key staff, which is fundamental to its prospects of success, once any acquisition has been identified, will be enhanced through, where appropriate, service contracts, bonus entitlements and share option schemes.

## **FUTURE PROSPECTS**

The future prospects of Fitzwilliam Capital will be dependent upon, among other things, the quality of acquisition opportunities. Since the Company is newly formed and has no trading history and no specific acquisition or acquisitions have yet been identified, it is not possible to evaluate its prospects at this stage.

## **DIVIDEND POLICY**

The Company has not yet commenced trading nor has it identified a suitable acquisition target and it is therefore inappropriate at this stage to make a forecast of the likely level of any future dividends. However when it becomes commercially prudent to make dividend payments, the Directors intend to do so.

## **CREST**

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by way of a written instrument. The Directors have arranged for the Ordinary Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in Ordinary Shares following Admission will take place within the CREST system if the relevant Shareholder so wishes. The Articles provide for the transfer of shares in dematerialised form in CREST. CREST is a voluntary system and Shareholders who wish to receive and/or retain share certificates may do so.

Notwithstanding the election by Placees as to the form of delivery of the Placing Shares, the Placing shares will be in registered form and no temporary documents of title will be issued. All documents or remittances sent by or to a Placee, or as they may direct, will be sent through the post at the Placees risk.

## **MANAGEMENT & DIRECTORS**

The Board, which is comprised of the three Directors, is multi-disciplined with extensive experience in the development, acquisition and management of businesses. Once a suitable acquisition has been identified it is intended to appoint a chief executive with relevant market experience. Details of the Directors are as follows:

**Pierce Casey, age 49 – Chairman**

Pierce Casey, a Chartered Accountant, is an entrepreneur and private equity specialist who has been a founder of several successful businesses in the UK and Europe since 1989. He is chairman of Fayrewood plc and Imprint Search and Selection plc, both of which are traded on AIM, and is chairman of the supervisory board of Computerlinks AG, which is quoted on the main market in Frankfurt. He is a director of Alchemy Venture Partners Limited, as well as of several public and private companies across Europe.

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**Brian Stephens**, age 48 – Finance Director

Brian Stephens qualified as a Chartered Accountant with KPMG and is an economics graduate. He has wide-ranging experience in private equity and mergers and acquisitions. He is a director of both Alchemy Venture Partners Limited and Adelaide Capital Corp Limited and was previously a director of NCB Corporate Finance. He spent six years with Allied Irish Banks Private Equity arm in Dublin and London.

**David Kleeman**, age 61 - Director

David Kleeman is a solicitor and spent 17 years in practice, specialising in corporate finance. Since 1985, he has been a professional investor and has provided funding to a number of companies in service related industries. He has held consultancies and directorships in both public and private companies and has held several Government appointments – as chairman of a Health Authority, a Board Member and later Deputy Chairman of NHS Logistics, and as a Board Member of the Housing Corporation.

#### **DETAILS OF THE PLACING**

Under the Placing, Davy is seeking to place 1,086,957 Ordinary Shares on behalf of the Company at 46p per share, to raise approximately £500,000 before expenses. The net proceeds after deducting the expenses of the Placing and of Admission are estimated to be £415,000. The net proceeds will be placed on deposit and will be used to fund initial due diligence and other expenses associated with identifying acquisition opportunities. The Placing Shares represent approximately 12.8% of the enlarged issued share capital of the Company. At the Placing Price the Company will have a market capitalisation of approximately £3.9 million in the event that the Placing is fully subscribed.

CREST accounts will be credited with Placing Shares on 2 July 2004, and definitive certificates in respect of Placing Shares will be despatched to Placees by 9 July 2004. The Placing Shares will be issued credited as fully paid and will, on issue, rank *pari passu* with the Existing Ordinary Shares.

On Admission, the Directors will be interested in, in aggregate, 4,177,500 Ordinary Shares, representing 49.3% of the Enlarged Issued Ordinary Share Capital (assuming the Placing is fully subscribed). Details of these shareholdings are set out in paragraph 4(e) of Part 4 of this document.

The Directors have undertaken, subject to certain exceptions, not to dispose of any interest in the Ordinary Shares held immediately following Admission for a period of eighteen months from the date of Admission (other than 37,500 Ordinary Shares issued on 30 April 2004 which are subject to a twelve month lock-in from the date of Admission). Further details of the lock-in agreements are set out in paragraph 8 of Part 4 of this document. In addition, all persons, other than the Directors, who were Shareholders immediately prior to the Placing have agreed not to dispose of any interest in the Ordinary Shares for a period of not less than twelve months from the date of Admission.

The Placing, which is not underwritten, is conditional upon the Admission of the Ordinary Shares to trading on AIM becoming effective by 2 July, 2004, or such later date as the Company may decide. There is no minimum number of shares which must be taken up under the Placing.

#### **CORPORATE GOVERNANCE**

The Directors intend to develop appropriate measures (having regard to the current stage of development of the Company), to comply so far as is practicable with the Combined Code, as applicable to listed companies and set out in the Listing Rules of the UK Listing Authority.

The Company has formally adopted the Model Code governing Directors' share dealings as applicable to AIM companies and will take all reasonable steps to ensure compliance by Directors and relevant employees.

#### **SHAREHOLDER INFORMATION**

The Company's annual report and accounts will be prepared up to 30 June each year and an unaudited interim report will be prepared covering the six months to 31 December each year. The first annual report and accounts of the Company will cover the financial period to 30 June 2005, with the first unaudited interims to 31 December 2004. The Accountants Report on pages 11 to 13 covers the period from incorporation to 30 April 2004.

