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If you have sold or otherwise transferred all your shares in the Company, you should forward this document, together with the accompanying Form of Proxy, immediately to the purchaser, transferee or the agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee, except that this document should not be forwarded or transmitted into the United States, Canada, Japan, Australia or South Africa or any other jurisdiction where it would be unlawful to do so.

Application has been made for the Ordinary Shares already issued to be re-admitted to trading on the AIM Market of the London Stock Exchange plc ("AIM") and for the New Ordinary Shares to be admitted to trading on AIM. 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. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. 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 professional adviser. The London Stock Exchange has not itself examined or approved the contents of this document.

This document which is an AIM admission document, has been drawn up in accordance with the AIM Rules.

The Directors and the Proposed Directors (whose names appear on page 6 of this document) accept responsibility for the information contained in this document including individual and collective responsibility for the Company's compliance with the AIM Rules save for the recommendation on page 16 for which the Independent Directors take responsibility. To the best of the knowledge and belief of the Company, the Directors and the Proposed 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 makes no omission likely to affect the import of such information.

The attention of investors is drawn to the risk and other factors set out in Part III of this document.

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## A. COHEN & CO. PLC

(Incorporated and registered in England under the Companies Act 1908 to 1917 with registered number 113845)

ISIN: GB0002080082

**Proposed Acquisition of Crimson Tide Limited**  
**Approval of the waiver to be granted by the Panel on Takeovers and Mergers**  
**Proposed change of name to Crimson Tide plc**  
**Increase of share capital**  
**Placing of 59,975,227 Ordinary Shares of 1p each at 1.5p per share**  
**Proposed issue of Warrants**  
**Notice of Extraordinary General Meeting**  
**Admission to trading on AIM**

by

**W.H. Ireland Limited**  
**Nominated Adviser and Broker**

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### SHARE CAPITAL IMMEDIATELY FOLLOWING ADMISSION

Authorised			Issued and fully paid	
Number	Amount		Number	Amount
311,950,842	£3,119,508.42	<b>Ordinary Shares of 1p each</b>	275,894,889	£2,758,948.89
15,160,482	£2,880,491.58	<b>Deferred Shares of 19p each</b>	15,160,482	£2,880,491.58

The New Ordinary Shares will, on Admission, rank in full for all dividends or other distributions hereafter declared, made or paid on the ordinary share capital of the Company after their date of issue and will rank *pari passu* in all other respects with all other Ordinary Shares which will be in issue upon Admission.

W.H. Ireland Limited, which is authorised and regulated in the UK by the Financial Services Authority, is acting as the nominated adviser and broker to the Company in connection with the Proposals and is not acting for any person other than the Company and will not be responsible to any person other than the Company for providing the protections afforded to its customers or for providing advice to any other person in connection with the admission document. Its responsibilities as the Company's nominated adviser 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 his decision to acquire shares in the Company in reliance on any part of this document. No representation warranty, express or implied, is made by W.H. Ireland Limited as to any of the contents of this document (without limiting the statutory rights of any person to whom this document is issued). W.H. Ireland Limited will not be offering advice and will not be responsible for providing the protections afforded to customers of W.H. Ireland Limited to recipients of the document in respect of the Placing or any acquisition of shares in the Company.

A notice convening an Extraordinary General Meeting of the Company to be held at the offices of DMH Stallard, Centurion House, 37 Jewry Street, London EC3N 2ER at 11.00 a.m. on 21 August 2006 is set out at the end of this document. The enclosed Form of Proxy for use at the Extraordinary General Meeting should be completed and returned to Computershare Investor Services PLC, PO Box 1075, The Pavilions, Bridgwater Road, Bristol BS99 3FA as soon as possible and to be valid must arrive not less than 48 hours before the time fixed for the Extraordinary General Meeting. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the time by which a person must be entered on the register of members in order to have the right to vote at the meetings is 11.00 a.m. on 19 August 2006 or 48 hours before any adjourned meeting. Changes to entries on the register of members after that time will be disregarded in determining the right of any person to attend or vote at the meeting. Completion and return of a Form of Proxy will not preclude Shareholders from attending and voting in person at the Extraordinary General Meeting should they so wish.

Copies of this document will be made available to the public during normal business hours on any weekday (excluding Saturdays, Sundays and public holidays) free of charge from the offices of DMH Stallard, Centurion House, 37 Jewry Street, London EC3N 2ER and W.H. Ireland, 24 Bennetts Hill, Birmingham B2 5QP and shall remain available for at least one month after the date of Admission.

This document is not for distribution outside the United Kingdom and, in particular, it should not be distributed to persons with addresses in Canada, Australia, Japan, South Africa or to persons with addresses in the United States of America, its territories or possessions or to any citizen thereof or to any corporation, partnership or other entity created or organised under the laws thereof. Any such distribution could result in the violation of the laws of Canada, Australia, Japan, South Africa or the United States of America.

## CONTENTS

	<i>Page</i>
<b>Definitions</b>	3
<b>Directors, Secretary and Advisers</b>	6
<b>Expected Timetable of Principal Events</b>	7
<b>Acquisition and Placing Statistics</b>	7
<b>Part I Information on A. Cohen</b>	8
Introduction	8
Business and Strategy	8
Directors and Proposed Directors	9
Employees	10
Corporate Governance	10
Current Trading and Future Prospects	11
City Code on Takeovers and Mergers	12
Significant Shareholder	14
Lock-in Agreements	14
Principal Terms of the Acquisition	14
Change of Name	14
Details of the Placing	14
Issue of Warrants	15
Dividend Policy	15
Extraordinary General Meeting	15
Taxation	16
Action to be Taken	16
Admission, Settlement and Dealings	16
Further Information	17
Recommendation of the Directors	17
<b>Part II Information on Crimson Tide</b>	18
Introduction	18
History and Development	18
Products and Services	18
Key Commercial Relationships	18
Revenues and Customers	19
Directors	19
Employees	19
The Market and Strategy	19
Competition	20
Summary Financial Information	20
Current Trading and Prospects	20
Property	20
Corporate Structure	21
Shareholders	21
<b>Part III Risk and Other Factors</b>	22
<b>Part IV Accountants' Report on the Crimson Tide Group</b>	24
<b>Part V Preliminary Results for A. Cohen &amp; Co. Plc for the year ended 31 December 2005</b>	37
<b>Part VI Accountants' Report on the A. Cohen Group</b>	51
<b>Part VII Unaudited Pro Forma Statement of Net Assets of the Enlarged Group</b>	66
<b>Part VIII Additional Information</b>	69
<b>Notice of Extraordinary General Meeting</b>	89

## DEFINITIONS

The following words and expressions shall have the following meanings in this document, unless the context otherwise requires:

“A. Cohen Group”	A. Cohen and its subsidiaries;
“Acquisition”	the proposed acquisition of Crimson Tide by the Company, further details of which are set out in paragraph 10.1.4 of Part VIII of this document;
“Acquisition Agreement”	the agreement dated 27 July 2006 pursuant to which the Company has conditionally agreed to acquire the entire issued share capital of Crimson Tide further details of which are set out in paragraph 10.1.4 of Part VIII of this document;
“Act”	the Companies Act 1985, as amended;
“acting in concert”	shall bear the meaning ascribed thereto in the City Code;
“Admission”	the admission of the existing Ordinary Shares and the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules;
“Admission Document”	this document dated 27 July 2006;
“AIM”	the AIM Market of the London Stock Exchange;
“AIM Rules”	the rules applicable to AIM as published by the London Stock Exchange from time to time;
“Articles”	the Company’s articles of association;
“Board” or “Directors”	the directors of the Company, whose names appear on page 6 of this document;
“City Code”	the City Code on Takeovers and Mergers (as amended from time to time);
“Combined Code”	the Combined Code of Corporate Governance published in July 2003;
“Company” or “A. Cohen”	A. Cohen & Co. Plc;
“Completion”	completion of the Acquisition;
“Concert Party”	Barrie Reginald John Whipp, Stephen Keith Goodwin, Jeremy Walter Frederick Roth, Graham Basil Ashley, Rowley Stuart Ager, the Goodwin Accumulation and Maintenance Trust and other individuals as set out in paragraph 1.5 of Part VIII on page 69 of this document;
“Consideration” or “Consideration Shares”	the 200,759,180 new Ordinary Shares to be issued to the Vendors, credited as fully paid, pursuant to the Acquisition Agreement;
“Controlling Interest”	means shares representing not less than 30 per cent. of Voting Rights;
“CREST”	the computerised settlement system to facilitate the transfer of title of shares in uncertificated form, operated by CRESTCo;
“CRESTCo”	CRESTCo Limited;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) including any modification thereof or any regulations in substitution therefore made under section 207 of the Companies Act 1989 and for the time being in force;
“Crimson Tide”	Crimson Tide Limited, a company incorporated in England and Wales under company number 02977368;
“Crimson Tide Directors”	Barrie Reginald John Whipp, Jeremy Walter Frederick Roth, Stephen Keith Goodwin, Graham Basil Ashley and Helen Bridget Whipp;

“Crimson Tide Group”	Crimson Tide and its subsidiaries;
“Crimson Tide Shareholders”	holders of Crimson Tide Shares;
“Crimson Tide Shares”	ordinary shares of 1p each in the share capital of Crimson Tide;
“Deferred Shares”	the deferred shares of 19p each in the share capital of the Company;
“EGM” or “Extraordinary General Meeting”	the extraordinary general meeting of the Company to be held at the offices of DMH Stallard, Centurion House, 37 Jewry Street, London EC3N 2ER at 11.00 a.m. on 21 August 2006, notice of which is set out at the end of this document;
“Enlarged Group”	the A. Cohen Group and the Crimson Tide Group together;
“Enlarged Group Board”	the directors of the Company upon and immediately following Admission;
“Enlarged Share Capital”	the entire issued ordinary share capital of A. Cohen upon Admission as enlarged by the issue of the New Ordinary Shares;
“FSMA”	Financial Services and Markets Act 2000;
“Independent Directors”	James Simpson Ferguson and Russell John Sincock;
“Independent Shareholders”	being holders of Ordinary Shares excluding Mr David Laurence Massie;
“London Stock Exchange”	London Stock Exchange plc;
“New Ordinary Shares”	the Consideration Shares and the Placing Shares;
“Official List”	the Official List of the UKLA;
“Ordinary Shares”	ordinary shares of 1p each in the share capital of the Company;
“Panel”	the Panel on Takeovers and Mergers;
“Placees”	the subscribers for the Placing Shares;
“Placing”	the proposed placing of the Placing Shares at the Placing Price pursuant to the Placing Agreement;
“Placing Agreement”	the conditional agreement between W.H. Ireland, the Directors, the Proposed Directors and the Company, further details of which are set out in paragraph 10.1.3 of Part VIII of this document;
“Placing Price”	1.5p per Placing Share;
“Placing Shares”	the 59,975,227 new Ordinary Shares to be issued pursuant to the Placing;
“Proposals”	the Acquisition, approval of the Waiver, change of name, increase of share capital, Placing and issue of Warrants described in this document;
“Proposed Directors”	Barrie Reginald John Whipp, Stephen Keith Goodwin, Jeremy Walter Frederick Roth and Rowley Stuart Ager;
“Record Date”	19 August 2006;
“Resolutions”	the resolutions set out in the notice of EGM at the end of this document and reference to a “Resolution” shall be the relevant resolution set out in the notice of EGM;
“Share Dealing Code”	the code on dealings in the Company’s securities adopted by the Company;
“Shareholders” or “Members”	holders of existing Ordinary Shares and Deferred Shares;
“UKLA”	the United Kingdom Listing Authority of the Financial Services Authority, acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000;

“Vendors”	the Crimson Tide Shareholders as set out in Part II of this document;
“Voting Rights”	means the right to receive notice of, attend (in person or by proxy or by corporate representative), speak (in person or by corporate representative) and to cast (in person or by proxy or by corporate representative) one vote per share at general meetings of the Company;
“Waiver”	the waiver of the obligations that would otherwise arise under Rule 9 of the City Code for the Concert Party to make a general cash offer for the whole of the Company’s issued share capital;
“Warrant Instruments”	the warrant instruments executed by the Company on 27 July 2006;
“Warrants”	the 22,574,048 warrants, 7,580,241 of which entitle the registered holder thereof to subscribe for one Ordinary Share at 1.5p for every 2 Ordinary Shares held and 14,993,807 of which entitle the registered holder thereof to subscribe for one Ordinary Share at 1.5p for every 4 Placing Shares subscribed for at any time until 3 years after Admission, the terms of which are set out in paragraph 9 of Part VIII of this document; and
“W.H. Ireland”	W.H. Ireland Limited.

## DIRECTORS, SECRETARY AND ADVISERS

<b>Directors</b>	Graham Basil Ashley ( <i>Executive Chairman</i> ) Russell John Sincock ( <i>Non- Executive Director</i> ) James Simpson Ferguson ( <i>Non- Executive Director</i> )
<b>all of Registered Office</b>	10 Orange Street, Haymarket, London, WC2H 7DQ
<b>Proposed Directors</b>	Barrie Reginald John Whipp ( <i>proposed Executive Chairman</i> ) Stephen Keith Goodwin ( <i>proposed Chief Executive Officer</i> ) Jeremy Walter Frederick Roth ( <i>proposed Sales Director</i> ) Graham Basil Ashley ( <i>proposed Non- Executive Director</i> ) Rowley Stuart Ager ( <i>proposed Non-Executive Director</i> )
<b>all of</b>	Tavern Cellars, 39/41 The Pantiles, Tunbridge Wells, Kent TN2 5TE
<b>Company Secretary</b>	Russell John Sincock
<b>Proposed Company Secretary</b>	Stephen Keith Goodwin
<b>Nominated Adviser and Broker</b>	<b>W.H. Ireland Limited</b> 24 Bennetts Hill Birmingham B2 5QP
<b>Financial Adviser to Crimson Tide</b>	<b>IAF Securities Limited</b> 117 Jermyn Street London SW1Y 6HH
<b>Reporting Accountant to the Company</b>	<b>Shipleys LLP</b> 10 Orange Street Haymarket London WC2H 7DQ
<b>Solicitors to the Company</b>	<b>DMH Stallard</b> Centurion House 37 Jewry Street London EC3N 2ER
<b>Solicitors to the Vendors</b>	<b>Gordons Partnership LLP</b> 22 Great James Street London WC1N 3ES
<b>Solicitors to W.H. Ireland</b>	<b>Eversheds LLP</b> 115 Colmore Row Birmingham B3 3AL
<b>Public Relations Advisers</b>	<b>Cubitt Consulting</b> 30 Coleman Street London EC2R 5AL
<b>Registrars and Receiving Agents</b>	<b>Computershare Investor Services PLC</b> PO Box 82 The Pavilions Bridgwater Road Bristol BS99 7NH

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Admission Document publication date	27 July 2006
Last time and date for receipt of Forms of Proxy	11.00 a.m., 19 August 2006
Extraordinary General Meeting	11.00 a.m., 21 August 2006
Completion date of the Acquisition	22 August 2006
Admission effective and dealings in Ordinary Shares (including New Ordinary Shares) expected to commence on AIM	22 August 2006
Expected date for CREST accounts to be credited (in respect of the Placing Shares)	22 August 2006
Expected date for posting of the share certificates for the Placing Shares (where applicable)	7 September 2006

## ACQUISITION AND PLACING STATISTICS

Number of existing Ordinary Shares in issue prior to the Placing and Acquisition	15,160,482
Number of existing Deferred Shares in issue prior to the Placing and Acquisition	15,160,482
Number of Placing Shares being issued under the Placing	59,975,227
Placing Price	1.5p
Number of Consideration Shares being issued under the Acquisition	200,759,180
Number of Ordinary Shares in issue following Admission	275,894,889
Number of Ordinary Shares subject to Warrants following Admission	22,574,048
Number of Deferred Shares in issue following Admission	15,160,482
Percentage of the Enlarged Share Capital held by members of the Concert Party following completion of the Proposals	76.0%
Mid market price per Ordinary Share on 26 July 2006 (being the latest practicable date prior to publication of this document)	1.5p
Gross proceeds of the Placing	£0.66 million
Estimated costs of the Placing and Admission	£0.16 million
Estimated net proceeds of the Placing receivable by the Company	£0.5 million

	<i>% of Enlarged Share Capital on Admission</i>	<i>% of Enlarged Share Capital assuming exercise of all Warrants</i>
Percentage of the Enlarged Share Capital represented by:		
Existing Ordinary Shares prior to Admission	5.5	5.1
Consideration Shares	72.8	67.3
Placing Shares	21.7	20.1

## PART I

### INFORMATION ON A. COHEN

#### 1. INTRODUCTION

The Board announced today that the Company has conditionally agreed to acquire the entire issued share capital of Crimson Tide for a consideration of approximately £3.01 million to be satisfied by the issue of 200,759,180 Ordinary Shares (valued at 1.5p per share) conditional, *inter alia*, on Admission.

As at the close of business on 26 July 2006, (being the last practicable date before publication of this document) the closing mid market price of an Ordinary Share was 1.5p, valuing Crimson Tide at approximately £3.01 million and A. Cohen at approximately £0.23 million.

The Company has also conditionally raised £0.5 million, net of expenses, by way of the Placing at 1.5p per Ordinary Share of 1p each, which is being undertaken in order to provide working capital for the Enlarged Group.

The Consideration Shares will represent 72.8 per cent. of the Enlarged Share Capital on Admission. In view of the size of Crimson Tide relative to the Company, the Acquisition will constitute a reverse takeover of A. Cohen under the AIM Rules and therefore requires the prior approval of Shareholders at an Extraordinary General Meeting, notice of which is set out at the end of this document. In conjunction with the Acquisition, A. Cohen proposes to increase its share capital and change its name to Crimson Tide plc. Warrants will be issued to Placees and Shareholders on the register of the Company at the Record Date, on the following basis:

- (i) Placees — 1 Warrant for every 4 Placing Shares subscribed for under the Placing; and
- (ii) Shareholders — 1 Warrant for every 2 Ordinary Shares held.

Additionally, because the members of the Concert Party (comprising certain of the Crimson Tide Shareholders and associated parties) will own more than 30 per cent. of the Enlarged Share Capital as a result of the Acquisition, the Company is seeking a waiver under Rule 9 of the City Code. In the absence of the Waiver, the City Code would otherwise require the members of the Concert Party to offer to acquire those Ordinary Shares that they do not own. A proposal seeking Shareholder approval for such a waiver is, therefore, included in the notice of the Extraordinary General Meeting set out at the end of this document.