#### **UK TAXATION**

Information on taxation in relation to the Placing is set out in the paragraph entitled "UK Taxation" on pages 22 and 23 of this document. All information in relation to taxation in this document is intended only as a general guide to the current United Kingdom tax position. If you are in any doubt as to your own tax position, or are subject to tax in a jurisdiction other than the United Kingdom, you should consult your own independent professional advisor immediately.

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## **ADMISSION, SETTLEMENT AND DEALINGS**

Application has been made to the London Stock Exchange for the Existing Ordinary Shares and the Placing Shares to be admitted to trading on AIM. It is expected that Admission will take place, and that dealings on AIM in the Ordinary Shares will commence on 2 July 2004.

## **THE CITY CODE ON TAKEOVERS AND MERGERS**

Under Rule 9 of the City Code, when (i) any person acquires shares which, when taken together with shares held by him or shares held or acquired by persons acting in concert with him, carry 30 per cent or more of the voting rights of a company subject to the City Code or (ii) any person who, together with persons acting in concert with him, holds shares carrying not less than 30 per cent but not more than 50 per cent of the voting rights of a company subject to the City Code and such person, or any person acting in concert with him, acquires any further shares carrying voting rights, that person is normally obliged to make a general offer to all remaining shareholders to purchase their shares at the highest price paid by him, or any person acting in concert with him, within the preceding 12 months.

Under the City Code the Directors are deemed to represent together a concert party. On Admission, the maximum number of Ordinary Shares that will be held by the Concert Party will be 4,177,500. Further details in relation to the Concert Party and the Placing are set out in paragraph 4(g) of Part 4 of this document.

On Admission and assuming the Placing is fully subscribed, the Concert Party will hold a maximum of 49.3% per cent of the voting rights of the Company. For so long as the aggregate holding of the Concert Party carries more than 30 per cent and less than 50 per cent of the total voting rights of the Company, and for so long as they remain in concert, acquisitions of shares by any member thereof which result in an increase in their percentage voting rights may result in the Concert Party or members thereof being obliged to make a general offer to all remaining Shareholders to purchase their shares at the highest price paid by any member of the Concert Party within the preceding twelve months.

If the Placing raises less than £447,350, the Ordinary Shares held by the Concert Party will carry in excess of 50 per cent of the total voting rights of the Company. Members of the Concert Party would in such circumstances and for so long as they remain in concert, be able to acquire further Ordinary Shares without incurring any obligation to make a general offer, provided that neither individually nor as part of a concert party other than the Concert Party no member comes to hold 30 per cent or more of the voting rights of the Company.

## **RISK FACTORS**

**The AIM market is designed primarily for emerging or smaller companies to which a higher investment risk than that associated with larger or more established companies tends to be attached. AIM securities are not officially listed. A prospective investor should be aware of the potential risks of investing in such companies and should make the decision to invest only after careful consideration and if appropriate, consultation with an independent financial adviser being, in the case of persons resident in the United Kingdom, a person authorised under the Financial Services and Markets Act, 2000 and, in the case of persons resident in Ireland, a person authorised or exempted under the Investment Intermediaries Act, 1995 of Ireland or the Stock Exchange Act, 1995 of Ireland, who specialises in advising on the acquisition of shares and securities.**

**Fitzwilliam Capital is a newly formed company with no existing business record. Investment in Fitzwilliam Capital is speculative and involves a degree of risk. Your attention is drawn to the Risk Factors set out in Part 3 of this document.**

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## PART 2 – ACCOUNTANTS REPORT ON FITZWILLIAM CAPITAL

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The Directors  
Fitzwilliam Capital plc  
Fourth Floor  
74 Chancery Lane  
London  
WC2A 1AD

Ernst & Young LLP  
1 More London Place  
London SE1 2AF

The Directors  
Davy  
Davy House  
49 Dawson Street  
Dublin

28 June 2004

Dear Sirs

### **1. Introduction**

We report in connection with the application by Fitzwilliam Capital plc (“Fitzwilliam Capital”) for its share capital to be admitted to the Alternative Investment Market of the London Stock Exchange (“AIM”) referred to in the Admission Document dated 28 June 2004. Fitzwilliam Capital was incorporated in the United Kingdom on 7 April 2004 with company registration number 5098197. Other than entering into agreements to pay certain expenses and costs in respect of the proposed Admission Document, Fitzwilliam Capital has not traded nor has it compiled any accounts for presentation to its members, nor declared or paid dividends since incorporation.

### **Basis of preparation**

The financial information set out in notes 2 to 3 below is based on the financial statements of Fitzwilliam Capital for the period from 7 April 2004 (date of incorporation) to 30 April 2004, to which no adjustments were considered necessary.

The financial statements of Fitzwilliam Capital for the period from 7 April 2004 to 30 April 2004 were prepared for the purpose of the Admission Document.

### **Responsibility**

Such financial statements are the responsibility of the directors of Fitzwilliam Capital who approved their issue. The directors of Fitzwilliam Capital are responsible for the contents of the Admission Document dated 28 June 2004 in which this report is included. It is our responsibility to compile the financial information set out in our report from the financial statements, to form an opinion on the financial information, and to report our opinion to you.

### **Basis of opinion**

We conducted our work in accordance with the Statements of Investment Circular Reporting Standards issued by the Auditing Practices Board. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. The evidence included that recorded by the auditors who audited the financial statements underlying the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate to the entity’s circumstances, consistently applied and adequately disclosed.

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

### **Opinion**

In our opinion, the financial information gives, for the purposes of the Admission Document dated 28 June 2004, a true and fair view of the state of affairs of Fitzwilliam Capital as at the date stated.