Detailed information on Crimson Tide is set out in Parts II, IV and VIII of this document.

#### 2. BUSINESS AND STRATEGY

The Company has, effectively no ongoing trade save for the completion of a number of transactions that took place whilst it was a trading company.

The Company disposed of its Woolwich site on 28 March 2003 to Tilfen Land Limited for a cash consideration of £750,000. This disposal resulted in an immediate accounting profit of approximately £100,000 before selling costs, being the difference between the book value of the Woolwich site of £650,000 as at 31 December 2002 and the sale proceeds. The Company applied the net proceeds of the disposal, amounting to £570,000, to reduce indebtedness by paying £482,000 to creditors and for working capital purposes.

The Ordinary Shares were admitted to trading on AIM on 30 September 2003 following the cancellation of the listing for Ordinary Shares on the Official List and subsequent transfer to trading on AIM.

On 2 October 2003, the Company disposed of its 20 per cent. interest in Scott Tod Developments Limited to Darwen Capital plc for a cash consideration of £525,000 being the book value of the investment in the interim accounts released to the market on 30 September 2003. The disposal resulted in the Company recording neither a gain nor a loss on the disposal. The sales proceeds were used for working capital purposes.

On 8 February 2006, the Company announced that it had negotiated the sale of its 24.5 per cent. investment in ROO Media Europe Ltd (“RME”), a supplier of internet and broadband media, to ROO Group Inc. (of which RME is a subsidiary), for a cash consideration of £50,000 being the book value of the investment in the accounts at 31 December 2005, before expenses. A. Cohen did not derive any income or revenue from RME. The proceeds of this disposal were also used for working capital purposes.



Under the Proposals and as a result of the Acquisition, the Concert Party has confirmed that the business of Crimson Tide will be continued in substantially the same manner as present, with no major changes. The Enlarged Group will therefore commence the provision of mobile data solutions enabling customers to access their business information whilst away from the office through Crimson Tide's mobile data solutions business which will be continued and developed. The Enlarged Group Board believes that the Proposals will give the Enlarged Group access to a number of growth and investment opportunities.

### **3. DIRECTORS AND PROPOSED DIRECTORS**

The Board currently comprises three Directors as follows:

#### ***Graham Basil Ashley (aged 58, Executive Chairman)***

Graham has over 40 years experience in stockbroking and corporate finance and was a founding director and shareholder of stockbrokers, Greig Middleton Holdings Limited ("Greig Middleton"). After the merger of Greig Middleton with Gerrard Limited he became a director of Gerrard Limited and following its acquisition by Old Mutual Securities Limited ("OMS"), a corporate finance director of OMS (which subsequently became Arbutnot Securities Limited). Graham has advised on acquisitions and disposals and fundraisings across a wide range of sectors and industries. He is also currently a non-executive director of Dermasolve Sciences plc, Quintessentially English plc and Scott Tod plc, all quoted on AIM. He has been a Non-Executive Director of Crimson Tide since April 2004. In February 2006 he became Chief Executive Officer of IAF Securities Limited, a stockbroking firm which is a division of IAF Group plc, quoted on AIM. IAF Securities Limited is the financial adviser to Crimson Tide.

Graham was appointed as a director of the Company on 20 October 2004 and was appointed as Chairman on 21 February 2005.

#### ***Russell John Sincock (aged 58, Non-Executive Director)***

Russell was appointed as Non-Executive Director on 8 March 2001. Russell is an Australian chartered accountant and has been running his own practice, Madder Sincock & Co., for nine years. Russell was previously a partner of BDO Nelson Parkhill, based in Melbourne, where he was managing partner for three years.

#### ***James Simpson Ferguson (aged 59, Non-Executive Director)***

Jim joined A. Cohen 28 years ago and was appointed as a Director in 1995. He has worked in the metals and refining business for over 30 years.

#### **Proposed Directors**

On Admission the following will be appointed as directors of the Company:

#### ***Barrie Reginald John Whipp (aged 45, Proposed Executive Chairman)***

Barrie founded Crimson Tide in 1996. He was responsible for the day-to-day management of the Crimson Tide business between 1996 and 2004 and formulated the ideas behind the company's mobile data solutions in 2003, recruiting the new management team in 2004. After a career in finance, he founded the financial services arm of Tiphook plc. He later became Group Managing Director of IAF Group plc which was subsequently admitted to the Official List in April 1994. He has served as a non-executive director of Wills Group plc, as well as a number of private companies. He will be responsible for setting the Enlarged Group's vision and strategy as well as setting goals and targets for the Enlarged Group Board.

#### ***Stephen Keith Goodwin (aged 47, Proposed Chief Executive Officer)***

Steve was appointed as Crimson Tide's Chief Executive in April 2004 and has responsibility for delivering the strategy, day to day management of the company and financial management and control.

Steve is a certified accountant with 16 years experience at board level and with 12 years experience as a CEO. After training as an accountant working for Shell International, he joined Tiphook plc in 1988 where he became Group Financial Controller and later Finance Director of the trailer division. In 1994 Steve was appointed Managing Director of the rail division and in 1996 led the management team in a £30 million management buy out working with Prudential's venture capital arm and HSBC. The business was sold two years later to GE Capital ("GE") where he stayed on as Managing Director of GE's European rail business and gained further experience in negotiating and integrating acquisitions.

***Jeremy Walter Frederick Roth (aged 44, Proposed Sales Director)***

Jeremy has over fifteen years experience in mobile telecommunications. His early career was with Connexions, a mobile telecoms dealer based in the South East selling mobile telephones in the early days of the introduction of personal mobile phones.

He joined Astec Communications in 1989 which was subsequently taken over by Vodafone. Jeremy worked within Vodafone Corporate, dealing with mobile communications for some of its biggest corporate accounts and later as a senior sales executive, was given responsibility for dealing with the NHS. During this time he built relationships with a number of NHS Trusts including ambulance services and the Department of Health. He developed these accounts from being purely voice communications to mobile data and sold a number of BlackBerry and other mobile data solutions. He joined Crimson Tide in 2004 to head the company's sales efforts.

***Rowley Stuart Ager (aged 60, Proposed Non-Executive Director)***

Rowley is a qualified accountant who has spent all of his working life in industry and commerce. In 1972, Rowley joined BAT Industries Group plc in a number of finance roles. In 1986, Rowley joined Tesco PLC becoming Company Secretary from 1990 until 2004 and was a member of the Tesco PLC board from 1992 until 2004. Rowley was Chairman of Tesco Personal Finance a 50:50 financial services joint venture with RBS Group plc from its formation in 1995 until he retired in 2004. He is currently chairman of Tesco Pension Trustees Limited.

Immediately prior to Admission, Russell Sincock and James Ferguson will resign from the Board and Graham Ashley will relinquish the role of executive chairman but remain as a non-executive director. Upon completion of the Proposals, the Proposed Directors will join the Enlarged Group Board.

#### **4. EMPLOYEES**

Currently, the Company has no employees other than the Directors. The Concert Party has confirmed that, following Completion, the Crimson Tide employees will become part of the Enlarged Group. In due course, the Company intends to implement a share option scheme to incentivise key management and staff.

#### **5. CORPORATE GOVERNANCE**

The Enlarged Group Board is committed to maintaining high standards of corporate governance. The Enlarged Group Board intends, so far as is practicable, given the Company's size, to comply with the Combined Code as modified by the recommendations of the Quoted Companies Alliance.

The Company has adopted and will operate the Share Dealing Code for directors and employees.

##### **The Board**

The Enlarged Group Board will meet regularly throughout the year. To enable the Enlarged Group Board to perform its duties, all directors will have full access to all relevant information and to the services of the Company Secretary. If necessary the non-executive directors may take independent professional advice at the Company's expense. Following Admission the Enlarged Group Board will include two non-executive Directors. The Enlarged Group Board has delegated specific responsibilities to the committees described below.

##### **The audit committee**

The audit committee, which upon Admission will comprise Rowley Ager, Graham Ashley, Stephen Goodwin and Barrie Whipp, is to be chaired by Rowley Ager and will meet at least twice a year. The committee will monitor the integrity of the Company's annual and interim financial statements. The committee will also monitor and review the effectiveness of the management and the external auditors on accounting and internal control matters. Where appropriate, the committee will monitor the progress of action taken in relation to such matters. The committee will also recommend the appointment of, and review the fees of, the external auditors.

##### **The remuneration committee**

The remuneration committee, which, upon Admission will comprise Graham Ashley, Rowley Ager, Barrie Whipp and Stephen Goodwin, is to be chaired by Graham Ashley and will meet at least twice a year. It will be responsible for reviewing the performance of the executive directors and for setting the framework and broad policy for scale and structure of their remuneration taking into account all factors which it shall deem

necessary. The remuneration committee will also determine allocations of share options and will be responsible for setting any performance criteria in relation to the exercise of options granted under any share option schemes adopted by the Company.

## 6. CURRENT TRADING AND FUTURE PROSPECTS

The accountants' report on the A. Cohen Group for the years ended 31 December 2003, 2004 and 2005 is set out in Part VI and the preliminary announcement of results for the year ended 31 December 2005 is set out in Part V.

The consolidated results of the A. Cohen Group for the three years ended 31 December 2003, 2004 and 2005 were as follows:

	<i>2005</i> £'000	<i>2004</i> £'000	<i>2003</i> £'000
Sales	—	—	6,484
Cost of sales	—	—	(6,099)
Gross profit	—	—	385
Operating costs	(85)	(201)	(855)
Other income	—	30	—
Operating profit before exceptional costs	(85)	(171)	(470)
Exceptional administration expenses	—	(82)	(215)
Profit on sale of fixed assets	—	—	87
Profit on sale of business	—	—	31
Provision for loss on termination of operation	—	—	(110)
Provision for impairment of investments	(42)	(186)	46
Interest	1	8	(112)
Loss on activities before and after taxation	(126)	(431)	(743)

### Results

In 2003 the Company sold its last trading subsidiary, Jacobs Metals Limited. Since that date, expenditure has been incurred as the Company has sought to realise its residual assets and investigate acquisition opportunities.

Exceptional costs in 2003 totalling £215,000 comprised £172,000 for the costs of an extraordinary general meeting held on 30 June 2003, £115,000 relating to an impairment provision against the value of A. Cohen (Great Britain) Limited and the release of a £72,000 overprovision for aborted acquisition costs written back. In 2004, the exceptional cost of £82,000 related to a provision for the cost of an onerous lease.

### Net Assets and Investments

At 31 December 2005 the consolidated net assets of A. Cohen were as follows:

	<i>31 December</i> 2005 £'000
Investments	50
Current assets	15
Current liabilities	(78)
Net current liabilities	(63)
Provisions	(82)
Net assets	(95)

The Company's principal residual investments were:

- A 24.5 per cent. interest in ROO Media Europe Limited. This company had no sales in 2004 and reported a loss of £1,000. The interest was disposed of in February 2006.

- A 33.3 per cent. interest in Money Products International Limited. In the year ended 30 November 2004 this company reported a profit of £1,274 on turnover of £117,000. Subsequent to the year end the company purports to have completed a rights issue, which may have diluted A. Cohen's interest. The Board is currently considering what action to take in order to protect the Company's interest in this investment.
- A 37.4 per cent. interest in Speedmark Industries (Proprietary) Limited, a South African company which sold its business in 2005 and no longer trades. Full provision against the cost of this investment was made at 31 December 2005.
- A 46.9 per cent. interest in Metal Sales (PVT) Limited, a Zimbabwean company which is involved in the production of copper alloy and aluminium ingots. The political, legal and economic situation in Zimbabwe has made it difficult for A. Cohen to exercise its rights in respect of its interest and to dispose of its holding. This interest was fully provided against at 31 December 2005.

Provisions relate to a unutilised leasehold property.

### Prospects

Assuming that the Acquisition is completed, the Board believes that the prospects of the Enlarged Group will be exciting. The Board and the Proposed Directors believe that mobile connectivity will grow rapidly in the next two years and that CRM ("Customer Relationship Management") applications will also see continued demand, they therefore believe that there are strong opportunities for Crimson Tide's mobile data solutions.

If the Acquisition is not completed, the prospects for A. Cohen will be bleak. It has no current trading activity and at 31 December 2005 its liabilities exceeded its assets.

## 7. CITY CODE ON TAKEOVERS AND MERGERS

The terms of the Proposals give rise to certain considerations under the City Code. Brief details of some of the protections afforded by the City Code are described below in this paragraph 7.

Rule 9 of the City Code is designed to prevent the acquisition of control of a company to which the City Code applies without a general cash offer being made to all shareholders of that company. Under Rule 9, a person who acquires, whether by a series of transactions over a period of time or not, interests in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company is normally required by the Panel to make a general offer to all the shareholders of that company to acquire the balance of the shares not held by such person, or group of persons acting in concert, at the highest price paid by him or them or any person acting in concert.

Rule 9 also provides, *inter alia*, that where any person, together with persons acting in concert with him is interested in shares which in aggregate carry not less than 30 per cent. but not more than 50 per cent. of a company's voting rights and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of the voting rights in that company in which he is interested, such person is normally required to make a general offer to all shareholders of that company at not less than the highest price paid by him or them or any persons acting in concert.

An offer under Rule 9 should be made in cash and at the highest price paid in the preceding 12 months for any shares in the Company by the person required to make the offer and/or any person acting in concert with him.

The City Code also provides that, where any person, together with persons acting in concert with him, holds more than 50 per cent. of a company's voting rights, no obligations will normally arise under Rule 9 to make a general offer to all shareholders of that company, save as described below, from any acquisitions by such person or any person acting in concert with him of any further shares carrying voting rights in the company. However, the Panel will regard as giving rise to an obligation to make an offer, the acquisition by a single member of a concert party of interests in shares sufficient to increase his individual holding to 30 per cent. or more of a company's voting rights, or, if he already holds more than 30 per cent. but less than 50 per cent., which increases his percentage shareholding.

For the purposes of the City Code, a concert party arises where persons pursuant to an agreement or understanding (whether formal or informal) co-operate to obtain or consolidate control of a company, or to frustrate the successful outcome of an offer for the Company.

The Panel has determined that the members of the Concert Party are acting in concert for the purposes of Rule 9 of the City Code because they are Crimson Tide Directors, or family or friends of such Crimson Tide Directors. Under Rule 9, unless a specific waiver is obtained from the Panel for the issue of Consideration

Shares to members of the Concert Party together with any participation by the members of the Concert Party in the Placing, the Concert Party would be obliged to make a mandatory cash offer for the entire issued ordinary share capital of A. Cohen since the Concert Party would hold more than 30 per cent. of the voting rights in the Company. Your Board believes that this consequence is not in the best interests of A. Cohen or its Shareholders.

The expected interests of the Concert Party in the share capital of A. Cohen upon Admission are summarised below.

	<i>Ordinary Shares upon Admission</i>	<i>% upon Admission</i>	<i>Number of Warrants</i>	<i>% upon Admission assuming full exercise of Warrants*</i>
Barrie Reginald John Whipp	115,610,132	41.90	—	41.15
Jeremy Walter Frederick Roth	30,131,159	10.92	—	10.73
Stephen Keith Goodwin	25,611,484	9.28	—	9.12
Graham Basil Ashley <sup>2</sup>	16,000,000	5.80	1,309,718	6.16
Goodwin Accumulation & Maintenance Trust <sup>1</sup>	1,650,000	0.60	—	0.59
IAF (PS) Nominees Limited	1,100,000	0.40	—	0.39
David Massie Furbs Trust	1,100,000	0.40	—	0.39
Rowley Stuart Ager <sup>2</sup>	5,000,000	1.81	1,043,750	2.15
David Laurence Massie <sup>2</sup>	6,751,398	2.45	1,850,699	3.06
Joanna Judith Massie	550,000	0.20	—	0.20
Trustees of the IZ Trust	550,000	0.20	—	0.20
Tracey and Barry Upton	330,000	0.12	—	0.12
Larry Thomson	330,000	0.12	—	0.12
Eric Goodwin <sup>2</sup>	1,608,333	0.58	333,333	0.69
Reba Chakrabarti	275,000	0.10	—	0.10
Henry Summers	275,000	0.10	—	0.10
James Millard	275,000	0.10	—	0.10
Rupert Mackay <sup>2</sup>	2,137,500	0.77	500,000	0.94
Norman Millard	110,000	0.04	—	0.04
Peter Steven Martin	68,750	0.02	—	0.02
Janet and Edo de Vries	55,000	0.02	—	0.02
Sheelagh Elizabeth Turner	27,500	0.01	—	0.01
Lance Langdon	27,500	0.01	—	0.01
Keith Darnell	275	0.00	—	0.00
<b>Total</b>	<u>209,574,031</u>	<u>75.96</u>	<u>5,037,500</u>	<u>76.39</u>

1 The Goodwin Accumulation and Maintenance Trust is an accumulation and maintenance trust of which Stephen Goodwin is the settlor.

2 The number of Ordinary Shares held on Admission for these denoted members of the Concert Party includes the relevant number of Placing Shares for which they have subscribed, under the Placing.

\* These figures are calculated on the assumption that only those Concert Party members who hold Warrants exercise all Warrants in full, and no other warrant holder does so.

Immediately following the implementation of the Proposals, the members of the Concert Party will own approximately 76.0 per cent. of the Company's issued ordinary share capital (assuming Warrants are not exercised). The earliest date that Warrants can be exercised is upon Admission and are exercisable for a three year period thereafter.

The Panel has agreed, subject to the passing of Resolution 3 in the notice of EGM by Independent Shareholders on a poll, to waive the obligation on the Concert Party to make a general offer that would otherwise arise as a result of the Acquisition under Rule 9 of the City Code.

**Following Completion, the members of the Concert Party will between them hold more than 50 per cent. of the Company's voting share capital and (for so long as they continue to be treated as acting in concert) may accordingly be able to increase their aggregate shareholding without incurring any further obligation under Rule 9 to make a general offer, although individual members of the Concert Party will not be able to increase their interests in shares through a Rule 9 threshold without Panel consent.**

## **8. SIGNIFICANT SHAREHOLDER**

Barrie Whipp controls voting rights in respect of 57.6 per cent. of Crimson Tide's equity and, following Admission, will control 41.9 per cent. of the Enlarged Share Capital. Mr David Laurence Massie, a member of the Concert Party, holds an option over 2,190,100 Crimson Tide Shares held by Barrie Whipp which will convert on Admission to an option over 6,022,775 Ordinary Shares. Should this option be exercised in full, Mr Whipp's holding of Ordinary Shares following Admission would reduce to 39.7 per cent.

Barrie Whipp has entered into a controlling shareholder agreement with the Company and W.H. Ireland pursuant to the terms of which he has given certain undertakings concerning the use of the Ordinary Shares controlled (directly or indirectly) by him to the Company. Further details of this agreement are set out in paragraph 10.1.2 of Part VIII of this document.

## **9. LOCK-IN AGREEMENTS**

The Directors, the Proposed Directors and certain other shareholders have agreed not to dispose of any interests in Ordinary Shares within a period of 12 months following Admission (the "Lock-in Period"), save subject to certain specific circumstances.

In addition, the Directors, the Proposed Directors and certain other shareholders have agreed to orderly market arrangements covering the following 12 month period after the end of the Lock-in Period and the Vendors for the 12 month period following Admission, under which the relevant shareholders may not *inter alia* dispose of shares if the "prevailing bid price" is less than the Placing Price at the date of such proposed disposal; or if the prevailing bid price at the date of the proposed disposal is lower than the price for Ordinary Shares realised on any disposal by that person of Ordinary Shares within the previous three months, without the prior consent of W.H. Ireland (or such other broker as may be appointed by the Company from time to time).

## **10. PRINCIPAL TERMS OF THE ACQUISITION**

Under the terms of the Acquisition Agreement, the Company has conditionally agreed to acquire the entire issued share capital of Crimson Tide in consideration for the issue to the Vendors of the Consideration Shares. Therefore in relation to the Acquisition there are no financing arrangements in place. As such, there is no arrangement in place relating to the Acquisition where the payment of interest on, repayment or security for any liability (contingent or otherwise) is dependent to any significant extent on the business of the Company. The Acquisition Agreement is conditional, *inter alia*, on (i) the passing of the Resolutions; (ii) the Placing Agreement becoming unconditional in all respects (other than any condition relating to completion of the Acquisition Agreement and Admission); and (iii) Admission.

The Consideration Shares will represent 72.8 per cent. of the Enlarged Share Capital and, upon their allotment, will rank *pari passu* in all respects with the Ordinary Shares and the Placing Shares.

Further information on the Acquisition Agreement is set out in paragraph 10.1.4 of Part VIII of this document.

## **11. CHANGE OF NAME**

The name of the Company will be changed to Crimson Tide plc, conditional upon both the passing of Resolution 5 by the Shareholders and completion of the Acquisition.

## **12. DETAILS OF THE PLACING**

The Company is issuing 59,975,227 Placing Shares pursuant to the Placing at the Placing Price to raise approximately £0.5 million (net of expenses), to finance the costs of the Proposals and to provide working capital for the Enlarged Group. The Placing Shares will represent approximately 21.7 per cent. of the Enlarged Share Capital, will be fully paid upon issue and will rank *pari passu* in all respects with the existing Ordinary Shares and the Consideration Shares.

The Company, the Directors and the Proposed Directors have entered into the Placing Agreement with W.H. Ireland. The Placing is not being underwritten. The Placing Shares have been conditionally placed with institutional and other investors including W.H. Ireland, DMH Stallard and certain other advisers as set out in paragraph 10.1.6 of Part VIII. The Placing is conditional *inter alia* upon the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms, and Admission becoming effective on 22 August 2006 (or such later time and date as the Company and W.H. Ireland may agree).

Further details of the Placing Agreement are set out in paragraph 10.1.3 of Part VIII of this document.

### 13. ISSUE OF WARRANTS

Pursuant to the terms of the Warrant Instruments, 7,580,241 Warrants are to be issued to Shareholders as at the Record Date on the basis of 1 Warrant for every 2 Ordinary Shares held and 14,993,807 Warrants are to be issued to Placees on the basis of 1 Warrant for every 4 Ordinary Shares subscribed for under the Placing. There will be no entitlement to fractions of Warrants, which will be aggregated and will be issued at the discretion of the Board.

The Warrants are exercisable in whole at any time up to 3 years after Admission. The exercise price of the Warrants will be 1.5p, which represents the same price as the closing price of the Ordinary Shares on 26 July 2006 (being the last practicable date prior to publication of this document). **The Warrants are transferable but will not be admitted to trading on AIM.** Application will be made for the Ordinary Shares arising on the exercise of the Warrants to be admitted to trading on AIM. Further details of the rights attaching to the Warrants are set out in paragraph 9 of Part VIII of this document.

### 14. DIVIDEND POLICY

Initially the Enlarged Group Board anticipate that any earnings will be retained by the Company for the development and growth of the business of the Enlarged Group.

The declaration and payment by the Company of dividends will, once the Enlarged Group has achieved its development objectives, be dependent upon the Company's financial condition, future prospects and other factors deemed to be relevant at the time. This will take into account both the requirements of the business and the expectations of the Shareholders.

### 15. EXTRAORDINARY GENERAL MEETING

A notice is set out at the end of this document convening an Extraordinary General Meeting to be held at 11.00 a.m. on 21 August 2006 at the offices of DMH Stallard, Centurion House, 37 Jewry Street, London EC3N 2ER. At the Extraordinary General Meeting, the Resolutions will be proposed to increase the share capital of the Company, approve the Acquisition, approve the Waiver, approve the change of name, authorise the Directors to allot up to 340,000,000 Ordinary Shares (including the Consideration Shares and Placing Shares) and disapply pre-emption rights over 340,000,000 Ordinary Shares (including the Placing Shares).

Further details of the Resolutions are set out below:

#### **Resolution 1 — Increase of share capital**

The authorised share capital of the Company be increased beyond the existing share capital of £4,000,000 divided into 111,950,892 Ordinary Shares and 15,160,482 Deferred Shares, to £7,000,000 by the creation of 300,000,000 ordinary shares of 1p each ranking *pari passu* in all respects with the existing Ordinary Shares.

#### **Resolution 2 — Approval of the Acquisition**

As the Acquisition constitutes a reverse takeover, Shareholder approval, as set out in Resolution 2, is required under the AIM Rules.

The Acquisition Agreement is conditional, *inter alia*, upon the passing of the Resolutions and therefore if they are not approved by the Shareholders, the Acquisition will not be completed.

#### **Resolution 3 — Waiver by the Panel on Rule 9 mandatory offer**

To approve the waiver by the Panel on Takeovers and Mergers of the obligations of the Concert Party to make a general cash offer for the whole of the Company's issued share capital pursuant to Rule 9 of the City Code as a result of (i) the issue to the Concert Party of 209,574,031 new ordinary shares in the Company pursuant to the Acquisition as a result of which the Concert Party will own in aggregate 76.0 per cent. of the Enlarged Share Capital; and (ii) any increase on the exercise of Warrants to subscribe for a further 5,037,500 Ordinary Shares as a result of which the Concert Party could in aggregate own up to 76.4 per cent. of the further enlarged issued share capital of the Company. In accordance with the requirements of the Panel for granting a waiver of the requirement for the Concert Party to make a general offer under Rule 9 of the City Code, this resolution is required to approve the Waiver and will be taken on a poll.

#### **Resolution 4 — Authority to allot shares**

It is proposed to give the Directors authority to allot relevant securities up to an aggregate nominal amount of £3,400,000. The authority will expire five years after the date of the passing of this resolution. After the allotment of the New Ordinary Shares, the Directors will have authority to allot up to 79,265,593 Ordinary Shares representing approximately 28.7 per cent. of the Enlarged Share Capital.

### **Resolution 5 — Change of Name**

Subject to, and conditional upon, completion of the Acquisition Agreement, the name of the Company will be changed to “Crimson Tide plc”.

### **Resolution 6 — Disapplication of pre-emption rights**

It is proposed that the Directors be empowered pursuant to Section 95 Act to allot equity securities (within the meaning of Section 94(2) of that Act) of the Company for cash pursuant to the general authority conferred on the Directors pursuant to resolution 4 as if Section 89(1) of that Act did not apply to such allotment, provided that this power shall be limited to:

- (i) the allotment of up to 200,759,180 Ordinary Shares under the Acquisition Agreement;
- (ii) the allotment of up to 59,975,227 Ordinary Shares pursuant to the Placing;
- (iii) the allotment of up to 22,574,048 Ordinary Shares under the Warrants;
- (iv) the allotment of new equity securities in connection with or any rights issue or other offering of new equity securities in favour of the holders of Ordinary Shares and other persons entitled to participate therein in proportion (as nearly as may be) to their respective holdings of Ordinary Shares (or, as appropriate, the numbers of Ordinary Shares which such other persons are for those purposes deemed to hold), subject only to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements and/or transfer and/or holding of any securities in uncertificated form or legal or practical problems under the laws of any territory or the regulations or requirements of any regulatory body or any stock exchange in any territory; and
- (v) the allotment (other than pursuant to paragraphs (i), (ii) and (iii) of this resolution 6) of equity securities up to an aggregate nominal amount of £566,915.45 provided that such power shall expire on the date of the Annual General Meeting of the Company to be held in 2007 or 15 months after the date of the passing of this Resolution (whichever is the earlier) but so that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

Resolution 2 is conditional on Resolution 3, and Resolution 5 is conditional on completion of the Acquisition.

## **16. TAXATION**

The attention of investors is drawn to the further information regarding taxation set out in paragraph 16 of Part VIII of this document. These details are, however, intended as a general guide to the current tax position under UK taxation law.

The Company has received advanced assurance from H.M. Revenue and Customs that, on the basis of the information provided, the Placing Shares will qualify for Enterprise Investment Scheme and Venture Capital Trust relief (“EIS/VCT relief”). The Directors anticipate that the Group will continue to be a qualifying company for the purpose of EIS/VCT relief, although no guarantee of this can be given.

## **17. ACTION TO BE TAKEN**

A Form of Proxy is enclosed for use at the Extraordinary General Meeting. Whether or not you intend to be present at the meeting you are requested to complete, sign and return the Form of Proxy to the Company’s registrars, Computershare Investor Services PLC, PO Box 1075, The Pavilions, Bridgwater Road, Bristol BS99 3FA by no later than 11.00 a.m. on 19 August 2006. The completion and return of a Form of Proxy will not preclude you from attending the meeting and voting in person should you wish to do so.

## **18. ADMISSION, SETTLEMENT AND DEALINGS**

Application will be made to the London Stock Exchange for the existing Ordinary Shares already issued to be re-admitted to trading on AIM and for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and dealings will commence in the Enlarged Share Capital on 22 August 2006. No application has or will be made for the Enlarged Share Capital to be admitted to trading or to be listed on any other stock exchange.



No temporary documents of title will be issued. All documents sent by or to a Placee will be sent through the post at the Placee's risk. Pending the despatch of definitive share certificates, instruments of transfer will be certified against the register of members of the Company.

#### **19. FURTHER INFORMATION**

Your attention is drawn to the remainder of this document, which provides additional information on the matters discussed above.

#### **20. RECOMMENDATION OF THE DIRECTORS**

**Graham Ashley is a Director, a Crimson Tide Director and a Vendor and has therefore not participated in the Board's deliberation of the Acquisition or the Waiver. The Acquisition constitutes a related party transaction pursuant to Rule 13 of the AIM Rules. The Independent Directors, who have been so advised by W.H. Ireland, consider that the terms of the Proposals and the Waiver are fair and reasonable and in the best interests of the Company and Shareholders as a whole. In providing advice to the Board, W.H. Ireland has taken into account the Directors' and the Proposed Directors' commercial assessments. Accordingly, the Independent Directors unanimously recommend Shareholders to vote in favour of the Resolutions.**

## PART II

### INFORMATION ON CRIMSON TIDE

#### INTRODUCTION

Crimson Tide is a growing mobile data solutions provider building on its established expertise in CRM systems, telecoms software and bespoke software development, to provide companies in the SME sector with the ability to access their business information whilst away from the office.

#### HISTORY AND DEVELOPMENT

Crimson Tide was founded in 1996 and is based in offices in Tunbridge Wells.

The company, which now has 10 employees excluding the non-executive directors, was founded by its current Executive Chairman Barrie Whipp. Initially it focused on the provision of software services to the SME (small and medium enterprises) sector. These ranged from acting as reseller of established CRM software such as Goldmine and Saleslogix to providing bespoke integrated software solutions.

As its business developed, Crimson Tide gained further expertise in specific areas including CRM systems, telecoms monitoring software and internet services. In 2004, Barrie Whipp invited Stephen Goodwin and Jeremy Roth to join the management team to exploit the opportunity to build on this expertise and apply it to the rapidly increasing use of mobile technology.

In 2004, the company raised approximately £385,000 privately to launch and develop its *mobileprofessional* service brand and to expand its operational base. The funds have enabled Crimson Tide to establish a range of subscription based services including remote e-mail, mobile field sales and mobile field service solutions using hand held computers such as the Palm Treo and Pocket PC devices. The company has continued to build on its expertise and has established reference sites for its key product offerings. It is now seeking to invest further in the rollout of this business to exploit the opportunities presented by accelerating growth in demand for remote e-mail and mobile data solutions.

#### PRODUCTS AND SERVICES

The *mobileprofessional* services are based on the use of handheld devices to provide a range of remote data services and software solutions on a subscription basis including:

- setting up and providing services in relation to remote e-mail management;
- use of electronic forms in workflow management to improve reporting accuracy and productivity;
- corporate CRM systems with remote access for management and employees working away from the office; and
- remote access to company data and management information integrated with back-end systems hosted by the customer or by Crimson Tide.

Crimson Tide offers these services on a monthly subscription model allowing the customer to acquire I.T. functionality without incurring the capital expenditure usually associated with these types of business solutions.

In addition to the above, the company continues to offer its traditional business solutions including CRM software, bespoke software and to supply its own telecoms management software. It also continues to generate on-going revenues by supporting software solutions that it has previously supplied to its existing customers.

#### KEY COMMERCIAL RELATIONSHIPS

Crimson Tide is:

- A Sage business partner and one of Sage's top mobile solutions business partners;
- A Palm certified partner; and
- A Good Technology business partner.

These relationships allow the company to offer integrated solutions using its partners' technology and obtain discounts on its partners' products.

## REVENUES AND CUSTOMERS

In the eighteen months to 31 January 2006, Crimson Tide has gained over 50 customers for its mobile solutions business and has provided its services to over 500 mobile data users.

In that period, revenues from this source have amounted to £393,035 of which £133,667 was achieved in the last three months to 31 January 2006, more than 50 per cent. of the total earned in the year ended 31 October 2005.

In the same eighteen months to 31 January 2006, revenues from other products and services totalled £609,256.

## DIRECTORS

The directors of Crimson Tide are Barrie Reginald John Whipp, Stephen Keith Goodwin, Jeremy Walter Frederick Roth, Graham Basil Ashley and Helen Bridget Whipp. These directors, with the exception of Helen Bridget Whipp will join the Enlarged Group Board on Admission. Upon Admission Helen Bridget Whipp will resign from the board of Crimson Tide and will not join the Enlarged Group Board. Details of the Proposed Directors joining the Enlarged Group Board are set out in Part I of this document.

The Enlarged Group intends to retain the services of the existing employees of Crimson Tide and will seek to further expand staff numbers as the business develops.

## EMPLOYEES

Crimson Tide currently has 10 employees, excluding the non-executive directors, all of whom are based at Crimson Tide's premises at Tavern Cellars, 39/41 The Pantiles, Tunbridge Wells, Kent TN2 5TE. Average employee numbers over the last 27 months are set out in the table below:

<i>Function</i>	<i>Average Number of Employees</i>		
	<i>Three months ended 31 January 2006</i>	<i>Year ended 31 October 2005</i>	<i>Year ended 31 October 2004</i>
Sales and Marketing	4	4	3
Technical Support and Development	4	4	3
General Management, Finance and Administration	3	3	4
Total	<u>11</u>	<u>11</u>	<u>10</u>

## THE MARKET AND STRATEGY

The market for mobile e-mail access is expanding rapidly. Palm forecast that worldwide, mobile e-mail users will grow 10-fold by 2008 and Microsoft believe mobility is set to grow by over 30 per cent. per annum to 2007.

The Enlarged Group Board believes that many smaller companies and organisations do not have the in-house expertise to implement effective remote e-mail operations and that providing these services alone offers a significant market opportunity to increase the customer base. More importantly the Enlarged Group Board believes that as the use of handheld devices increases, so will the opportunity for the provision of other software services to allow remote integration with other corporate systems and databases.

Based on its experience since launching its mobile *professional* services, the company believes that the greatest potential for developing sales lies in those sectors where there is a significant element of:

- Field services;
- Field sales; or
- Field audit and review

that would be enhanced by direct, remote, access to a corporate database and/or processing system.

The company has identified three key vertical markets where it initially intends to focus its marketing resources as follows:

1. Plant and Machinery Suppliers — with a heavy field service and sales element;
2. Companies with field based inspection and reporting requirements; and

### 3. Utility Services Suppliers — where there is a high level of on site review and reporting.

Resources will be devoted both to marketing and product development in those sectors. While the Enlarged Group Board intends that the Enlarged Group should focus on key vertical markets, it remains aware of the potential opportunities offered by the construction and site services, financial services and market research sectors, and will seek to address these and other broader opportunities through its wider marketing initiatives. A marketing plan has been developed encompassing a range of activities from web and print based advertising through direct selling, events and public relations.

## COMPETITION

The company faces competition in a number of areas and from a number of sources. The Enlarged Group Board believes however, that although most competitors address one or other part of its services, they are not aware of any direct competitor offering exactly the same service and subscription model as Crimson Tide. Organisations competing in part with Crimson Tide include:

- (i) the mobile networks who offer certain data solutions to boost the revenues they earn from data transmissions but who are less focused on delivery, customisation and software support;
- (ii) software companies who develop software and sell licences to use that software but do not supply hardware, mobile connections or even implement the software;
- (iii) hardware suppliers who seek to maximise sales of hand held devices but have little appetite to supply software solutions; and
- (iv) BlackBerry suppliers where their marketing to date has driven the growth in mobile e-mail but who have created an awareness and opportunity for other mobile data applications.

The Enlarged Group Board believes that at the current time, the principal constraint on sales arises from lack of awareness among its target customer base of the potential opportunity for and benefits offered by Crimson Tide's mobile solutions model.