### **Consent**

We consent to the inclusion in the Admission Document dated 28 June 2004 of this report and accept responsibility for this report for the purposes of paragraph 45(1)(b)(iii) of Schedule 1 to the Public Offers of Securities Regulations 1995.

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## 2. Balance Sheet

	Note	At 30 April 2004 £
<b>Current assets</b>		
Cash at bank		1,053,000
Net current assets, being net assets		<u>1,053,000</u>
<b>Capital and reserves</b>		
Called up share capital	(3)	73,825
Share premium	(4)	979,175
Equity shareholders' funds		<u>1,053,000</u>

## 3. Notes to the Financial Information

### (1) Accounting convention

The financial information set out in this report has been prepared under the historical cost convention and in accordance with applicable accounting standards generally accepted in the United Kingdom.

### (2) History

The Company was incorporated with the name Fitzwilliam Capital plc on 7 April 2004. It has not traded and no dividends have been declared or paid. Accordingly, no profit and loss account and no statement of recognised gains and losses is presented.

### (3) Share capital

<i>Authorised</i>	At 30 April 2004 £
200,000,000 ordinary shares of 1p each	2,000,000
	<u>2,000,000</u>
<i>Allotted, called up and fully paid</i>	At 30 April 2004 £
7,382,500 ordinary shares of 1p each	73,825
	<u>73,825</u>

On 7 April 2004, two subscriber shares of 1p each were issued at par credited as fully paid.

On 19 April 2004, 4,999,998 ordinary shares of 1p each were issued at 2p per share credited as fully paid.

On 30 April 2004, 2,382,500 ordinary shares of 1p each were issued at 40p per share credited as fully paid.

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(4) **Reconciliation of shareholders' funds**

	Share capital £	Share premium account £	Total Shareholders' funds £
At 7 April 2004		-	-
Issue of 2 ordinary shares at 1p per share		-	-
Issue of 4,999,998 ordinary shares at 2p per share	50,000	50,000	100,000
Issue of 2,382,500 ordinary shares at 40p per share	23,825	929,175	953,000
At 30 April 2004	<u>73,825</u>	<u>979,175</u>	<u>1,053,000</u>

Yours faithfully

Ernst & Young LLP

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## PART 3 – RISK FACTORS

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An investment in Fitzwilliam Capital plc is speculative and is subject to a number of risks. The following specific factors should be carefully considered, in addition to all other information set out in this document, in evaluating whether to make an investment in the Company as these factors may affect the returns, which will be obtained from such an investment. If you are in doubt about any action you should take, you should consult, in the case of persons resident in the United Kingdom, a person authorised under the Financial Services and Markets Act 2000 or in the case of persons resident in Ireland, a person authorised or exempted under the Investment Intermediaries Act, 1995 or Stock Exchange Act, 1995 of Ireland who specialises in advising on the acquisition of shares and securities.

- Potential investors should be aware that the value of shares can rise or fall and that investment in a share that is traded on AIM may be less realisable and carry a higher risk than investment in a share listed on the Official List. An investment in Ordinary Shares may be difficult to realise. Prospective investors should be aware that the value of the Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may therefore realise less than, or lose all of, their investment.
- A prospective investor should consider with care whether an investment in the Company is suitable for him in light of his personal circumstances and the financial resources available to him.
- Potential investors should be aware that investing in the Company carries the risk of losing all the money they invest.
- As the Company has not yet commenced operations, nor identified any specific acquisition at the date of this document, there is no trading history on which to base any judgement of the future prospects of the Company.
- The market value of the Ordinary Shares following Admission may not necessarily reflect the underlying net asset value of the Company.
- The Company may need to raise additional funds in the future to ensure future growth and expansion and to make any acquisitions. Any equity offerings to new investors could result in dilution for existing Shareholders. Furthermore, there can be no guarantee or assurance that additional funds can be raised when necessary.
- The Company's future success is substantially dependent on its Directors and the loss of one individual could adversely affect the future of the Company's business. Additionally, the Company may find difficulty in recruiting personnel with appropriate skills, which may be essential to the development of the Company's business.

The Directors also draw your attention to the following specific risk factors associated with an investment of the type described in this document:

- There can be no guarantee that Fitzwilliam Capital will successfully acquire any business meeting the objectives for which it has been established and outlined in this document. Fitzwilliam Capital may be unable to complete an acquisition having expended resources on an identified opportunity. The ability of the Directors to make an appropriate acquisition is dependent upon suitable opportunities becoming available to the Company.
- The Company's strategy carries inherent risks and there can be no guarantee that any appreciation in the value of an acquired business will occur or that the objectives of the Company will be achieved. For example an acquired business may experience trading difficulties after acquisition by the Company or may not be able to improve its performance to the level the Board anticipated; or the Company may not be able to conduct a full investigation of the acquired business prior to acquisition and previously undisclosed underperformance or other adverse matters may only come to light after acquisition; or the Company may not be able to achieve the intended valuation or exit route from an acquired business.