## SUMMARY FINANCIAL INFORMATION

As at 31 January 2006 Crimson Tide had net assets of £137,201. The results of the Crimson Tide Group for the three years and a quarter ended 31 January 2006 are set out in the accountants' report on the Crimson Tide Group in Part IV of this document and the following summary financial information should be read in conjunction with that financial information:

	<i>Quarter ended</i>	<i>Year ended</i>	<i>Year ended</i>	<i>Year ended</i>
	<i>31 January</i>	<i>31 October</i>	<i>31 October</i>	<i>31 October</i>
	<i>2006</i>	<i>2005</i>	<i>2004</i>	<i>2003</i>
<i>Profit and loss account</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Turnover	229,941	686,911	444,672	531,461
Operating profit/(loss) before amortisation, depreciation and interest	5,596	(111,851)	(362,858)	20,798
(Loss)/profit before and after tax	(5,617)	(161,793)	(430,817)	1,695

The decline in turnover and increase in costs between 2003 and 2004 reflects the change in emphasis of the business towards the development of the mobile *professional* concept and related expenditure. Since 2004, sales have grown strongly in large part reflecting the success of this strategy and in the quarter ended 31 January 2006 Crimson Tide made a small operating profit before amortisation, depreciation and interest.

## CURRENT TRADING AND PROSPECTS

In the period since 31 January 2006, sales have been ahead of the equivalent period for last year.

The Enlarged Group Board believes that the current market presents significant opportunities for organic growth and acquisition and view the future with confidence.

## PROPERTY

Crimson Tide occupies approximately 1,200 square feet of offices in Tunbridge Wells in Kent on a leasehold basis. The freehold is currently owned by The Manor of Rusthall.

## CORPORATE STRUCTURE

Crimson Tide Limited has 2 wholly owned subsidiaries:

- Moneymotive Limited, incorporated in England and Wales under company number 02655907.
- Mobile Professional plc, incorporated in England and Wales under company number 04998923.

Moneymotive owns the entire share capital of Callog Limited, incorporated in England and Wales under company number 07877136.

## SHAREHOLDERS

The Crimson Tide Shareholders, their current interests in Crimson Tide and their potential interests in the Enlarged Share Capital are set out below:

<i>Shareholder</i>	<i>Number of Crimson Tide Shares</i>	<i>% issued share capital of Crimson Tide</i>	<i>Number of Ordinary Shares on Admission</i>	<i>% of Enlarged Share Capital</i>	<i>% of Enlarged Share Capital assuming exercise of all Warrants</i>
Barrie Reginald John Whipp	42,040,048	57.59	115,610,132	41.90	38.73
Jeremy Walter Frederick Roth	10,956,785	15.01	30,131,159	10.92	10.10
Stephen Keith Goodwin	9,313,267	12.76	25,611,484	9.28	8.58
Graham Basil Ashley <sup>1</sup>	3,913,138	5.36	16,000,000	5.80	5.80
Goodwin Accumulation & Maintenance Trust	600,000	0.82	1,650,000	0.60	0.55
Rowley Stuart Ager <sup>1</sup>	300,000	0.41	5,000,000	1.81	2.02
Others	5,880,100	8.05	25,705,006	9.32	8.61
<b>Total</b>	<b>73,003,338</b>	<b>100</b>	<b>219,707,781</b>	<b>79.03</b>	<b>73.84</b>

<sup>1</sup> The number of Ordinary Shares held on Admission for these Crimson Tide Shareholders includes the relevant number of Placing Shares for which they have subscribed under the Placing.

'Others' comprises thirty-nine individual shareholders holding no more than 1.4 per cent. each of the issued share capital of Crimson Tide. Three Crimson Tide Shareholders holding in aggregate 0.20 per cent. of the capital are related to Barrie Whipp, two Crimson Tide Shareholders holding in aggregate 0.27 per cent. of the capital are related to Stephen Goodwin and two Crimson Tide Shareholders holding in aggregate 0.04 per cent. of the capital are related to Jeremy Roth.

## PART III

### RISK AND OTHER FACTORS

**In addition to the other relevant information set out in this document, the following specific factors should be considered carefully when evaluating whether to make an investment in the Company. The investment offered in this document may not be suitable for all of its recipients. If you are in any doubt as to the action you should take, you should consult a person authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities. A prospective investor should consider carefully whether an investment in the Company is suitable for him/her in the light of his/her personal circumstances and the financial resources available to him/her.**

**In addition to the usual risks associated with an investment in a business at an early stage of its development, the Enlarged Group Board consider that the risks and other factors described below are the most significant and should be considered carefully together with all the information contained in this document, prior to applying for Placing Shares. It should be noted that the risks described below are not the only risks faced by the Enlarged Group; there may be additional risks that the Enlarged Group Board currently consider not to be material or of which they are currently unaware.**

**If any of these risks crystallise, the Enlarged Group's business, financial condition, results or future operations could be materially adversely affected. In such case, the price of its shares could decline and investors may lose all or part of their investment.**

#### **1. Requirement for funds**

Currently the Enlarged Group's overhead base is being expanded to support anticipated growth. If this growth is not achieved, it may be necessary to raise funds, to cover the Enlarged Group's working capital requirements. It may also be necessary to raise funds for all or part of any cash consideration in respect of an acquisition. No assurance can be given that any such additional financing will be available or that, if available, it will be available on terms favourable to the Enlarged Group or its shareholders. If required funds are not available the Enlarged Group may not be able to fulfil its strategy which could have a material adverse effect on the Enlarged Group's business, financial condition and prospects. If such funds are sought by way of the issue of equity in the Enlarged Group, then this may dilute the equity interests of the Enlarged Group's then shareholders.

#### **2. Dependence on key personnel and employees**

In common with many smaller companies the Enlarged Group's future success will depend upon its current and future senior management team. Whilst it has entered into contractual arrangements with the aim of securing the services of the Enlarged Group Board, details of which are set out in Part VIII of this document, the retention of their, and any future directors' or employees' services cannot be guaranteed.

#### **3. Customer retention**

There can be no assurance that Crimson Tide's current customers will remain customers of the Enlarged Group or will continue to conduct the same level of business with it in the future. The Company will rely on its ability to secure additional customers and revenue.

#### **4. Share price effect of sales of Ordinary Shares by a significant Shareholder and/or Director**

The market price of the Ordinary Shares could decline significantly as a result of any sales of Ordinary Shares following the expiry of the Lock-in Period, or the perception by the market that such sales could or would occur, although it is emphasised that the Directors or Proposed Directors have no current intention of disposing of any Ordinary Shares held by them at such time.

#### **5. Share price volatility and liquidity**

The share price of publicly traded companies can be highly volatile. The price at which the Ordinary Shares will be quoted and the price which Shareholders may realise for their Ordinary Shares may differ. The price of Ordinary Shares is influenced by a large number of factors, some specific to the Enlarged Group and its operations and its sector and some which may affect quoted companies generally. Neither the Enlarged Group, nor the Enlarged Group Board warrant the future performance of the Enlarged Group or any return on an investment in the Enlarged Group.

## **6. Competition**

Additional similar companies may enter the market and reduce the Enlarged Group's market share and adversely affect the Company's planned growth rate.

## **7. Growth management**

There is no certainty that the Enlarged Group's desired growth will be successfully managed. The Enlarged Group may have to engage the services of additional technical, sales and marketing and administrative personnel to handle any material growth in its business. Prior to these personnel being engaged, the additional demands placed on the Company's existing resources may impair its ability to maintain its services to its customers.

**Notwithstanding the fact that the Ordinary Shares are traded on AIM, this should not be taken as implying that there will be a "liquid" market in the Ordinary Shares. An investment in the Ordinary Shares may thus be difficult to realise. Investments in shares traded on AIM carry a higher degree of risk than investments in shares quoted on the Official List. The value of the Ordinary Shares may go down as well as up. Investors may therefore realise less than their original investment, or sustain a total loss of their investment.**

## PART IV

### ACCOUNTANTS' REPORT ON THE CRIMSON TIDE GROUP



10 Orange Street  
Haymarket  
London WC2H 7DQ

T: + 44 (0) 20 7312 0000

F: + 44 (0) 20 7312 0022

E: advice@shipleys.com

www.shipleys.com

The Directors  
A. Cohen & Co. Plc  
10 Orange Street  
Haymarket  
London  
WC2H 7DQ

and

The Directors  
W.H. Ireland Limited  
24 Bennetts Hill  
Birmingham  
B2 5QP

27 July 2006

Dear Sirs

#### **Crimson Tide Group (“Crimson Tide”)**

We report on the financial information set out below. This financial information has been prepared for inclusion in the admission document, dated 27 July 2006 (the “Admission Document”) on the basis of the accounting policies set out in note 1. This report is required by Paragraph 20.1 of Annex 1 of the AIM Rules and is given for the purpose of complying with that paragraph and for no other purpose.

#### **Responsibilities**

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

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

Offices also in  
**Godalming**  
and  
**Saffron Walden**

**Principals - Chartered Accountants:** Guy Fisher, Jane Henman, Steven Jeffcott, Steve Joberns, John McCuin (Managing), Alastair Mein, Shane Moloney, Ken Roberts, Simon Robinson, James Vassiliou. **Others:** Gary Haselton, Mike Lockett, Sanchia Norris.

A Member of AGN International Limited. An association of separate and independent accounting and consulting firms.

Regulated by the Institute of Chartered Accountants in England and Wales for a range of investment business activities.

Shipleys LLP is a limited liability partnership, registered number OC317129 in England & Wales, registered office 10 Orange Street, Haymarket, London WC2H 7DQ



**Basis of opinion**

We conducted our work in accordance with the Statements of Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of the evidence relevant to the amounts and disclosures in the financial information. The evidence included that previously obtained by the auditors who audited the financial statements for the three years ended 31 October 2005. 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 circumstances of Crimson Tide, have been consistently applied and are adequately disclosed.

We planned 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, a true and fair view of the state of affairs of Crimson Tide as at the dates stated and of its profits, cash flows and total recognised gains and losses for the years ended 31 October 2003, 2004, 2005 and the 3 months ended 31 January 2006 in accordance with the basis of preparation set out in note 1 and in accordance with the applicable financial reporting framework.

**Declaration**

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules, we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

**Shipleys LLP**

Chartered Accountants and  
Registered Auditors

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

### Years ended 31 October and 3 months ended 31 January 2006

	Note	2006 £	2005 £	2004 £	2003 £
<b>Turnover</b>	2	229,941	686,911	444,672	531,461
Cost of sales		(94,315)	(257,232)	(133,054)	(88,898)
Gross profit		135,626	429,679	311,618	442,563
Administrative expenses		(139,990)	(585,247)	(722,302)	(439,297)
<b>Operating profit/(loss)</b>	4	(4,364)	(155,568)	(410,684)	3,266
Interest receivable		236	2,183	3,007	6
Investment written off	6	—	—	(15,000)	—
Interest payable and similar charges	5	(1,489)	(8,408)	(8,140)	(1,577)
		(1,253)	(6,225)	(20,133)	(1,571)
<b>Profit/(loss) on ordinary activities before taxation</b>		(5,617)	(161,793)	(430,817)	1,695
Tax on profit/(loss) on ordinary activities	7	—	—	—	—
<b>Retained profit/(loss) for financial period</b>		(5,617)	(161,793)	(430,817)	1,695

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

### Years ended 31 October and 3 months ended 31 January 2006

	2006 £	2005 £	2004 £	2003 £
Profit/(loss) for the financial period after taxation	(5,617)	(161,793)	(430,817)	1,695
Total recognised gains/(losses) relating to the period	(5,617)	(161,793)	(430,817)	1,695
Prior period adjustment	—	—	(76,174)	—
Total gains/(losses) recognised since last annual report	(5,617)	(161,793)	(506,991)	1,695

## CONSOLIDATED BALANCE SHEET

Years ended 31 October and 3 months ended 31 January 2006

	<i>Note</i>	2006 £	2005 £	2004 £	2003 £
<b>Fixed assets</b>					
Intangible assets	8	286,425	296,025	333,354	370,681
Tangible assets	9	23,783	24,143	19,449	19,294
Investments	10	—	—	—	15,000
		<u>310,208</u>	<u>320,168</u>	<u>352,803</u>	<u>404,975</u>
<b>Current assets</b>					
Stocks		11,400	11,400	5,505	—
Debtors	11	184,821	178,186	70,699	134,898
Cash at bank and in hand		58,750	86,276	227,798	49,893
		<u>254,971</u>	<u>275,862</u>	<u>304,002</u>	<u>184,791</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>(382,914)</u>	<u>(404,411)</u>	<u>(305,200)</u>	<u>(171,099)</u>
<b>Net current assets/(liabilities)</b>		<u>(127,943)</u>	<u>(128,549)</u>	<u>(1,198)</u>	<u>13,692</u>
<b>Total assets less current liabilities</b>		182,265	191,619	351,605	418,667
<b>Creditors: amounts falling due after more than one year</b>	13	<u>(45,064)</u>	<u>(48,801)</u>	<u>(46,994)</u>	<u>(65,936)</u>
<b>Net assets</b>		<u>137,201</u>	<u>142,818</u>	<u>304,611</u>	<u>352,731</u>
<b>Capital and reserves</b>					
Called up share capital	16	730,033	730,033	730,033	626,102
Share premium account	17	278,766	278,766	278,766	—
Profit and loss account	18	(871,598)	(865,981)	(704,188)	(273,371)
<b>Shareholders' funds</b>	19	<u>137,201</u>	<u>142,818</u>	<u>304,611</u>	<u>352,731</u>

**CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)**

Years ended 31 October and 3 months ended 31 January 2006

	2006	2005	2004	2003
	£	£	£	£
<b>Cash flow from operating activities</b>				
Operating profit/(loss)	(4,364)	(155,568)	(410,684)	3,266
Depreciation	360	6,388	10,499	11,953
Amortisation of intangible fixed assets	1,895	6,511	6,509	3,579
Amortisation of goodwill	7,705	30,818	30,818	—
Loss on disposal of fixed assets	—	294	—	2,875
(Increase)/decrease in stocks	—	(5,895)	(5,505)	—
(Increase)/decrease in debtors	(6,635)	(107,487)	64,199	19,326
Increase/(decrease) in creditors	(22,003)	98,510	127,661	(24,614)
<b>Net cash flow from operating activities</b>	<b>(23,042)</b>	<b>(126,429)</b>	<b>(176,503)</b>	<b>16,385</b>
<b>Returns on investments and servicing of finance</b>				
Interest received	236	2,183	3,007	6
Interest paid	(983)	(4,783)	(5,388)	(1,577)
Interest element of finance lease	—	(909)	—	—
<b>Net cash flow from investments and servicing of finance</b>	<b>(747)</b>	<b>(3,509)</b>	<b>(2,381)</b>	<b>(1,571)</b>
<b>Capital expenditure and financial investment</b>				
Payments to acquire tangible fixed assets	—	(11,376)	(11,654)	(8,762)
Receipts from the sale of fixed assets	—	—	—	300
Payments to acquire intangible fixed assets	—	—	—	(13,882)
<b>Net cash flow from capital expenditure and financial investment</b>	<b>—</b>	<b>(11,376)</b>	<b>(11,654)</b>	<b>(22,344)</b>
<b>Cash flow before use of liquid resources and financing</b>	<b>(23,789)</b>	<b>(141,314)</b>	<b>(190,538)</b>	<b>(7,530)</b>
<b>Financing</b>				
Finance lease capital received	—	9,882	—	—
Loan finance received	—	60,721	—	80,000
Capital element of finance lease repayments	—	(1,442)	—	—
Capital repayment of loans	(3,737)	(69,369)	(14,254)	—
Issue of ordinary share capital	—	—	103,931	—
Share premium on issue of equity share capital	—	—	278,766	—
<b>Net cash flow from financing</b>	<b>(3,737)</b>	<b>(208)</b>	<b>368,443</b>	<b>80,000</b>
<b>Net cash flow for the period</b>	<b>(27,526)</b>	<b>(141,522)</b>	<b>177,905</b>	<b>72,470</b>

## NOTES TO THE FINANCIAL INFORMATION

### 1. ACCOUNTING POLICIES

The financial information is prepared in accordance with applicable accounting standards. The particular accounting policies adopted by the directors are described below.

#### *Accounting convention*

The financial statements are prepared under the historical cost convention.

#### *Basis of consolidation*

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings. The results of the subsidiary acquired are included in the consolidated profit and loss account from the date control passes.

#### *Turnover*

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of value added tax.

#### *Development expenditure*

Direct costs of developing software for commercial resale are capitalised and amortised over the expected useful economic life of the product. Amortisation commences when revenue from the product begins to be received. The carrying value of the development costs is reassessed annually.

#### *Tangible fixed assets*

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold improvements	20% on cost
Fixtures and fittings	25% reducing balance
Equipment	20% on cost

#### *Goodwill*

Goodwill represents the excess of the fair value of the consideration given for investments in subsidiary undertakings over the fair value of the underlying net assets at the date of their acquisition.

The goodwill is being written off over 10 years from 1 November 2003, being the directors estimate of its remaining economic life.

#### *Hire purchase*

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight-line basis.

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

#### *Support and maintenance income*

The company takes credit for support and maintenance income evenly over the period of the maintenance agreement.

#### *Operating leases agreements*

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

### *Deferred taxation*

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions.

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

### *Prior period adjustment*

The company changed its accounting policy relating to the deferral of support and maintenance income in 2004.

## **2. TURNOVER**

The turnover and profit before taxation are attributable to the principal activity of the company and arose solely in the United Kingdom.

## **3. DIRECTORS' EMOLUMENTS AND EMPLOYEE INFORMATION**

The directors' aggregate emoluments in respect of qualifying services were:

	2006	2005	2004	2003
	£	£	£	£
Aggregate emoluments	34,709	144,160	174,362	10,837

## **4. OPERATING PROFIT/LOSS**

	2006	2005	2004	2003
	£	£	£	£
<b>Operating profit/(loss) is after charging:</b>				
Depreciation	360	6,388	10,499	11,953
Amortisation of development costs	1,895	6,511	6,509	3,579
Amortisation of goodwill	7,705	30,818	30,818	—
Loss on disposal of fixed assets	—	294	—	2,875
Auditors' fees	3,208	4,735	5,715	5,305
Operating lease costs:				
Land and buildings	4,250	18,560	16,259	18,185
Plant and equipment	5,679	35,294	43,902	15,623

## **5. INTEREST PAYABLE AND SIMILAR CHARGES**

	2006	2005	2004	2003
	£	£	£	£
Bank loan interest	983	4,783	5,388	1,577
Other loan interest	506	2,716	2,752	—
Finance lease interest	—	909	—	—
	1,489	8,408	8,140	1,577

## 6. AMOUNTS WRITTEN OFF INVESTMENTS

	2006	2005	2004	2003
	£	£	£	£
Amounts written off fixed investments	—	—	15,000	—

## 7. TAX ON PROFIT ON ORDINARY ACTIVITIES

### *Factors affecting current tax charge*

The tax assessed on the loss on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30 per cent.