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- The successful realisation of value through the sale or otherwise of the whole or part of any acquired business will depend on a number of factors and there can be no guarantee that these factors will allow the Company realise such value when the Directors consider it appropriate.
  - Although the Company may utilise new Ordinary Shares to satisfy all or part of the consideration payable for the potential acquisition, potential vendors may not be prepared to accept shares traded on AIM.
  - As the Directors have no specific acquisition target in mind as at the date of this document, the funds raised in the Placing may be insufficient to fund any cash consideration, which might be required to complete such an acquisition. It may therefore be necessary for the Company to raise further funds in the future, which may be by way of issue of further Ordinary Shares on a non pre-emptive basis, subject always to provisions of the Companies Acts of England and Wales. In addition, failure to obtain any such further financing could delay the Company's growth plans and have an adverse effect on its business.
  - Admission of the Ordinary Shares to trading on AIM should not be taken as implying a liquid market in the Ordinary Shares.
  - Investors should note that none of the Directors are in any way limited, by way of their involvement with Fitzwilliam Capital, from acting in the management or conduct of the affairs of any other company.
  - The Company will focus on an initial acquisition and other ancillary acquisitions in related areas, which means that it will be exposed to a particular business sector and possibly a specific geographic location. The intended strategy does not envisage a spread of businesses that would mitigate risk.
  - The Company's performance may be affected by changes in economic or market conditions and in legal, regulatory and taxation requirements.

**The list of risk factors set out above is not exhaustive and does not necessarily comprise all those associated with an investment in the Company.**

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## PART 4 - ADDITIONAL INFORMATION

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### 1. THE COMPANY

The Company was incorporated in England and Wales on 7 April 2004 as a public company with limited liability under the Act, under the name Fitzwilliam Capital plc and with registered number 5098197. The Company obtained a certificate of trading under section 117 of the Act entitling it to do business and borrow on 23 April 2004.

### 2. PRINCIPAL ACTIVITIES

Fitzwilliam Capital is a newly incorporated company. The Company has been formed with a view to making acquisitions. At the date of Admission, the Company will have no trading business.

### 3. SHARE CAPITAL

- (a) On incorporation the authorised share capital was £2,000,000 divided into 200,000,000 Ordinary Shares of 1p each, of which two ordinary shares were issued at par fully paid up to the subscribers.
- (b) On 19 April 2004, 4,999,998 Ordinary Shares of 1p each were issued at 2p per share. These shares are subject to an eighteen month lock in period following the date of Admission.
- (c) On 30 April 2004, 2,382,500 Ordinary Shares were issued at 40p per share. These new shares are subject to a lock-in period ending twelve months following the date of Admission details of which are set out in paragraph 8 of this Part 4.
- (d) By a resolution dated 25 June 2004 the Company created the Warrant Instrument. The Company has granted to Davy a warrant in respect of 175,000 Ordinary Shares, which will be exercisable at 40p per share at any time within two years following Admission. There is a provision for the adjustment of the subscription price and number of warrants on the occurrence of a consolidation, sub-division, capitalisation or capital distribution.
- (e) The authorised and issued share capital of Fitzwilliam Capital as at the close of business on 25 June 2004 (being the latest practicable date prior to the publication of this document) and as it will be immediately following Admission (assuming the Placing is fully subscribed) is as follows:

	<i>Authorised</i>		<i>Issued and Fully Paid</i>	
	<i>Number</i>	<i>Amount</i>	<i>Number</i>	<i>Amount</i>
		£		£
<i>Before Admission</i>				
Ordinary Shares	200,000,000	2,000,000	7,382,500	73,825
<i>After Admission</i>				
Ordinary Shares	200,000,000	2,000,000	8,469,457	84,695

- (f) The Existing Ordinary Shares are, and the Placing Shares will be, in registered form and the Existing Ordinary Shares are, and the Placing Shares will be, capable of being held in certificated or uncertificated form in CREST. Application has been made to AIM for all of the Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and dealings will commence on 2 July 2004.

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#### 4. DIRECTORS' OTHER INTERESTS

- (a) The Directors have held the following directorships and/or been partners in the following partnerships within the five years prior to the date of this document:

##### **Pierce Casey**

###### *Directorships/Partnerships*

###### *Current*

Adelaide Capital Corp Limited  
Adelaide Capital Corp Nominees Limited  
Alchemy Venture Partners Limited  
Artemis Momentum Fund Limited  
Banque Magnetique SA  
Century Car Rental Limited  
Ennismore European Smaller Companies Hedge Fund Limited  
ComputerLinks AG  
Fayrewood plc  
Imprint Search & Selection plc  
Lamont Holdings plc  
Oakhill Group plc  
UMD SA

###### *Within the past five years*

Alpha Media SA  
Apax Partners & Co Ventures (Ireland) Limited  
Asset and Leasing Finance Limited  
ECF Communications Limited  
ECF Development Capital Limited  
ECF Franchising Limited  
ECF Holdings Limited  
Equity and Corporate Finance Limited  
Expotus plc  
Fayrewood Holdings Limited  
Interface Solutions International Limited  
Mitsis Limited

##### **Brian Stephens**

###### *Directorships/Partnerships*

###### *Current*

Adelaide Capital Corp Limited  
Adelaide Capital Corp Nominees Limited  
Alchemy Venture Partners Limited  
Brian Stephens & Company Limited

###### *Within the past five years*

None

##### **David Kleeman**

###### *Directorships/Partnerships*

###### *Current*

Audient Limited  
CCR Data Limited  
ComputerLinks AG  
Daman Financial Services Limited  
Expotus plc  
Fayrewood plc  
JPL Portfolio Management Limited  
Michelangelo Recruitment Services Limited  
Michelangelo Search Limited  
The Stag & Huntsman Inn Limited  
Vitae Search Limited  
Zycko Limited

###### *Within the past five years*

British Liver Trust  
DPA Investments plc  
Jakar International Limited  
Maine Tucker Recruitment Limited  
Sauce Organics plc  
Square Mile News plc

- (b) Century Car Rental Limited, a company of which Pierce Casey is a non executive director, is presently in administration. Lamont Holdings plc, a company of which Pierce Casey is a non executive director, is in receivership. Pierce Casey was also a non executive director of The Hall of Names Limited within a year of its formal liquidation. The liquidator's report makes no adverse comment with regard to Mr Casey's directorship.
- (c) Save, as disclosed in (b) above, no Director:
- (i) has any unspent conviction in relation to indictable offences; or