	2006	2005	2004	2003
	£	£	£	£
Profit/(loss) on ordinary activities before tax	(5,617)	(161,793)	(430,817)	1,695
Profit/(loss) on ordinary activities by rate of tax	(1,685)	(48,538)	(129,245)	508
Factors affecting the charge:				
Brought forward losses	—	—	—	(1,086)
Non deductible expenses	—	12,519	13,745	—
Losses carried forward	1,685	41,904	114,401	—
Capital allowances in excess of depreciation	—	(1,576)	—	—
Utilisation of brought forward taxable losses	—	(4,309)	—	—
Other net adjustments	—	—	1,099	578
Actual amount of current tax charge for the year	—	—	—	—

### *Deferred tax asset*

The group has un-provided deferred tax assets relating to tax losses carried forward of £547,000 (2005: £545,000; 2004: £491,500; 2003: £376,051). This asset has not been recognised in the accounts due to the uncertainty of future taxable profits.

## 8. INTANGIBLE FIXED ASSETS

	<i>Goodwill</i>	<i>Development expenditure</i>	<i>Total</i>
	£	£	£
<b>At cost or valuation</b>			
At 1 November 2002	308,178	59,178	367,356
Additions	—	13,882	13,882
At 31 October 2003	308,178	73,060	381,238
Additions	—	—	—
At 31 October 2004	308,178	73,060	381,238
Additions	—	—	—
At 31 October 2005	308,178	73,060	381,238
Additions	—	—	—
At 31 January 2006	308,178	73,060	381,238
<b>Amortisation</b>			
At 1 November 2002	—	6,978	6,978
Charge for the year	—	3,579	3,579
At 31 October 2003	—	10,557	10,557
Charge for the year	30,818	6,509	37,327
At 31 October 2004	30,818	17,066	47,884
Charge for the year	30,818	6,511	37,329
At 31 October 2005	61,636	23,577	85,213
Charge for the period	7,705	1,895	9,600
At 31 January 2006	69,341	25,472	94,813
<b>Net Book Value</b>			
<b>At 31 October 2003</b>	308,178	62,503	370,681
<b>At 31 October 2004</b>	277,360	55,994	333,354
<b>At 31 October 2005</b>	246,542	49,483	296,025
<b>At 31 January 2006</b>	238,837	47,588	286,425



## 9. TANGIBLE FIXED ASSETS

	<i>Leasehold Improvements</i> £	<i>Fixtures and fittings</i> £	<i>Equipment</i> £	<i>Motor Vehicles</i> £	<i>Total</i> £
<b>Cost</b>					
At 1 November 2002	—	21,447	30,405	17,700	69,552
Additions	4,300	2,759	1,703	—	8,762
Disposals	—	—	—	(17,700)	(17,700)
At 31 October 2003	4,300	24,206	32,108	—	60,614
Additions	—	651	11,003	—	11,654
At 31 October 2004	4,300	24,857	43,111	—	72,268
Additions	—	111	11,265	—	11,376
Disposals	(4,300)	—	—	—	(4,300)
At 31 October 2005	—	24,968	54,376	—	79,344
Additions	—	—	—	—	—
At 31 January 2006	—	24,968	54,376	—	79,344
<b>Depreciation</b>					
At 1 November 2002	—	7,806	22,561	14,525	44,892
Charge for the year	478	5,054	6,421	—	11,953
Disposals	—	—	—	(14,525)	(14,525)
At 31 October 2003	478	12,860	28,982	—	42,320
Charge for the year	3,528	3,543	3,428	—	10,499
At 31 October 2004	4,006	16,403	32,410	—	52,819
Charge for the year	—	2,142	4,246	—	6,388
Disposals	(4,006)	—	—	—	(4,006)
At 31 October 2005	—	18,545	36,656	—	55,201
Charge for the period	—	360	—	—	360
At 31 January 2006	—	18,905	36,656	—	55,561
<b>Net Book Value</b>					
At 31 October 2003	3,822	11,346	3,126	—	19,294
At 31 October 2004	294	8,454	10,701	—	19,449
At 31 October 2005	—	6,423	17,720	—	24,143
At 31 January 2006	—	6,063	17,720	—	23,783

## 10. INVESTMENTS HELD AS FIXED ASSETS

	<i>Other investments £</i>
<b>Cost</b>	
At 1 November 2002	15,000
Additions	—
Disposals	—
At 31 October 2003	15,000
Additions	—
Amount written off	(15,000)
At 31 October 2004	—
Additions	—
At 31 October 2005	—
Additions	—
At 31 January 2006	—
<b>Net Book Value</b>	
<b>At 31 October 2003</b>	<b>15,000</b>
<b>At 31 October 2004</b>	—
<b>At 31 October 2005</b>	—
<b>At 31 January 2006</b>	—

Investments comprise of a 2.4 per cent. holding of the shares in Axis Intermodal Holding BV, this was written off in 2004.

## 11. DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	<i>2006 £</i>	<i>2005 £</i>	<i>2004 £</i>	<i>2003 £</i>
Trade debtors	90,858	127,680	48,407	112,505
Other debtors	116	—	7,428	5,446
Prepayments and accrued income	93,847	50,506	14,864	16,947
	<u>184,821</u>	<u>178,186</u>	<u>70,699</u>	<u>134,898</u>

## 12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<i>2006 £</i>	<i>2005 £</i>	<i>2004 £</i>	<i>2003 £</i>
Bank loan	14,037	14,037	18,752	14,064
Trade creditors	67,538	97,214	59,912	35,569
PAYE and social security	10,951	40,016	48,953	4,335
VAT	41,165	36,810	—	1,002
Finance lease agreements	2,700	2,700	—	—
Directors' current account	36,693	39,630	49,920	6,284
Other creditors	—	1,945	24,346	20,756
Accruals and deferred income	209,830	172,059	103,317	89,089
	<u>382,914</u>	<u>404,411</u>	<u>305,200</u>	<u>171,099</u>

### 13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2006	2005	2004	2003
	£	£	£	£
Bank loan	39,324	43,061	46,994	65,936
Finance lease agreements	5,740	5,740	—	—
	<u>45,064</u>	<u>48,801</u>	<u>46,994</u>	<u>65,936</u>

In 2003 the company obtained a bank loan of £80,000 secured by a debenture over the company's assets and a guarantee from Mr Barrie Whipp, the Executive Chairman and majority shareholder. The outstanding balance was repaid in August 2005 by a new loan of £60,721 and a £50,000 overdraft facility was obtained. Messrs Whipp, Goodwin and Roth provided joint and several guarantees for £25,000. After 31 December 2005 the overdraft facility was increased to £100,000 and the directors' joint and several guarantees were increased to £60,000.

### 14. COMMITMENTS UNDER OPERATING LEASES

The company had annual commitments under non-cancellable operating leases as set out below.

	2006	2005	2004	2003
	£	£	£	£
Leases which expire:				
Within one year	8,983	8,983	—	—
Between two and five years	31,021	31,021	60,161	36,906
	<u>40,004</u>	<u>40,004</u>	<u>60,161</u>	<u>36,906</u>

### 15. RELATED PARTY TRANSACTIONS

The company was under control of Mr Barrie Whipp throughout the periods. Mr Whipp is the Executive Chairman and majority shareholder.

Other than the director's current account, no transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

### 16. CALLED UP SHARE CAPITAL

	2006	2005	2004	2003
	£	£	£	£
<b>Authorised</b>				
900,000 Ordinary shares of £1 each	—	—	—	900,000
100,000 Ordinary class B shares of £1 each	—	—	—	100,000
100,000,000 Ordinary shares of £0.01 each	1,000,000	1,000,000	1,000,000	—
	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
<b>Called up, allotted and fully paid</b>				
526,102 Ordinary shares of £1 each	—	—	—	526,102
100,000 Ordinary class B shares of £1 each	—	—	—	100,000
73,003,338 Ordinary shares of £0.01 each	730,033	730,033	730,033	—
	<u>730,033</u>	<u>730,033</u>	<u>730,033</u>	<u>626,102</u>

A Written Resolution was passed on 21 March 2004 redesignating the 100,000 £1 Ordinary class B shares as 100,000 Ordinary £1 shares, resulting in a total of 626,102 Ordinary £1 shares. The 626,102 Ordinary £1 shares were then converted to £0.01 shares.

During the year to 31 October 2004 10,393,138 new Ordinary Shares of £0.01 were allotted for cash consideration to allow the company to develop the mobile professional services.

## 17. SHARE PREMIUM ACCOUNT

	£
Balance as at 31 October 2003	—
Issue of 10,393,138 Ordinary shares of £0.01	278,766
Balance as at 31 October 2004, 31 October 2005 and 31 January 2006	<u>278,766</u>

## 18. PROFIT AND LOSS ACCOUNT

	£
At 1 November 2002	(198,892)
Retained profit for the year	1,695
Prior year adjustment	(76,174)
At 31 October 2003	(273,371)
Retained loss for the year	(430,817)
At 31 October 2004	(704,188)
Retained loss for the year	(161,793)
At 31 December 2005	(865,981)
Retained loss for the period	(5,617)
At 31 January 2006	<u>(871,598)</u>

## 19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006	2005	2004	2003
	£	£	£	£
Profit/(loss) for the financial year	(5,617)	(161,793)	(430,817)	1,695
New equity share capital subscribed	—	—	103,931	—
Premium on new share capital subscribed	—	—	278,766	—
Net addition/(reduction) to shareholders' equity funds	(5,617)	(161,793)	(48,120)	1,695
Opening shareholders' funds	142,818	304,611	352,731	427,210
Prior year adjustment	—	—	—	(76,174)
Closing shareholders' funds	<u>137,201</u>	<u>142,818</u>	<u>304,611</u>	<u>352,731</u>

## PART V

### PRELIMINARY RESULTS FOR A. COHEN & CO. PLC FOR THE YEAR ENDED 31 DECEMBER 2005

#### **Chairman's Statement**

The Company has, effectively no trading activities save for the completion of a number of transactions that took place whilst it was a trading company.

The costs of running the Company were kept to a minimum with none of the directors taking a salary. The operating loss before tax was £85,000. After an impairment charge of £42,000 on our remaining investments and a small interest charge there was a reduced loss before tax of £127,000 compared to a loss before tax of £431,000 in 2004.

On 8 February 2006, the Company announced that it had negotiated the sale of its 24.5 per cent. investment in ROO Media Europe Ltd., a supplier of internet and broadband media, to ROO Group Inc. for a cash consideration of £50,000, before expenses. The Company did not derive any income or revenue from ROO Media Europe Ltd and had written down this investment in its books to nil. The proceeds of this disposal were used for working capital purposes.

We realise that this has been a frustrating period for our shareholders and the directors are continuing to seek suitable investment opportunities which can be put before shareholders for their consideration.

**G.B. Ashley**  
*Executive Chairman*

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

Year ended 31 December 2005

	<i>Notes</i>	2005 £'000	2004 £'000
<b>Turnover</b>	3	—	—
Cost of sales		—	—
Gross profit		—	—
Distribution costs		—	—
Administrative expenses		(85)	(201)
Other operating income		—	30
<b>Operating profit/(loss) before exceptional costs</b>	4	(85)	(171)
Exceptional administrative expenses	6	—	(82)
<b>Operating loss after exceptional costs</b>		(85)	(253)
Provision for impairment of investments		(42)	(186)
<b>Loss on ordinary activities before interest</b>		(127)	(439)
Interest receivable		1	8
Interest payable	7	—	—
<b>Loss on ordinary activities before taxation</b>	3	(126)	(431)
<b>Tax on loss on ordinary activities</b>	8	—	—
<b>Loss on ordinary activities after taxation</b>		(126)	(431)
<b>Loss for the financial year attributable to shareholders</b>	17	(126)	(431)
<b>Loss per share (pence) both basic and diluted</b>	9	(0.80)	(2.80)

All activities are classed as discontinued.

## CONSOLIDATED BALANCE SHEET

Year ended 31 December 2005

	<i>Notes</i>	<i>2005</i> £'000	<i>2004</i> £'000
<b>Fixed assets</b>			
Tangible assets	10	—	—
Investments	11	50	92
		<u>50</u>	<u>92</u>
<b>Current assets</b>			
Tangible assets held for resale	12	—	—
Debtors	13	5	11
Cash at bank and in hand		10	65
		<u>15</u>	<u>76</u>
<b>Creditors: amounts falling due within one year</b>	14	(78)	(55)
		<u>(63)</u>	<u>21</u>
<b>Net current assets/(liabilities)</b>			
		(63)	21
<b>Total assets less current liabilities</b>		(13)	113
Provisions	15	(82)	(82)
		<u>(95)</u>	<u>31</u>
<b>Net (liabilities)/assets</b>			
		<u>(95)</u>	<u>31</u>
<b>Capital and reserves</b>			
Called up share capital	16	3,032	3,032
Capital redemption reserve	17	49	49
Share premium account	17	2	2
Other reserves	17	386	386
Profit and loss account	17	(3,564)	(3,438)
		<u>(95)</u>	<u>31</u>
<b>Equity shareholders' (deficit)/funds</b>			
		<u>(95)</u>	<u>31</u>

Approved by the Board on 27 June 2006

Signed on behalf of the Board of Directors

**G.B. Ashley**

*Director*

## CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2005

	<i>Notes</i>	2005 £'000	£'000	2004 £'000	£'000
<b>Net cash inflow/(outflow) from operating activities</b>	19		(56)		401
<b>Returns on investments and servicing of finance</b>					
Interest received		1		8	
Interest paid		—		—	
		<u>          </u>		<u>          </u>	
<b>Net cash inflow/(outflow) from returns on investments and servicing of finance</b>			1		8
<b>Capital expenditure and financial investment</b>					
Payments to acquire fixed asset investments		—		—	
Receipts from sale of fixed asset investments		—		—	
Receipts from sale of business		—		—	
Receipts from sale of tangible fixed assets		—		—	
		<u>          </u>		<u>          </u>	
<b>Net cash inflow from capital expenditure and financial investment</b>			—		—
<b>Acquisitions and disposals</b>					
Payments on termination of an operation		—		—	
		<u>          </u>		<u>          </u>	
<b>Net cash outflow from acquisitions and disposals</b>			—		—
			<u>          </u>		<u>          </u>
<b>Net cash inflow/(outflow) before financing</b>			(55)		409
<b>Financing</b>					
Repayment of borrowings		—		—	
Capital element of finance lease rental payments		—		—	
		<u>          </u>		<u>          </u>	
<b>Net cash inflow/(outflow) from financing</b>			—		—
			<u>          </u>		<u>          </u>
<b>Increase/(decrease) in cash</b>	21		<u>          </u> <u>          </u> <u>          </u>		<u>          </u> <u>          </u> <u>          </u>



## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2005

### 1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

#### 1.1 Accounting Convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain investments.

#### 1.2 Basis of Preparation of the Financial Statements

The financial statements are prepared on the basis that the Group is a going concern. It should be noted, however, that all trading operations of the subsidiary companies have ceased and that the parent company is now looking to existing and other investments. The directors are confident that investors will continue to support the Group and that as a result the going concern basis of preparation has been adopted in the preparation of these financial statements.

#### 1.3 Basis of Consolidation

The Group financial statements consolidate the financial statements of the company and all subsidiary undertakings for the financial year ended 31 December 2005.

#### 1.4 Financial Instruments

As at the end of the financial year the Group did not have any derivative contracts.

#### 1.5 Foreign Currencies

Company and UK subsidiary undertakings:

Assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date unless covered by forward exchange contracts when the contracted rates are used. Transactions during the year in foreign currencies are recorded at the rates ruling at the date of the transactions.

Overseas subsidiaries:

The financial statements of overseas subsidiaries are translated into sterling at the rates of exchange ruling at the balance sheet date and their results are translated at the average rates for the year. The differences arising from the translation of the opening net investments in subsidiaries and associates are taken direct to reserves.

#### 1.6 Acquisitions and Disposals

On the acquisition of a business, including an interest in an associated undertaking, fair values are attributed to the Group's share of net tangible assets. Where the cost of acquisition exceeds the values attributable to such net assets, the difference is treated as purchased goodwill.

The profit or loss on disposal or closure of a previously acquired business includes the attributable amount of any purchased goodwill relating to that business not previously charged through the profit and loss account.

The results and cash flows relating to a business are included in the consolidated profit and loss account and the consolidated cash flow statement from the date of acquisition or up to the date of disposal.

#### 1.7 Tangible Fixed Assets

Depreciation is provided on cost or on revalued amounts over the estimated useful lives of the assets. The rates of depreciation are as follows:

Plant and machinery	– 15% per annum on written down value
Fixtures, fittings, tools and equipment	– 15% per annum on written down value

#### 1.8 Turnover

Turnover represents the amounts derived from the sale of goods which fall within the Group's ordinary activities after deduction of trade discounts and VAT.

### 1.9 Fixed Asset Investments

Fixed asset investments are stated at cost or valuation, less provision for impairment. Investments are revalued where the directors believe this is necessary in order to show a true and fair view in the accounts.

Investments in which the Group has shareholdings of between 20 per cent. and 50 per cent. are only equity accounted where the Group has significant influence over the operations.

### 1.10 Tangible Assets Held for Resale

These assets represent the cost of valuation, less provision for impairment, of assets the directors have resolved to dispose of within one year subject to shareholder agreement.

### 1.11 Deferred Taxation

Deferred taxation is provided on all timing differences, without discounting, calculated at the rate at which it is estimated that tax will be payable, except where otherwise required by accounting standards.

### 1.12 Leases

Operating lease rentals are charged to the profit and loss account in equal amounts over the lease term.

### 1.13 Pension Costs

UK pension scheme:

The Company made payment into a defined contribution scheme, and these amounts were charged to the profit and loss account during the year in which they were incurred.

## 2. POST BALANCE SHEET EVENTS

The directors are not aware of any post balance sheet events that would materially affect the affairs of the Company.

## 3. ANALYSIS OF GROUP TURNOVER, LOSS BEFORE TAXATION AND NET ASSETS

The principal activity of the Group was investment.

The loss before taxation and net assets are attributable to the UK.