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- (ii) has had any bankruptcy order made against him or entered into any individual voluntary arrangement; or
  - (iii) has been a director of any company placed in receivership, compulsory liquidation, creditors voluntary liquidation, administration, or which has entered into any company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors of any company where such person was a director with an executive function at the time of or within the 12 months preceding such events; or
  - (iv) has been a partner of any partnership which has been put into compulsory liquidation, administration or entered into partnership voluntary arrangements at the time of or within the 12 months preceding such events; or
  - (v) has been involved in receivership of any of his assets or of a partnership of which he was a partner at the time of or within 12 months preceding such events; or
  - (vi) has been publicly criticised by statutory or regulatory authorities (including recognised professional bodies) nor has such Director 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.
- (d) The Company has not entered into any service agreements directly with the Directors.
- (e) The interests of the Directors (including the interests of their spouses and infant children and the interests of any persons connected with them within the meaning of section 346 of the Act), all of which are beneficial, in the issued share capital of the Company which have been notified to the Company pursuant to Section 324 to 328 of the Act, as at 25 June 2004 (being the latest practicable date prior to the publication of this document) and as they are expected to be immediately following completion of the Placing (assuming the Placing is fully Subscribed) are as follows:

<i>Directors</i>	<i>Number of Ordinary Shares held before Placing</i>	<i>Percentage of Ordinary Share capital held before Placing</i>	<i>Number of Ordinary Shares held following Placing</i>	<i>Percentage of Ordinary Shares held following Placing</i>
Pierce Casey	3,890,000	52.7%	3,890,000	45.9%
Brian Stephens	187,500	2.5%	187,500	2.2%
David Kleeman	100,000	1.4%	100,000	1.2%

- (f) As at the close of business on 25 June 2004, being the latest practicable date prior to the publication of this document, none of the Directors (nor any person connected with any of them) had options over the Company's ordinary share capital.
- (g) The following persons are deemed to be acting in concert for the purposes of the City Code and assuming the Placing is fully subscribed, will hold Ordinary Shares in the Company on Admission as follows:

<i>Directors</i>	<i>Number of Ordinary Shares following Placing</i>	<i>Percentage of voting shares following Placing</i>
Pierce Casey	3,890,000	45.9%
Brian Stephens	187,500	2.2%
David Kleeman	100,000	1.2%

- (h) Save as disclosed herein, no Director (or member of his family) has any interest, beneficial or non-beneficial in the share capital of the Company.
- (i) No Director has, or has had, any interest in any transaction, which is or was unusual in its nature or conditions or significant to the business of the Company and which was effected by any member of the Company either during

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the current or immediately preceding financial year or during an earlier financial year and which remains in any respect outstanding or unperformed.

- (j) As at the date of this document, there are no outstanding loans granted by any member of the Company to any of the Directors, nor has any guarantee been provided by any member of the Company for the benefit of any Director.
- (k) (i) As at 25 June, 2004 being the latest practicable date prior to the publication of this document, the holdings (other than holdings of Directors) of which the Directors are aware that amount to 3% or more of the existing issued ordinary share capital of the Company or will amount to 3% or more of the Enlarged Issued Ordinary Share Capital immediately following Admission are as follows:

	Number of Ordinary Shares held before Placing	Percentage of Ordinary Share capital held before Placing	Number of Ordinary Shares held following Placing	Percentage of Ordinary Shares held following Placing
Gina Houston	625,000	8.5%	625,000	7.4%
Lansdowne Holdings Limited	500,000	6.8%	500,000	5.9%
Wavalude Limited	350,000	4.7%	350,000	4.1%
The Bank of New York (Nominees) Ltd	250,000	3.4%	250,000	3.0%
Davycrest Nominees Ltd	250,000	3.4%	956,522	11.3%

- (ii) Save as disclosed in paragraph (e) and sub-paragraph (k)(i) above, the Company is not aware of any shareholding representing, directly or indirectly, 3% or more of the ordinary share capital, or which will represent 3% or more of the Enlarged Issued Ordinary Share capital of the Company immediately following Admission, nor is it aware of any person who directly or indirectly, jointly or separately, exercises or could exercise control over the Company.
- (l) The Directors have undertaken that they will not dispose of any beneficial interests in any Ordinary Shares held by them for 18 months following the date of admission to AIM (other than 37,500 Ordinary Shares issued on 30 April 2004 which are subject to a twelve month lock-in from admission).

## 7. MEMORANDUM AND ARTICLES OF ASSOCIATION

The principal objects of the Company are to purchase, acquire or invest in such businesses, real estate, securities and stocks as are deemed fit, generally to manage such investments and to carry on the business of a holding company. The objects of the Company are set out in full in clause 4 of the Memorandum of Association.

The existing Articles of Association of the Company contain provisions, *inter alia*, to the following effect:

### (a) Share Capital

The Company may, by ordinary resolution, alter its share capital and issue shares to increase its share capital. The Company may, by special resolution, reduce its share capital or any capital redemption reserve or share premium amount in any manner prescribed by the Act.

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, and subject to the provisions of the Act and of the Articles, any shares may be issued with such preferential, deferred, qualified or other special rights, privileges or conditions, whether in regard to dividend, voting, return of capital or otherwise (including, but without prejudice to the generality of the foregoing, and subject to the provisions of the Act, shares which are to be redeemed or are liable to be redeemed at the option of the Company or the holders) as the Company may from time to time in general meeting determine or, if the Company does not so determine, as the Board may determine.