## 4. OPERATING LOSS

	<i>2005</i> £'000	<i>2004</i> £'000
<b>Operating loss is stated after charging:</b>		
Depreciation — owned assets	—	10
Rentals under operating leases:		
Hire of plant and machinery	—	—
Land and buildings	30	104
Auditors' remuneration		
Audit fees — company	10	10
Other — taxation and other advice	—	7
	<u>          </u>	<u>          </u>

## 5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

### Directors' emoluments

	<i>Basic Salary</i>	<i>Fees</i>	<i>Benefits</i>	<i>2005</i>	<i>Total emoluments excluding pensions 2004</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
R. Ritchie (resigned 20.10.04)	—	—	—	—	32
J. Ferguson	—	—	—	—	12
R. Sincock	—	—	—	—	12
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>56</u>

Directors' expenses were paid on a reimbursement basis and there were no other services performed by the directors for the year.

There were no directors for whom the Company made pension contributions during the year.

	<i>2005 Number</i>	<i>2004 Number</i>
<b>Average number of persons employed</b>		
Office and management	—	—
Manufacturing	—	—
	<u>—</u>	<u>—</u>
	<u>—</u>	<u>—</u>
	<b>£'000</b>	<b>£'000</b>
<b>Staff cost during the year (including directors)</b>		
Wages and salaries	—	199
Social security costs	—	25
Pension costs (see note 22)	—	10
	<u>—</u>	<u>234</u>

## 6. EXCEPTIONAL ITEMS

	<i>2005 £'000</i>	<i>2004 £'000</i>
Aborted acquisition expenditure	—	—
Impairment of assets of A. Cohen (Great Britain) Ltd	—	—
Meeting costs re: Extraordinary General Meeting 30.6.04	—	—
Onerous lease rental	—	82
	<u>—</u>	<u>82</u>

The provision represents unavoidable payments, less the estimate of rental income receivable, under leases on surplus premises.

## 7. INTEREST PAYABLE

	<i>2005 £'000</i>	<i>2004 £'000</i>
Bank loans, overdrafts and other loans repayable within five years	—	—
	<u>—</u>	<u>—</u>

## 8. TAX ON LOSS ON ORDINARY ACTIVITIES

	<i>2005</i>	<i>2004</i>
	<i>£'000</i>	<i>£'000</i>
United Kingdom corporation tax at nil% (2004: nil%)	—	—
	<u>—</u>	<u>—</u>

There is no tax charge in the year as the Group has brought forward losses available and has made losses in the year. The Group has a deferred tax asset which has not been recognised in the accounts. This asset would be recoverable in the event that the group made sufficient, applicable taxable profits in the future.

## 9. LOSSES PER SHARE

The calculation losses per share is based on losses attributable to shareholders of 384,000 (2004: £431,000) and on the weighted average number of shares of 15,160,482 (2004: 15,160,482) in issue during the year.

There were no diluting instruments at the end of the year. There is therefore no difference between diluted and non-diluted losses per share.

## 10. TANGIBLE FIXED ASSETS

	<i>Fixtures and Fittings £'000</i>	<i>Total £'000</i>
<b>Group and Company</b>		
<b>Cost or valuation</b>		
At 1 January 2005	17	17
Additions	—	—
At 31 December 2005	<u>17</u>	<u>17</u>
<b>Accumulated depreciation</b>		
At 1 January 2005	17	17
Charge for the year	—	—
At 31 December 2005	<u>17</u>	<u>17</u>
<b>Net Book Value</b>		
At 31 December 2005	<u>—</u>	<u>—</u>
At 31 December 2004	<u>—</u>	<u>—</u>

## 11. INVESTMENTS HELD AS FIXED ASSETS

	<i>Trade Investments £'000</i>		
<b>The Group</b>			
At 1 January 2005	50		
Provision for diminution	—		
At 31 December 2005	<u>50</u>		
	<i>Shares in Subsidiary Undertakings £'000</i>	<i>Trade Investments £'000</i>	<i>Total £'000</i>
<b>Company</b>			
<b>Cost</b>			
At 1 January 2005 and 31 December 2005	<u>1,929</u>	<u>386</u>	<u>2,315</u>
<b>Provisions</b>			
At 1 January 2005	1,929	294	2,223
Impairment	—	42	—
At 31 December 2005	<u>1,929</u>	<u>336</u>	<u>2,223</u>
<b>Net Book Value</b>			
At 31 December 2005	<u>—</u>	<u>50</u>	<u>92</u>
At 31 December 2004	<u>—</u>	<u>92</u>	<u>92</u>

Details of the company's investments are given in note 27.

## 12. TANGIBLE ASSETS HELD FOR RESALE

	<i>2005 £</i>	<i>2004 £</i>
Transferred from tangible fixed assets	<u>—</u>	<u>—</u>

## 13. DEBTORS

	<i>Group</i>		<i>Company</i>	
	<i>2005 £'000</i>	<i>2004 £'000</i>	<i>2005 £'000</i>	<i>2004 £'000</i>
Trade debtors	—	—	—	—
Amounts owned by group undertakings	—	—	—	13
Other debtors	—	—	—	—
Prepayments and accrued income	5	11	12	11
	<u>5</u>	<u>11</u>	<u>12</u>	<u>24</u>

## 14. CREDITORS: Amounts falling due within one year

	<i>Group</i>		<i>Company</i>	
	<i>2005 £'000</i>	<i>2004 £'000</i>	<i>2005 £'000</i>	<i>2004 £'000</i>
Trade creditors	(45)	(31)	(46)	(31)
Amounts owned by group undertakings	—	—	(4)	—
Other creditors and accruals	(33)	(24)	(32)	(24)
	<u>(78)</u>	<u>(55)</u>	<u>(82)</u>	<u>(55)</u>

## 15. PROVISIONS

<b>Group and Company</b>	<i>Other £'000</i>
At 31 December 2004	82
Charged to the profit and loss account during the year	—
At 31 December 2005	<u>82</u>

Other provisions relate to surplus premises costs relating to an onerous lease.

## 16. CALLED UP SHARE CAPITAL

	<u>2005</u>		<u>2004</u>	
	<i>Number '000</i>	<i>£'000</i>	<i>Number '000</i>	<i>£'000</i>
<b>Authorised</b>				
Ordinary shares of 20p each	—	—	—	—
Ordinary shares of 1p each	111,951	1,120	111,951	1,120
Deferred shares of 19p each	15,160	2,880	15,160	2,880
	<u>127,111</u>	<u>4,000</u>	<u>127,111</u>	<u>4,000</u>
<b>Allotted, called up and fully paid</b>				
Ordinary shares of 20p each	—	—	—	—
Ordinary shares of 1p each	15,160	152	15,160	152
Deferred shares of 19p each	15,160	2,880	15,160	2,880
	<u>30,320</u>	<u>3,032</u>	<u>30,320</u>	<u>3,0320</u>

During the year, each of the 15,160,482 issued Ordinary Shares of 20p each were converted and subdivided into one Ordinary Share of 1p and one Deferred Share of 19p.

The 4,839,518 unissued Ordinary Shares of 20p each were converted and subdivided into 20 Ordinary Shares of 1p each.

## 17. RESERVES

	<i>Capital Redemption Reserve £'000</i>	<i>Share Premium Account £'000</i>	<i>Other Reserves £'000</i>	<i>Profit and Loss £'000</i>
At 1 January 2005	49	2	386	(3,438)
Loss for the year	—	—	—	(126)
At 31 December 2005	<u>49</u>	<u>2</u>	<u>386</u>	<u>(3,564)</u>
<b>Company</b>				
At 1 January 2005	49	2	252	(3,308)
Loss for the year	—	—	—	(126)
At 31 December 2005	<u>49</u>	<u>2</u>	<u>252</u>	<u>(3,434)</u>

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent undertaking, A. Cohen & Co. plc, has not been presented in these accounts. The loss after tax of the parent undertaking for the financial year amounted to £81,352 (2004: loss of £449,835).

## 18. FINANCIAL COMMITMENTS

At 31 December 2005 the Group had no capital commitments (2004: £nil).

The Group has an annual commitment of £22,080 per year under an operating lease for land and buildings, which expires after more than five years.

## 19. RECONCILIATION OF OPERATING LOSS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2005	2004
	£	£
<b>Operating loss before exceptional costs</b>	(127)	(171)
Exceptional costs	—	(82)
Impairment of fixed assets	42	—
Depreciation	—	10
<b>Net movement in working capital</b>		
Stocks	—	—
Debtors	6	759
Creditors	23	(197)
Provisions	—	82
Net cash inflow/(outflow) from operating activities	<u>(56)</u>	<u>401</u>

## 20. CASH FLOW STATEMENT: Analysis of net debt

	<i>At</i> <i>1 January</i> <i>2005</i> <i>£'000</i>	<i>Cash Flow</i> <i>£'000</i>	<i>At</i> <i>31 December</i> <i>2005</i> <i>£'000</i>
Cash in hand and at bank	65	(55)	10
Overdrafts and bank loans	—	—	—
	<u>65</u>	<u>(55)</u>	<u>10</u>

## 21. CASH FLOW STATEMENT: Reconciliation of net cash flow to movement in the net debt

	2005		2004	
	£'000	£'000	£000	£'000
Increase/(decrease) in cash in the year	(55)		409,000	
Cash outflow from decrease in debt and lease financing	—		—	
Change in net debt resulting from cash flows		(55)		409
Movement in net debt in the year		(55)		409
Net debt at start of year		65		(344)
Net funds at end of year		<u>10</u>		<u>65</u>

## 22. PENSIONS

The Group makes contributions to various pension schemes as shown below. The funds of these schemes are administered by trustees and held separately from the group's assets.

	2005	2004
	£	£
Contribution	—	—
UK — defined contribution scheme	—	—
	<u>—</u>	<u>—</u>

## 23. FINANCIAL INSTRUMENTS

The Group's policies as regards derivatives and financial instruments are set out below.

### *Currency risk*

The Group has investments in foreign currencies and transactional currency exposures arising from sales or purchases by operating businesses in currencies other than the business' functional currency.

### *Interest rate risk*

The Group has borrowings as disclosed in Note 24.

## 24. INTEREST RATE RISKS

### *Interest rate and currency of financial liabilities*

The Group had invoice discounting facilities of which £nil (2004: £nil) was drawn down at year end. These balances are included in other creditors (see note 14). These were repaid in full during the year.

## 25. HEDGING

### *Foreign currency hedging*

The Group does not hedge its foreign exposure. The Group's exposure to foreign exchange is set out in note 26 below.

### *Fixed asset investment*

The value of the investment in Speedmark Industries (Proprietary) Limited and Metal Sales (PVT) Ltd are not hedged.

## 26. CURRENCY PROFILE

The main functional currency of the Group is sterling. The following analysis of net monetary assets and liabilities shows the Group's currency exposures. Such exposures comprise the monetary assets and monetary liabilities of the Group that are not denominated in the operating (or "functional") currency of the operating unit involved.

	2005			2004		
	<i>Australian \$</i>	<i>US\$</i>	<i>European Currencies</i>	<i>Australian \$</i>	<i>US\$</i>	<i>European Currencies</i>
Operating currency	£'000	£'000	£'000	£'000	£'000	£'000
Sterling	—	—	—	22	289	88

## 27. PRINCIPAL SUBSIDIARY AND ASSOCIATED UNDERTAKINGS

### *SUBSIDIARY UNDERTAKINGS*

<i>Country of incorporation</i>	<i>Operation</i>	<i>Class of share held</i>	<i>Interest in Equity</i>
<b>GREAT BRITAIN</b>			
A. Cohen & Co. (Great Britain) Ltd.	Non-trading	Ordinary	100%
A. Cohen Metals Merchanting Ltd.	Non-trading	Ordinary	100%
A. Cohen (Aust) Pty Ltd	Non-trading	Ordinary	100%
A. Cohen & Co. Securities Ltd	Non-trading	Ordinary	100%
Comexim International Ltd	Non-trading	Ordinary	100%

All the companies are incorporated in Great Britain and registered in England and Wales except for A. Cohen (Aust) Pty Ltd. which is registered in Victoria Australia.



## TRADE INVESTMENTS

<i>Country of incorporation</i>	<i>Operation</i>	<i>Class of share held</i>	<i>Interest in Equity</i>
<b>GREAT BRITAIN</b>			
ROO Media Europe Limited	Media products and services of content syndication and supply of streaming video, reproduction of video content and advertising.	Ordinary	24.5%
Money Products International Ltd	Manufacture, sale and rental of change machines and coin operated equipment.	Ordinary	33.3%
<b>SOUTH AFRICA</b>			
Speedmark Industries (Proprietary) Ltd	Non-trading	Ordinary	37.4%
<b>ZIMBABWE</b>			
Metal Sales (PVT) Ltd.	Production of copper alloy and aluminium alloy ingots, copper wire bars and lead anodes, zinc distillation and distribution of brass and copper semis.	Ordinary	46.9%

Despite the equity interest in the above noted investments the directors have decided not to equity accounts due to a lack of significant influence over the investments.

### 28. RELATED PARTY TRANSACTIONS

J.S. Ferguson is a director of A. Cohen & Co. (Great Britain) Ltd and a director and shareholder of Motehill Metals Limited. Motehill Metals Limited has a service contract with A. Cohen & Co plc to provide the services of J.S. Ferguson to the company.

### 29. STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	<i>2005</i> <i>£'000</i>	<i>2004</i> <i>£'000</i>
Loss attributable to members of the company	(84)	(431)
Revaluation of investment	—	—
Total recognised gains and losses relating to the year	<u>(84)</u>	<u>(431)</u>

### 30. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' (DEFICIT)/FUNDS

	<i>2005</i> <i>£'000</i>	<i>2004</i> <i>£'000</i>
Loss attributable to members of the company	(84)	(431)
Revaluation of investment	—	—
Net increase/(reduction) in shareholders' funds	(84)	(431)
Opening shareholders' funds	<u>31</u>	<u>462</u>
Closing shareholders' (deficit)/funds	<u>(53)</u>	<u>(31)</u>

### 31. NOTE OF HISTORICAL COST PROFITS AND LOSSES

	<i>2005</i> <i>£'000</i>	<i>2004</i> <i>£'000</i>
Loss on ordinary activities before taxation	(84)	(431)
Realisation of revaluation	—	—
Difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	—	—
Historical cost profit/(loss) on ordinary activities before taxation	<u>(84)</u>	<u>(431)</u>
Historical cost profit/(loss) for the year after taxation, Minority interests and dividends	<u><u>(84)</u></u>	<u><u>(431)</u></u>

## PART VI

### ACCOUNTANTS' REPORT ON THE A. COHEN GROUP



10 Orange Street  
Haymarket  
London WC2H 7DQ

T: + 44 (0) 20 7312 0000

F: + 44 (0) 20 7312 0022

E: advice@shipleys.com

www.shipleys.com

The Directors  
A. Cohen & Co plc  
10 Orange Street  
Haymarket  
London  
WC2H 7DQ

and

The Directors  
W.H. Ireland Limited  
24 Bennetts Hill  
Birmingham  
B2 5QP

Dear Sirs

#### **A. Cohen Group (“A. Cohen”)**

We report on the financial information set out below. This financial information has been prepared for inclusion in the admission document, dated 27 July 2006 (the “Admission Document”) on the basis of the accounting policies set out in note 1. This report is required by Paragraph 20.1 of Annex 1 of the AIM Rules and is given for the purpose of complying with that paragraph and for no other purpose.

#### **Responsibilities**

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

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

Offices also in  
**Godalming**  
and  
**Saffron Walden**

**Principals - Chartered Accountants:** Guy Fisher, Jane Henman, Steven Jeffcott, Steve Joberns, John McCuin (Managing), Alastair Mein, Shane Moloney, Ken Roberts, Simon Robinson, James Vassiliou. **Others:** Gary Haselton, Mike Lockett, Sanchia Norris.

A Member of AGN International Limited. An association of separate and independent accounting and consulting firms.

Regulated by the Institute of Chartered Accountants in England and Wales for a range of investment business activities.

Shipleys LLP is a limited liability partnership, registered number OC317129 in England & Wales, registered office 10 Orange Street, Haymarket, London WC2H 7DQ

**Basis of opinion**

We conducted our work in accordance with the Statements of Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of the evidence relevant to the amounts and disclosures in the financial information. The evidence included that obtained during our audit of the financial statements for the year ended 31 December 2005 and that previously obtained by the auditors who audited the financial statements for the two years ended 31 December 2004. 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 circumstances of A. Cohen, have been consistently applied and are adequately disclosed.

We planned 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, a true and fair view of the state of affairs of A. Cohen as at the dates stated and of its results, cash flows and total recognised gains and losses for the years ended 31 December 2003, 2004 and 2005 in accordance with the basis of preparation set out in note 1 and in accordance with the applicable financial reporting framework.

**Declaration**

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules, we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

**Shipleys LLP**

Chartered Accountants and  
Registered Auditors

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

Years ended 31 December 2003, 2004 and 2005

	<i>Note</i>	2005 £'000	2004 £'000	2003 £'000
<b>Turnover</b>	2	—	—	6,484
Cost of sales		—	—	(6,099)
Gross profit		—	—	385
Distribution costs		—	—	(82)
Administrative expenses		(85)	(201)	(773)
Other operating income		—	30	—
<b>Operating loss before exceptional costs</b>	4	(85)	(171)	(470)
Exceptional administrative expenses	5	—	(82)	(215)
<b>Operating loss after exceptional costs</b>		(85)	(253)	(685)
Profit on the sale of fixed assets		—	—	87
Profit on the sale of business		—	—	31
Loss on termination of operation		—	—	(110)
Provision for impairment of investments		(42)	(186)	46
<b>Loss on activities before interest</b>		(127)	(439)	(631)
Interest receivable		1	8	10
Interest payable and similar charges	6	—	—	(122)
<b>Loss on ordinary activities before taxation</b>		(126)	(431)	(743)
Tax on loss on ordinary activities	7	—	—	—
<b>Retained loss for financial year</b>		(126)	(431)	(743)
<b>Loss per share (pence) both basic and diluted</b>	8	(0.8)	(2.8)	(4.9)

All activities are classed as discontinued.

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES****Years ended 31 December 2003, 2004 and 2005**

	<i>2005</i>	<i>2004</i>	<i>2003</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Loss for the financial year after taxation	(126)	(431)	(743)
Revaluation of investments	—	—	(479)
Total recognised gains and losses relating to the year	<u>(126)</u>	<u>(431)</u>	<u>(1,222)</u>

**NOTE OF HISTORICAL COST PROFITS AND LOSSES**

	<i>2005</i>	<i>2004</i>	<i>2003</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Loss on ordinary activities before taxation	(126)	(431)	(743)
Realisation of revaluation	—	—	1,052
Difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	—	—	8
Historical cost profit/(loss) on ordinary activities before taxation	<u>(126)</u>	<u>(431)</u>	<u>317</u>
Historical cost profit/(loss) for the year after taxation, minority interests and dividends	<u>(126)</u>	<u>(431)</u>	<u>317</u>

## CONSOLIDATED BALANCE SHEET

Years ended 31 December 2003, 2004 and 2005

	<i>Note</i>	<i>2005</i> £'000	<i>2004</i> £'000	<i>2003</i> £'000
<b>Fixed assets</b>				
Tangible assets	9	—	—	3
Investments	10	50	92	276
		<u>50</u>	<u>92</u>	<u>279</u>
<b>Current assets</b>				
Tangible assets held for resale	11	—	—	7
Debtors	12	5	11	771
Cash at bank and in hand		10	65	74
		<u>15</u>	<u>76</u>	<u>852</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(78)</u>	<u>(55)</u>	<u>(669)</u>
<b>Net current (liabilities)/assets</b>		<u>(63)</u>	<u>21</u>	<u>183</u>
<b>Total assets less current liabilities</b>		(13)	113	462
<b>Creditors: amounts falling due after more than one year</b>				
Provisions	14	<u>(82)</u>	<u>(82)</u>	—
<b>Net (liabilities)/assets</b>		<u>(95)</u>	<u>31</u>	<u>462</u>
<b>Capital and reserves</b>				
Called up share capital	16	3,032	3,032	3,032
Capital redemption reserve	17	49	49	49
Share premium account	17	2	2	2
Revaluation reserve	17	—	—	—
Other reserves	17	386	386	386
Profit and loss account	17	<u>(3,564)</u>	<u>(3,438)</u>	<u>(3,007)</u>
<b>Equity shareholders' (deficit)/funds</b>	18	<u>(95)</u>	<u>31</u>	<u>462</u>

## CONSOLIDATED CASH FLOW STATEMENT

Years ended 31 December 2003, 2004 and 2005

	<i>Note</i>	2005 £'000	2004 £'000	2003 £'000
<b>Net cash (outflow)/inflow from operating activities</b>	A	(56)	401	(371)
<b>Returns on investments and servicing of finance</b>	B	1	8	(112)
<b>Capital expenditure and financial investment</b>	B	—	—	1,230
		<hr/>	<hr/>	<hr/>
<b>Cash inflow/(outflow) before financing</b>		(55)	409	747
Financing	B	—	—	(318)
		<hr/>	<hr/>	<hr/>
<b>Net cash flow for the year</b>		<u>(55)</u>	<u>409</u>	<u>429</u>
<b>Reconciliation of net cash flow to movement in net funds/(net debt)</b>				
(Decrease)/increase in cash in the year		(55)	409	429
Cash flow from movement in debt		—	—	318
Opening net funds/(net debt)		65	(344)	(1,091)
		<hr/>	<hr/>	<hr/>
<b>Closing net funds/(net debt)</b>	C	<u>10</u>	<u>65</u>	<u>(344)</u>



## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

### Cash flows

	2005 £'000	2004 £'000	2003 £'000
<b>A. Reconciliation of operating loss to net cash flow from operating activities</b>			
Operating loss before exceptional costs	(85)	(171)	(470)
Exceptional costs	—	(82)	(215)
Impairment of fixed assets	—	—	115
Depreciation	—	10	30
Decrease in stocks	—	—	256
Decrease in debtors	6	759	918
Increase/(decrease) in creditors	23	(197)	(1,005)
Provisions	—	82	—
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(56)</b>	<b>401</b>	<b>(371)</b>

	2005 £'000	2004 £'000	2003 £'000
<b>B. Analysis of cash flows for headings netted in the cash flow</b>			
<b>Returns on investments and servicing of finance</b>			
Interest received	1	8	10
Interest paid	—	—	(122)
<b>Net cash inflow/(outflow) from returns on investment and servicing of finance</b>	<b>1</b>	<b>8</b>	<b>(112)</b>
<b>Capital expenditure and financial investment</b>			
Payments to acquire fixed asset investments	—	—	(12)
Receipts from sales of fixed asset investments	—	—	525
Receipts from sale of business	—	—	31
Receipts from sale of tangible fixed assets	—	—	796
Payments on termination of an operation	—	—	(110)
<b>Net cash inflow from capital expenditure and financial investment</b>	<b>—</b>	<b>—</b>	<b>1,230</b>
<b>Financing</b>			
Repayment of borrowings	—	—	(312)
Capital element of finance lease rental payments	—	—	(6)
<b>Net cash inflow from capital expenditure and financial investment</b>	<b>—</b>	<b>—</b>	<b>(318)</b>

	2003 £'000	Cash flow £'000	2004 £'000	Cash flow £'000	2005 £'000
<b>C. Analysis of net funds/(net debt)</b>					
Cash in hand and at bank	74	(9)	65	(55)	10
Overdrafts	(418)	418	—	—	—
	<b>(344)</b>	<b>409</b>	<b>65</b>	<b>(55)</b>	<b>10</b>

## NOTES TO THE FINANCIAL INFORMATION

### 1. ACCOUNTING POLICIES

The financial information is prepared in accordance with applicable accounting standards. The particular accounting policies adopted by the directors are described below.

#### *Accounting convention*

The financial information is prepared under the historical cost convention as modified by the revaluation of certain investments.

#### *Basis of preparation of the financial information*

The financial information is prepared on the basis that the Group is a going concern. It should be noted, however, that all trading operations of the subsidiary companies have ceased and that the parent company is now looking to existing and other investments. The directors are confident that investors will continue to support the group and that as a result the going concern basis of preparation has been adopted in the preparation of these financial statements.

#### *Basis of consolidation*

The Group financial statements consolidate the financial statements of the Company and all subsidiary undertakings for the financial years ended 31 December 2003, 2004 and 2005.

#### *Financial Instruments*

As at the end of the financial years the Group did not have any derivative contracts.

#### *Foreign Currencies*

Company and UK subsidiary undertakings:

Assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date unless covered by forward exchange contracts when the contracted rates are used. Transactions during the year in foreign currencies are recorded at the rates ruling at the dates of the transactions.

Overseas subsidiaries:

The financial statements of overseas subsidiaries are translated into sterling at the rates of exchange ruling at the balance sheet date and their results are translated at the average rates for the year. The differences arising from the translation of the opening net investments in subsidiaries and associates are taken directly to reserves.

#### *Acquisitions and Disposals*

On the acquisition of a business, including an interest in an associated undertaking, fair values are attributed to the Group's share of net tangible assets. Where the cost of acquisition exceeds the values attributable to such net assets, the difference is treated as purchased goodwill.

The profit or loss on disposal or closure of a previously acquired business includes the attributable amount of any purchased goodwill relating to that business not previously charged through the profit and loss account.

The results and cash flows relating to a business are included in the consolidated profit and loss account and the consolidated cash flow statement from the date of acquisition to the date of disposal.

#### *Tangible fixed assets*

Depreciation is provided on cost or on revalued amounts over the estimated useful lives of the assets. The rates of depreciation are as follows:

Plant and machinery	15% per annum on written down value
Fixtures, fittings, tools and equipment	15% per annum on written down value

#### *Turnover*

Turnover represents the amounts derived from the sales of goods, which fall within the Group's ordinary activities after deduction of trade discounts and VAT.

### *Fixed assets Investments*

Fixed asset investments are stated at cost or valuation, less provision for impairment. Investments are revalued where the directors believe this is necessary in order to show a true and fair view in the accounts.

Investments in which the Group has shareholdings of between 20 per cent. and 50 per cent. are only equity accounted where the Group has significant influence over the operations.

### *Tangible assets held for resale*

These assets represent the cost or valuation, less provision for impairment, of assets the directors have resolved to dispose of within one year subject to shareholder agreement.

### *Deferred Taxation*

Deferred Taxation is provided on all timing differences, without discounting, calculated at the rate at which it is estimated that tax will be payable, except where otherwise required by accounting standards.

### *Leases*

Operating lease rentals are charged to the profit and loss account in equal annual amounts over the lease term.

### *Pension costs*

UK pension scheme:

The Company makes payments into a defined contribution scheme, and these amounts are charged to the profit and loss account during the year.

## **2. ANALYSIS OF TURNOVER, LOSS BEFORE TAXATION AND NET ASSETS**

The principal activity of the Group was investment.

The loss before taxation and net assets are attributable to the principal activity of the Group that arose solely in the United Kingdom.

## **3. DIRECTORS' EMOLUMENTS AND EMPLOYEE INFORMATION**

	<i>2005</i> <i>£'000</i>	<i>2004</i> <i>£'000</i>	<i>2003</i> <i>£'000</i>
<b>Directors' remuneration</b>			
Fees	—	56	210
No director received any pension contributions during the three years ended 31 December 2005.			
<b>Average number of persons employed</b>			
Office and management	—	—	4
Manufacturing	—	—	5
	—	—	9
<b>Staff costs during the year (including directors)</b>			
Wages and salaries	—	—	199
Social security costs	—	—	25
Pension costs	—	—	10
	—	—	234

#### 4. OPERATING PROFIT/(LOSS)

	2005 £'000	2004 £'000	2003 £'000
<b>Operating profit/(loss) is stated after charging/(crediting):</b>			
Depreciation — owned assets	—	10	30
Depreciation — leased assets	—	—	—
Rentals under operating leases:			
Land and buildings	30	104	14
Plant and equipment	—	—	16
Auditors' remuneration:			
Audit fees — company	10	10	13
Audit fees — other group companies	—	—	—
Other — taxation and other advice	—	7	25

#### 5. EXCEPTIONAL ITEMS

	2005 £'000	2004 £'000	2003 £'000
Aborted acquisition expenditure	—	—	(72)
Impairment of assets of A Cohen (Great Britain) Limited	—	—	115
Meeting costs re: extraordinary general meeting	—	—	172
Onerous lease rental*	—	82	—
	<u>—</u>	<u>82</u>	<u>215</u>

\* The provision for the onerous lease rentals represents unavoidable payments, less the estimate of rental income receivable, under leases on surplus premises.

#### 6. INTEREST PAYABLE AND SIMILAR CHARGES

	2005 £'000	2004 £'000	2003 £'000
Bank overdrafts, loans and other loans repayable within five years	<u>—</u>	<u>—</u>	<u>(122)</u>

#### 7. TAX ON LOSS ON ORDINARY ACTIVITIES

	2005 £'000	2004 £'000	2003 £'000
UK Corporation Tax	<u>—</u>	<u>—</u>	<u>—</u>

There is no tax charge in the year as the Group has brought forward losses available and made losses in the year.

#### Deferred tax asset

The group has a deferred tax asset, which has not been recognised in the accounts. This asset would be recoverable in the event that the group made sufficient, applicable taxable profits in the future.

#### 8. LOSSES PER SHARE

The calculation of losses per Ordinary Share is based on the losses attributable to shareholders of £126,000 (2004 — £431,000; 2003 — £743,000) and on a weighted average number of Ordinary Shares of 15,160,482 in issue during the years.

There were no diluting instruments at the end of each year.

## 9. TANGIBLE FIXED ASSETS

	<i>Fixtures, fittings and Motor Vehicles £'000</i>
<b>Cost</b>	
At 1 January 2003	10
Additions	—
Disposals	—
At 31 December 2003	<u>10</u>
Additions	<u>7</u>
At 31 December 2004 and 2005	<u><u>17</u></u>
<b>Depreciation</b>	
At 1 January 2003	3
Charge for the year	4
Disposals	—
At 31 December 2003	<u>7</u>
Charge for the year	<u>10</u>
At 31 December 2004 and 2005	<u><u>17</u></u>
<b>Net Book Value</b>	
At 31 December 2003	<u><u>3</u></u>
At 31 December 2004	<u><u>—</u></u>
At 31 December 2005	<u><u>—</u></u>

## 10. INVESTMENTS HELD AS FIXED ASSETS

	<i>Trade investments £'000</i>
<b>Cost</b>	
At 1 January 2003	1,039
Additions	11
Disposals	(525)
Revaluations, transfers and write-backs	<u>(249)</u>
At 31 December 2003	276
Additions	—
Provision for impairment	<u>(184)</u>
At 31 December 2004	92
Provision for impairment	<u>(42)</u>
At 31 December 2005	<u><u>50</u></u>
<b>Net Book Value</b>	
At 31 December 2003	<u><u>276</u></u>
At 31 December 2004	<u><u>92</u></u>
At 31 December 2005	<u><u>50</u></u>

## 11. TANGIBLE ASSETS HELD FOR RESALE

	2005 £'000	2004 £'000	2003 £'000
Transferred from tangible fixed assets	—	—	7

## 12. DEBTORS

	2005 £'000	2004 £'000	2003 £'000
Trade debtors	—	—	728
Other debtors	—	—	24
Prepayments and accrued income	5	11	19
	<u>5</u>	<u>11</u>	<u>771</u>

## 13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £'000	2004 £'000	2003 £'000
Trade creditors	45	31	127
Other creditors	33	24	542
	<u>78</u>	<u>55</u>	<u>669</u>

Amounts in other creditors at 31 December 2003 totalling £418,000 were secured by a first fixed charge over the trade debtors of A. Cohen & Co (Great Britain) Limited and A. Cohen Metals Merchanting Limited. These amounts were repaid in full during 2004.

## 14. PROVISIONS

	2005 £'000	2004 £'000	2003 £'000
Onerous lease	82	82	—

## 15. COMMITMENTS UNDER OPERATING LEASES

The company had annual commitments under non-cancellable operating leases as set out below.

	2005 £'000	2004 £'000	2003 £'000
Leases which expire: After five years	22	22	22

## 16. CALLED UP SHARE CAPITAL

	2005 £'000	2004 £'000	2003 £'000
<b>Authorised</b>			
Ordinary shares of 20p each	—	—	4,000
Ordinary shares of 1p each	1,120	1,120	—
Deferred shares of 19p each	2,880	2,880	—
	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>
<b>Called up, allotted and fully paid</b>			
Ordinary shares of 20p each	—	—	3,032
Ordinary shares of 1p each	152	152	—
Deferred shares of 19p each	2,880	2,880	—
	<u>3,032</u>	<u>3,032</u>	<u>3,032</u>

During the year ended 31 December 2004, each of the 15,160,482 issued Ordinary Shares of 20p each were converted and subdivided into one Ordinary Share of 1p and one Deferred Share of 19p. Each of the 4,839,518 unissued Ordinary Shares of 20p each were converted and subdivided into 20 Ordinary Shares of 1p each.

## 17. RESERVES

	<i>Capital redemption reserve</i>	<i>Share premium account</i>	<i>Revaluation Reserve</i>	<i>Other reserves</i>	<i>Profit and loss account</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
At 1 January 2003	49	2	1,531	386	(3,316)
Retained loss for the year	—	—	—	—	(743)
Revaluation of investment	—	—	(479)	—	—
Transfer of realised profits	—	—	(1,052)	—	1,052
At 31 December 2003	49	2	—	386	(3,007)
Retained loss for the year	—	—	—	—	(431)
At 31 December 2004	49	2	—	386	(3,438)
Retained loss for the year	—	—	—	—	(126)
At 31 December 2005	49	2	—	386	(3,564)

## 18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' (DEFICIT)/FUNDS

	<i>2005</i>	<i>2004</i>	<i>2003</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Loss for the financial year	(126)	(431)	(743)
Opening shareholders' funds	31	462	1,205
Closing shareholders' (deficit)/funds	(95)	31	462

## 19. FINANCIAL INSTRUMENTS

The Group's policies as regards derivatives and financial instruments are set out below.

### Currency Risk

The Group has investments in foreign currencies and transactional currency exposures arising from sales or purchases by operating businesses in currencies other than the business functional currency.

### Interest rate risk

The Group has borrowings as disclosed in Note 20.

## 20. INTEREST RATE RISKS

### Interest rate and currency of financial liabilities

The Group had invoice discounting facilities of which 2005: £nil; 2004 £nil; 2003: £418,000 was drawn down at the year end. These balances are included in other creditors. These were repaid in full during the year ended 31 December 2004.

## 21. HEDGING

### Foreign currency hedging

The Group does not hedge its foreign exchange exposure. The Group's exposure to foreign exchange is set out in note 22 below.

### Foreign investments

#### Fixed asset investment

The values of investments in Speedmark Industries (Proprietary) Limited and Metal Sales (PVT) Ltd are not hedged.

## 22. CURRENCY PROFILE

The main functional currency of the Group is sterling. The following analysis of net monetary assets and liabilities shows the Group's currency exposures. Such exposures comprise the monetary assets and monetary liabilities of the Group that are not denominated in the operating (or "functional") currency of the operating unit involved.

	2005 & 2004			2003		
	<i>Australian dollar</i>	<i>US dollar</i>	<i>European Currencies</i>	<i>Australian dollar</i>	<i>US dollar</i>	<i>European currencies</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<b>Operating currencies</b>						
Sterling	—	—	—	22	289	88

## 23. PRINCIPAL SUBSIDIARY AND ASSOCIATED UNDERTAKINGS

### SUBSIDIARY UNDERTAKINGS

<i>Country of incorporation</i>	<i>Operation</i>	<i>Class of share held</i>	<i>Interest in Equity</i>
<b>GREAT BRITAIN</b>			
A Cohen & Co (Great Britain) Ltd	Non-trading	Ordinary	100%
A Cohen Metals Merchanting Ltd	Non-trading	Ordinary	100%
A Cohen (Aust) Pty Ltd	Non-trading	Ordinary	100%
A Cohen & Co Securities Ltd	Non-trading	Ordinary	100%
Comexim International Limited	Non-trading	Ordinary	100%

All the companies are incorporated in Great Britain and registered in England and Wales except for A Cohen (Aust) Pty Ltd which is registered in Victoria, Australia.

A Cohen & Co. Securities Limited and A Cohen Metals Merchanting Limited were struck off on 20 September 2005 and on 28 February 2006 respectively, both under section 652, Companies Act 1985.

### TRADE INVESTMENTS

<i>Country of incorporation</i>	<i>Operation</i>	<i>Class of share held</i>	<i>Interest in Equity</i>
<b>UNITED KINGDOM</b>			
ROO Media Europe Limited	Media products and services of content syndication & supply of streaming video, reproduction of video content and advertising.	Ordinary	24.5%
Money Products International Limited	Manufacture, sale and rental of change machines and coin operating equipment.	Ordinary	33.3%
<b>SOUTH AFRICA</b>			
Speedmark Industries (Proprietary) Ltd	Non-trading	Ordinary	37.4%
<b>ZIMBABWE</b>			
Metal Sales (PVT) Ltd	Production of copper alloy and aluminium alloy ingots, copper wire bars and lead anodes, zinc distillation and distribution of brass and copper semis.	Ordinary	46.9%

Despite the equity interest in the above noted investments, the directors have decided not to equity account due to a lack of significant influence over the investments.