Directors are empowered to allot equity securities for cash without further formality as if section 89(1) of the Act did not apply to any such allotment provided that such power should be limited to the allotment of

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such a number of equity securities as is the equivalent of 25% of the entire issued share capital of the Company immediately after such allotment and no equity security shall be issued at a price which is discounted by more than 10% to the market price.

(b) Purchase of Own Shares

The Company may purchase any of its shares subject to the provisions of and to the extent permitted by the Act.

(c) Dividends

Subject to the provisions of the Act, the Company may declare dividends in general meeting, but no dividend shall exceed the amount recommended by the Board. Subject to the aforesaid, the Board may pay such interim dividends as appear to be justified by the profits of the Company available for distribution. Should at any time the share capital of the Company be divided into different classes the Board may pay such interim dividends in respect of those shares which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend but no interim dividend shall be paid on shares carrying deferred or non-preferential rights if at the time of payment any preferential dividend is in arrear. There is no fixed date on which an entitlement to dividend arises.

Subject to the rights of those entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid. No amount paid up on a share in advance of calls may be treated as paid up on the share.

(d) Voting

Votes at general meetings may be given either personally or by proxy. Subject to any rights or restrictions attached to any class of shares, on a show of hands, every person present who is either a member entitled to vote in his own right or a duly authorised representative of a corporation shall have one vote, and on a poll, every member who is present in person or by proxy shall have one vote per share.

(e) Transfer of shares

Any member may transfer all or any of his shares (i) in the case of certificated shares, by instrument, in writing in any usual or common form, or in such other form as the Board shall from time to time approve and (ii) in the case of uncertificated shares, in accordance with and subject to the Regulations and the facilities and requirements of the relevant scheme concerned. The Board may at any time after the allotment of any share but before any person has been entered in the members' register as the holder thereof recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Board may think fit to impose. Save as referred to below, the Articles contain no restrictions on the free transferability of fully paid shares provided that the transfer is in respect of only one class of share and is accompanied by the share certificate and any other evidence of title required by the Directors and that the provisions in the Articles relating to the deposit of instruments for transfer have been complied with.

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

- (i) to more than four joint holders; or
- (ii) where the share is not fully paid up provided that such action does not prevent dealings in the shares from taking place on an open and proper basis; or
- (iii) on which the Company has a lien.

Shareholders will not have any pre-emption rights under the Company's Articles of Association in respect of transfers of issued ordinary shares in the Company.

(f) Suspension of Rights

If any member, or any other person appearing to be interested in any shares in the Company held by that

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member, has been duly served with a notice under section 212 of the Act (a “Section 212 Notice”) and is in default for the prescribed period in supplying to the Company the information thereby required, then at any time thereafter the Board may at its absolute discretion by notice to such member (a “direction notice”) direct:

- (i) that in respect of the shares in relation to which the default occurred (“default shares”, which expression shall include any further shares issued after the date of the Section 212 Notice in respect of the first-mentioned shares) such member shall not be entitled to vote at any general meeting either personally or by proxy or at any separate meeting of the holders of any class of shares or to exercise any other rights conferred by membership in relation to any such meeting; and/or
- (ii) if the default shares represent, at the date of the direction notice, 0.25 % or more in nominal value of the issued shares of the relevant class of shares in the Company that:
  - (1) any dividend (or part thereof) or other monies which would otherwise be payable on such shares shall be retained by the Company until such time as the direction ceases to have effect (without any liability on the part of the Company to pay interest thereon) and that prior to such time the acceptance of an offer made by the Company under Article 163(B) in respect of any such dividend shall be of no effect; and/or
  - (2) no transfer, other than an excepted transfer, of any of the default shares shall be registered.

(g) Distribution of assets on winding up

If the Company is wound up the liquidator may, with the authority of an extraordinary resolution, divide among the members in kind the whole or any part of the assets of the Company, and for such purposes may set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between members or classes of members but so that if any such division shall be otherwise than in accordance with the existing rights of the members, every member shall have the same right of dissent and other ancillary rights as set out in section 111 of the Insolvency Act 1986 as if such resolution were a special resolution passed in accordance with section 110 of that Act. The liquidator may, with the like authority, vest the whole or any part of the assets in trustees upon such trusts for the benefit of members as the liquidator may with the like authority think fit, but so that no member shall be compelled to accept any assets in respect of which there is a liability.

(h) Directors

The number of the Directors shall not be less than two. A Director shall not require any shareholding qualification and shall not be required to retire on attaining any specific age. A Director shall be entitled to receive notice of, attend and speak at all general meetings of the Company and of any class of members of the Company.

(i) Borrowing powers

Subject to the provisions of the Act, the Board may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and assets (present or future) and uncalled capital or any part thereof and, subject to the Act, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(j) Unclaimed dividends

All unclaimed dividends may be invested or otherwise made use of by the Company as the Board shall see fit. Any unclaimed dividends or sums remaining for a period of 12 years after having been declared shall be forfeited and shall revert to the Company.

(k) Lien

The Company shall have a first and paramount lien on its shares (not being fully paid shares) for all monies called (whether immediately payable or not) or payable at a fixed time in respect of that share. The Board

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may waive any lien which has arisen and may resolve that any share shall be (or be issued on terms that it is) wholly or partially exempt from the lien.

**8. LOCK-IN AGREEMENTS**

Each of the Directors have undertaken in favour of Davy and the Company that, save as permitted by the AIM Rules, they will not, for a period of eighteen months from Admission transfer, charge or otherwise dispose of any Ordinary Shares of which they are the registered holder or beneficial owner on Admission (other than 37,500 Ordinary Shares issued on 30 April 2004 which are subject to a twelve month lock-in from Admission).

In addition all persons, other than the Directors, who were Shareholders immediately prior to the Placing have agreed with Davy and the Company that (except in limited circumstances) they will not, unless Davy consents otherwise but subject to AIM Rule 7, for a period of not less than twelve months from Admission transfer, charge or otherwise dispose of any Ordinary Shares of which they are the registered or beneficial owner on Admission.

**9. UK TAXATION**

The comments set out below are based on existing law and what is understood to be current Inland Revenue practice. They are intended as a general guide only and apply only to Shareholders who are resident in the United Kingdom for tax purposes (except to the extent that specific reference is made to Shareholders resident outside the United Kingdom), who hold Ordinary Shares as investments and who are the absolute beneficial owners of those shares. Any person who is in any doubt as to their taxation position or who is subject to taxation in any jurisdiction other than the United Kingdom should consult their own professional advisers immediately.

**EIS Relief**

The Company may, if an acquisition which would qualify for EIS relief is made, conduct itself in a manner, which could enable investors in its Ordinary Shares to qualify for EIS relief. Accordingly it may make application for this relief on behalf of investors at the appropriate time, but eligibility cannot be guaranteed.

**Taxation of Dividends**

Under current United Kingdom law no taxation will be withheld from dividends paid by the Company.

An individual United Kingdom resident Shareholder is generally entitled to a tax credit in respect of the dividend, which he can set off against his total liability to United Kingdom income tax. The amount of tax credit is equal to 1/9th of the cash dividend. The cash dividend aggregated with the amount of the tax credit ("the gross dividend") will be included in the Shareholder's income for United Kingdom tax purposes and will be treated as the top slice of the Shareholder's income. Thus, a Shareholder receiving a dividend of £90 will be treated as having received income of £100 that has a tax credit of £10 attached to it.

An individual United Kingdom resident Shareholder who, after taking into account the gross dividend, pays income tax at the lower rate or basic rate will pay tax on the gross dividend at the Schedule F ordinary rate of 10% against which he can set the tax credit. Such a Shareholder will have no further liability to account for income tax on the dividend.

An individual United Kingdom resident Shareholder who, after taking into account the gross dividend, pays income tax at the higher rate will pay tax on that part of the gross dividend which exceeds the basic rate limit at the Schedule F upper rate of 32.5%; against which he can set the tax credit. Such a Shareholder will have a liability to account for additional tax on the gross dividend, calculated by multiplying the gross dividend by the difference between the Schedule F upper rate and the tax credit rate, currently 22.5%. This will be equivalent to 25% of the cash dividend received.

A United Kingdom resident Shareholder who does not pay income tax or whose liability to income tax does not exceed the amount of the tax credit will not be entitled to claim repayment of the tax credit attaching to the dividend.

A United Kingdom resident corporate Shareholder will not generally be liable to corporation tax on any dividend received.

Whether a non-United Kingdom resident Shareholder is entitled to repayment of any part of the tax credit in respect of dividends paid to him, will depend upon the provisions of the double tax treaty (if any) between the

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country in which the Shareholder is resident and the United Kingdom. Such a Shareholder should be aware that changes to the value of the tax credit which took effect from 6 April 1999, will in general eliminate or reduce the amount, which such a Shareholder will be able to reclaim.

**A non-United Kingdom resident Shareholder should consult his own professional advisers on the possible application of such provisions, the procedure for claiming repayment and what relief or credit (if any) may be claimed for such tax credit in the jurisdiction in which he is resident.**

#### **Chargeable gains**

A disposal of Ordinary Shares by a holder resident or ordinarily resident for tax purposes in the UK, or a Shareholder who carries on a trade, profession or vocation in the UK through a branch or agency or permanent establishment; and has used, held or acquired the Ordinary Shares for the purposes of such trade, profession or vocation or such branch or agency or permanent establishment; may, depending on the Shareholder's circumstances, and subject to any available exemptions or reliefs, give rise to a chargeable gain or an allowable loss for the purposes of UK tax on chargeable gains.

For disposals by individuals, personal representatives or trustees, taper relief operates by reducing the amount of any gain realised on the disposal of Ordinary Shares by a percentage amount that depends on the length of ownership of the shares and whether the shares qualify for the business or non business asset rate of taper.

Special rules apply to individuals at a time when they are temporarily not resident or ordinarily resident in the UK.

#### **Stamp duty and stamp duty reserve tax (SDRT)**

The following statements are intended as a general guide to the position under current law and practice. They do not apply to certain categories of persons, in particular, persons (or nominees for persons) who issue depository receipts or operate clearance services.

Agreements to transfer Ordinary Shares within CREST will attract SDRT normally at the rate of 0.5% of the amount or value of the consideration. The charge to SDRT arises, in the case of an unconditional agreement to transfer such shares within CREST, on the date of the agreement, and in the case of a conditional agreement, on the date the agreement becomes unconditional.

On the transfer of Ordinary Shares out of CREST to the beneficial owner (provided there is no additional consideration given) there should be no stamp duty or SDRT. There should be no additional stamp duty or SDRT liability on the deposit of Ordinary Shares into CREST for conversion into uncertificated form (otherwise than pursuant to a transfer on sale or in contemplation of such sale).

Transfers of Ordinary Shares outside CREST will be liable to ad valorem stamp duty normally at the rate of 0.5% of the amount or value of the consideration. A charge to SDRT, normally at the rate of 0.5% of the consideration, arises, in the case of an unconditional agreement to transfer shares outside CREST, on the date of the agreement, and in the case of a conditional agreement, the date the agreement becomes unconditional. The SDRT is payable on the seventh day of the month following the month in which the charge arises. However, where an instrument of transfer is executed and duly stamped before the expiry of a period of six years beginning with the date of the agreement, the SDRT charge is cancelled to the extent that the SDRT has not been paid and, if any of the SDRT has been paid, a claim may be made for its repayment.

Liabilities to stamp duty will be rounded up to the nearest multiple of £5.

#### **10. SERVICE CONTRACTS**

There are no service contracts in existence directly between the Company and any Director of the Company. Under the terms of the Engagement Letters referred to in paragraph 11 below, the remuneration for the Chairman is £7,500 per annum and £5,000 per annum in respect of each of the other Directors.

#### **11. MATERIAL CONTRACTS**

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company within the two years preceding the date of this document and are, or may be, material:

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**Lock in agreements**

A summary of the lock-in agreements is set out in paragraph 8 above.

**Warrant Instrument**

Warrant instrument of the Company in favour of Davy dated 25 June 2004, as described in paragraph 3(d) above

**Engagement Letters**

Under the provisions of a letter dated 18 June 2004, the Company has agreed to pay Adelaide Capital Corp Limited (a company wholly owned by Pierce Casey) £7,500 per annum in respect of the services of Pierce Casey and £5,000 per annum in respect of the services of Brian Stephens, as Chairman of the Company and Finance Director respectively. The Company has further agreed to pay Adelaide Capital Corp Limited £25,000 per annum in respect of the provision of offices, secretarial and accounting services. Under the provisions of a second engagement letter dated 21 June 2004, the Company has agreed to pay Daman Financial Services Limited (a company wholly owned by David Kleeman) £5,000 per annum in respect of the services of David Kleeman as Director.

**Nominated Adviser and Broker Agreement**

An agreement dated 25 June 2004 between the Company and Davy pursuant to which the Company has appointed Davy to act as nominated adviser to the Company for the purposes of AIM, and as broker in respect of the Placing as required by the AIM Rules. The appointment is for an initial period of 6 months from the date of the agreement and thereafter unless and until terminated by 3 months notice. The Company and the Directors cannot take any legal action against Davy otherwise than as a result of their negligence, fraud or breach of their obligations under the Agreement. The Company is indemnifying Davy in respect of claims made by members of the Company and third parties where such claim arises from, *inter alia*, the Admission Document not complying with the AIM Rules and the Regulations.

**12. SIGNIFICANT EVENTS**

There has been no significant change in the financial or trading position of Fitzwilliam Capital, since 30 April 2004, the date to which the Accountants' Report in Part 2 was prepared.

**13. WORKING CAPITAL**

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

**14. CONSENTS**

Ernst & Young LLP, Chartered Accountants and Registered Auditors, has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of its reports and of the references to its name in the form and context in which it appears and has authorised the contents of Part 2 of this document for the purposes of Section 79 (3) of the Financial Services and Markets Act 2000 and the Financial Services and Markets Act (Official Listing of Securities) Regulations 2001.

**15. LITIGATION**

Since incorporation the Company has not been engaged in, nor is it currently engaged in, any litigation or arbitration proceedings, which may have a significant effect on the financial position of the Company, and so far as the Directors are aware, there are no such proceedings pending or threatened by or against the Company.

**16. GENERAL**

- (a) Other than the financial information on Fitzwilliam Capital set out in Part 2 there is no other information in this document which has been audited by the auditors.
- (b) Fitzwilliam Capital has no convertible debt securities, exchangeable debt securities or debt securities with warrants in issue.
- (c) Fitzwilliam Capital has no shares not representing capital.
- (d) There are no arrangements in place under which future dividends are waived or agreed to be waived.

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- (e) The total amount of the expenses of the Placing and Admission (including professional fees, costs of printing and other fees payable) are expected to be £85,000 exclusive of VAT, which are payable by the Company.
  - (f) The Ordinary Shares, the subject of the Placing are being offered at a price of 46p per share, representing a premium of 45p per share over the nominal value of 1p, payable in full on application.
  - (g) The Ordinary Shares in issue and the Ordinary Shares to be issued pursuant to the Placing can be held in registered or uncertificated form.
  - (h) Except for the fees payable to professional advisers whose names are set out on page 3 no person has received any fees, securities in the Company or other benefit to a value of £10,000 or more, whether directly or indirectly, from the Company within the 12 months preceding application to AIM.
  - (i) The accounting reference date of the Company is 30 June 2004.
  - (j) In the event that the Placing Shares are not subscribed in full, such number of Placing Shares as are subscribed will be allotted.
  - (k) All monies received from applicants under the Placing will be held by Davy or the Company prior to issue of the Placing Shares. If any application is unsuccessful or scaled down, any monies returned will be sent by cheque crossed "A/C Payee" in favour of the first named applicant. Any monies returned will be sent by first class post at the risk of the addressee within three days of the completion of the Placing.

**20. SUBSIDIARIES**

The Company does not have any subsidiaries.

**21. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents may be inspected in the UK at the offices of Fitzwilliam Capital, Fourth Floor, 74 Chancery Lane, London WC2A 1AD, and in Ireland at Matheson Ormsby Prentice, at 30 Herbert Street, Dublin 2, during usual business hours on weekdays (except public holidays) for the period of one month from the date of Admission:

- (a) the Memorandum and Articles of Association of the Company ;
- (b) the Accountants' Report on Fitzwilliam Capital by Ernst & Young LLP as set out in Part 2 of this document;
- (c) the material contracts referred to in section 11 above;
- (d) the written consent letter referred to in section 14 above; and
- (g) this document.

28 June 2004

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