The company sold its shares in ROO Media Europe Limited in February 2006 for its book value at 31 December 2005.



#### **24. RELATED PARTY TRANSACTIONS**

R B Ritchie is the former chairman of the company and a former director of most of the subsidiary companies.

R B Ritchie was a director or shareholder of the following companies during the period in which he was also a director of the company: Royce Ritchie & Associates Pty Ltd, Portsea Ltd, Lassiter Pty Ltd, Midnight Bay Holdings Pty Ltd and its subsidiaries Melbase Corporation Pty Ltd and Wilmington Pty Ltd.

Royce Ritchie & Associates Pty Ltd had service contracts with A. Cohen & Co plc to provide services of its staff, including R B Ritchie to the Company.

J S Ferguson is a director of A. Cohen & Co (Great Britain) Ltd. and a director and shareholder of Motehill Metals Ltd. Motehill Metals Ltd has a service contract with A. Cohen & Co plc to provide the services of J S Ferguson to the Company.

## PART VII

### UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE ENLARGED GROUP

The Directors  
A. Cohen & Co plc  
10 Orange Street  
Haymarket  
London  
WC2H 7DQ

and

The Directors  
W.H. Ireland Limited  
24 Bennetts Hill  
Birmingham  
B2 5QP

Dear Sirs

#### Pro Forma Statement of Net Assets of the Group

We report on the pro forma statement of net assets set out in Part VII of the Admission Document of A. Cohen & Co plc dated 27 July 2006, which has been prepared, for illustrative purposes only, to provide information about how the acquisition of Crimson Tide Limited and the Placing might have affected the financial information presented on the basis of the accounting policies adopted by A. Cohen & Co plc in preparing the financial statements for the period ended 31 January 2006. This report is required by guidance issued by the London Stock Exchange with respect to the AIM market and is given for the purpose of complying with that guidance issued by the London Stock Exchange and for no other purposes.

#### Responsibilities

It is the responsibility of the directors of A. Cohen & Co plc to prepare the pro forma financial information in accordance with guidance issued by the London Stock Exchange.

It is our responsibility to form an opinion, as required by guidance issued by the London Stock Exchange, as to the proper compilation of the pro forma financial information and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the pro forma financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Offices also in  
**Godalming**  
and  
**Saffron Walden**

**Principals - Chartered Accountants:** Guy Fisher, Jane Henman, Steven Jeffcott, Steve Joberns, John McCuin (Managing), Alastair Mein, Shane Moloney, Ken Roberts, Simon Robinson, James Vassiliou. **Others:** Gary Haselton, Mike Lockett, Sanchia Norris.

A Member of AGN International Limited. An association of separate and independent accounting and consulting firms.

Regulated by the Institute of Chartered Accountants in England and Wales for a range of investment business activities.

Shipleys LLP is a limited liability partnership, registered number OC317129 in England & Wales, registered office 10 Orange Street, Haymarket, London WC2H 7DQ

**Basis of Opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the pro forma statement of net assets with the directors of A. Cohen & Co plc.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of A. Cohen & Co plc.

**Opinion**

In our opinion

- (a) The pro forma statement of net assets has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of A. Cohen & Co plc.

**Declaration**

For the purposes of guidance issued by the London Stock Exchange, we are responsible for this report as part of the AIM Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the AIM Admission Document in compliance with guidance issued by the London Stock Exchange.

Yours faithfully

**Shipleys LLP**

Chartered Accountants and  
Registered Auditors

**UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF  
THE ENLARGED GROUP**

The unaudited Pro Forma Statement of Net Assets of the Company, illustrating the effect on the Company of the acquisition of the Crimson Tide Group, as if it took place at 31 January 2006, is set out below. The pro forma statement has been prepared for illustrative purposes only and, because of its nature, may not reflect the actual financial position of the Company post completion.

	<i>A. Cohen &amp; Co Plc Consolidated 31 December 2005 £'000</i>	<i>Crimson Tide Limited Consolidated 31 January 2006 £'000</i>	<i>Proposed Acquisition (notes 3, 4) £'000</i>	<i>Proposed Fundraising (note 5) £'000</i>	<i>Pro-Forma £'000</i>
<b>Fixed Assets</b>					
Intangible assets	—	286	2,873	—	3,159
Tangible assets	—	24	—	—	24
Investments	50	—	—	—	50
	<u>50</u>	<u>310</u>	<u>2,873</u>	<u>—</u>	<u>3,233</u>
<b>Current Assets</b>					
Stocks	—	11	—	—	11
Debtors	5	185	—	500	690
Cash at bank and in hand	10	59	—	—	69
	<u>15</u>	<u>255</u>	<u>—</u>	<u>500</u>	<u>770</u>
<b>Creditors: amounts falling due within one year</b>	<u>(78)</u>	<u>(383)</u>	<u>—</u>	<u>—</u>	<u>(461)</u>
<b>Net current assets/(liabilities)</b>	<u>(63)</u>	<u>(128)</u>	<u>—</u>	<u>500</u>	<u>309</u>
Total assets less current liabilities	(13)	182	2,873	500	3,542
<b>Creditors: amounts falling due after more than one year</b>					
Bank loans	—	(45)	—	—	(45)
Provisions	(82)	—	—	—	(82)
<b>Net assets/(net liabilities)</b>	<u>(95)</u>	<u>137</u>	<u>2,873</u>	<u>500</u>	<u>3,415</u>

**Notes**

The pro-forma statement of net assets has been prepared on the following bases:

- The net assets of A. Cohen & Co plc as at 31 December 2005 have been extracted without adjustment from the audited Financial Information included in Part VI of this document.
- The net assets of Crimson Tide Limited as at 31 January 2006 have been extracted without adjustment from the audited Financial Information included in Part IV of this document.
- The acquisition of Crimson Tide Limited will be satisfied by the issue of 200.76 million ordinary shares at 1.5 pence per share. Total consideration being £3.01 million.
- Goodwill is calculated as follows:

	<i>£'000</i>
Consideration	3,010
Net assets acquired	(137)
	2,873
- The expected proceeds from the placing are £500,000. These are expected to be utilised for working capital.
- The Pro-Forma statement of net assets does not constitute financial statements within the meaning of section 240 of the Act.

## PART VIII

### ADDITIONAL INFORMATION

#### 1. Responsibility Statement

1.1 The Directors and the Proposed Directors, whose names and business addresses are set out in paragraphs 1.3 and 1.4 below, accept responsibility, individually and collectively, for the information contained in this document save for the recommendation on page 16 for which the Independent Directors take responsibility. To the best of the knowledge and belief of the Directors and the Proposed 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.

1.2 The members of the Concert Party, whose names and business addresses are set out in paragraph 1.5 below, accept responsibility for all information contained in this document relating to themselves only. To the best of the knowledge and belief of the members of the Concert Party (who have taken all reasonable care to ensure that such is the case), such information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

1.3 The Directors and their respective positions are:

Graham Basil Ashley (*Executive Chairman*)

Russell John Sincock (*Non- Executive Director*)

James Simpson Ferguson (*Non-Executive Director*)

The business address of all of the Directors is 10 Orange Street, Haymarket, London WC2H 7DQ.

1.4 The Proposed Directors and their respective positions are:

Barrie Reginald John Whipp (*proposed Executive Chairman*)

Stephen Keith Goodwin (*proposed Chief Executive Officer*)

Jeremy Walter Frederick Roth (*proposed Sales Director*)

Graham Basil Ashley (*proposed Non-Executive Director*)

Rowley Stuart Ager (*proposed Non-Executive Director*)

The business address of all of the Proposed Directors (with the exception of Rowley Ager) who are also Crimson Tide Directors, is Tavern Cellars, 39/41 The Pantiles, Tunbridge Wells, Kent TN2 5TE.

The business address of Rowley Stuart Ager is 10 Orange Street, Haymarket, London, WC2H 7DQ.

1.5 The business address of the members of the Concert Party (other than the Proposed Directors) is c/o Tavern Cellars, 39/41 The Pantiles, Tunbridge Wells, Kent TN2 5TE. The other members of the Concert Party are as follows:

Goodwin Accumulation and Maintenance Trust

IAF (PS) Nominees Limited

David Massie Furbs Trust

David Laurence Massie

Joanna Judith Massie

Trustees of the IZ Trust

Tracey and Barry Upton

Larry Thomson

Eric Goodwin

Reba Chakrabarti

Henry Summers

James Millard

Rupert Mackay

Norman Millard

Peter Steven Martin

Janet and Edo de Vries

Sheelagh Elizabeth Turner

Lance Langdon

Keith Darnell

## 2. The Company and its subsidiaries

- 2.1 The Company was incorporated and registered in England on 25 January 1911 under the Companies Acts 1908 to 1917 with registered number 113845 as a private company with limited liability. On 25 February 1982, the Company was re-registered as a public company limited by shares. The Company operates under the Act. The liability of the Members is limited.
- 2.2 Subject to the passing of Resolution 5 at the Extraordinary General Meeting (which is conditional upon Completion), the Company's name will be changed to Crimson Tide plc.
- 2.3 The Company's accounting reference date is 31 December.
- 2.4 The Company is the ultimate holding company of the following principal subsidiary undertakings, all of which are wholly owned:

<i>Name</i>	<i>Registered Office</i>	<i>Principal Activity</i>	<i>Place of Incorporation</i>
A. Cohen & Co. (Great Britain) Limited	Purland Road London SE28 0AT	Non-trading	England and Wales
A. Cohen (Aust) Pty Ltd	CW Stirling & Co. Level 6 90 William Street Melbourne VIC 3000	Non-trading	Australia
Comexim International Limited	45 Springbank Crescent Motherwell Strathclyde ML1 4FW	Non-trading	Scotland

- 2.5 The registered office and principal place of business of the Company is at 10 Orange Street, Haymarket, London, WC2H 7DQ, telephone number +44(0)20 7312 0000.

## 3. Share Capital of the Company

- (a) The following table shows the authorised and issued share capital of the Company as at the date of this document:

	<i>Authorised</i>	<i>Number</i>	<i>Issued and fully paid</i>	<i>Number</i>
Ordinary Shares	£1,119,508.42	111,950,842	£151,604.80	15,160,482
Deferred Shares	£2,880,491.58	15,160,482	£2,880,491.58	15,160,482

- (b) The authorised share capital of the Company will be increased by £3,000,000 to £7,000,000 by the creation of 300,000,000 new Ordinary Shares.
- (c) The following table shows the authorised and issued share capital of the Company following completion of the Proposals:

	<i>Authorised</i>	<i>Number</i>	<i>Issued and fully paid</i>	<i>Number</i>
Ordinary Shares	£3,119,508.42	311,950,842	£2,758,948.89	275,894,889
Deferred Shares	£2,880,491.58	15,160,482	£2,880,491.58	15,160,482

- (d) All the Ordinary Shares in issue are in registered form, and may be held in certificated or uncertificated form.
- (e) Save as disclosed in paragraph 3 and 5 of this Part VIII:
- (i) no share or loan capital of the Company has been issued or is proposed to be issued;
  - (ii) no person has any preferential subscription rights for any share capital in the Company;
  - (iii) no share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option; and
  - (iv) no commissions, discounts, brokerages or other special terms have been granted by the Company since its incorporation in connection with the sale of any share or loan capital of the Company.
- (f) The New Ordinary Shares will rank *pari passu* in all respects including the right to receive all dividends and other distributions declared, made or paid on the Ordinary Shares from the date of this document.

- (g) On 30 September 2004, a resolution was passed at the Company's annual general meeting pursuant to which the Directors were generally and unconditionally authorised, pursuant to section 80 of the Act, to exercise all powers to allot relevant securities (as defined in section 80(2) of the Act) up to the aggregate nominal amount of £50,534.90, such authority to expire on the fifth anniversary from the date on which the resolution was passed, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities pursuant to such an offer or agreement as if the authority conferred by the resolution had not expired.
- (h) On 30 September 2004, a resolution was passed at the Company's annual general meeting pursuant to which the Directors were generally and unconditionally authorised for the purposes of section 80 of the Act to exercise all the powers of the Company to allot relevant securities (as defined in section 80(2) of the Act) up to an aggregate nominal amount of £151,604.82 provided that this authority shall expire at the earlier of fifteen months from the date of passing of this resolution and the conclusion of the annual general meeting of the Company to be held in 2005 (unless and to the extent that such authority is revoked or extended prior to such date) but so that the Company may before the expiry of such period make an offer or agreement which would or might require relevant securities to be allotted after the expiry of such period and the Directors may allot relevant securities pursuant to such an offer or agreement as if the authority conferred hereby had not expired.
- (i) On 30 September 2004, resolutions were passed at the Company's Annual General Meeting pursuant to which each of the 15,160,482 Ordinary Shares of 20p each in the capital of the Company be converted and subdivided into one Ordinary Share of 1p and one Deferred Share of 19p. The Deferred Shares confer on the holders the following rights and restrictions:
  - (i) the holders of the Deferred Shares shall have no right to receive notice of or to attend at any general meeting of the Company;
  - (ii) the Deferred Shares shall not confer on the holders thereof the right to receive any dividend;
  - (iii) on the return of capital on a winding up or otherwise, the surplus assets of the Company remaining after payment of its liabilities shall be applied first in repayment to the holders of the Ordinary Shares of the amount paid on such shares together with a premium of £5,000,000 per share, secondly in paying to the holders of the Deferred Shares the amount paid up thereon and thereafter the balance of such assets shall be distributed among the holders of the Ordinary Shares;
  - (iv) the Company shall have irrevocable authority at any time to appoint any person to execute on behalf of all the holders of the Deferred Shares, a transfer thereof and/or an agreement to transfer the same, without making any payment to or obtaining the sanction of the holders thereof, to such person as the Company may determine as custodian thereof and, pending such transfer, to retain the certificate for such shares; and
  - (v) each of the 4,839,518 authorised but unissued ordinary shares of 20p each in the capital of the Company be converted and subdivided into 20 Ordinary Shares of 1p each.
- (j) Save as disclosed in this paragraph 3, the provisions of 89(1) of the Act, which confer on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash, apply to the authorised but unissued share capital of the Company.

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

One of the main objects of the Company is to carry on the business of an investment holding company. The objects of the Company are set out in full in clause 4 of the memorandum of association, a copy of which is available for inspection at the address specified in paragraph 18.

The Articles contain, *inter alia*, provisions to the following effect:

##### **4.1 Voting rights and votes of members**

Subject to any rights or restrictions attached to any shares, at general meetings of the Company, on a show of hands, every member who is present in person shall have one vote and on a poll every member present in person or by proxy shall have one vote for every share of which he is the holder. On a poll, votes may be given either personally or by proxy. A member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

If at any time the Board is satisfied that any member, or any other person appearing to be interested in shares held by such 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, or, in purported compliance with such a notice, has made a statement which is false or inadequate in a material particular, then the Board may, in its absolute discretion at any time thereafter by notice (a “direction notice”) to such member direct that:

- (a) in respect of the shares in relation to which the default occurred (the “default shares”) the member shall not be entitled to vote at a general meeting either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company;
- (b) where the default shares represent at least  $\frac{1}{4}$  per cent. of the class of shares concerned, then the direction notice may additionally direct that
  - (i) except in a liquidation of the Company, no payment shall be made of any sums due from the Company on the default of shares, whether in respect of capital or dividend or otherwise, and the Company shall not meet any liability to pay interest in any such payment when it is finally paid to a member;
  - (ii) no other distribution shall be made on the default shares;
  - (iii) no transfer of any of the shares held by such member shall be registered unless (1) the member is not himself in default in regards supplying the information requested and the transfer when presented for registration is accompanied by a certificate by the member in such form as the Board may in its absolute discretion require to the effect that after due and careful enquiry the member is satisfied that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer and (2) the transfer is an approved transfer.

The Company shall send to each other person appearing to be interested in the shares the subject of any direction notice a copy of the notice, but the failure or omission by the Company to do so shall not invalidate such notice.

Any direction notice shall cease to have effect:

- (a) in relation to any shares which are transferred by such member by means of an approved transfer;
- (b) when the Board is satisfied that such member and any other person appearing to be interested in shares held by such member, has given to the Company the information required by the relevant Section 212 Notice.

The Board may at any time give notice cancelling a direction notice.

#### 4.2 *Alteration of capital*

- (a) The Company may from time to time by ordinary resolution:
  - (i) increase its share capital by such sum to be divided into shares of such amount as the resolution prescribes;
  - (ii) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;
  - (iii) subject to the provisions of the Act, sub-divide its shares into shares of a smaller amount than is fixed by the Memorandum and the resolution may determine that, as between the shares resulting in the sub-division, any of them may have any preference or advantage as compared with the others; and
  - (iv) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
- (b) All new shares shall be subject to the provisions of the Articles with reference to payment of calls, liens, forfeiture, transfer, transmission and otherwise, and, unless otherwise provided by the Articles, by the resolution creating the new shares or by the conditions of issue, the new shares shall be unclassified shares.
- (c) The Company may by special resolution reduce or cancel its share capital, any capital redemption reserve fund and any share premium account in any way subject to the provisions of the Act.

#### 4.3 *Variation of rights*

Subject to the provisions of the Act, if at any time the capital of the Company is divided into different classes of shares, the rights attached to any class may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated, whether or not the Company is being wound up, either with the consent



in writing of the holders of three-quarters in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of that class (but not otherwise).

For the purposes of this article, unless otherwise expressly provided by the rights attached to any shares or class of shares, those rights shall be deemed to be varied by the reduction of the capital paid up on those shares otherwise than by a purchase or redemption by the Company of its own shares and by the allotment of other shares ranking in priority for payment of a dividend or in respect of capital or which confer on the holders voting rights more favourable than those conferred by such first mentioned shares, but shall not otherwise be deemed to be varied by the creation or issue of other shares ranking *pari passu* with, or subordinate to, such first mentioned shares or by the purchase or redemption by the Company of its own shares.

All provisions of the articles relating to general meetings of the Company, shall *mutatis mutandis*, apply to every separate general meeting of any class of shares in the capital of the Company, except that:

- (a) the necessary quorum shall be two persons holding or representing by proxy at least one-third of the nominal value of the issued shares of the class or, at any adjourned meeting of such holders, one holder present in person or in proxy, whatever the amount of holding, who shall be deemed to constitute a meeting;
- (b) any holder of shares of the class present in person or by proxy may demand a poll;
- (c) each holder of shares of the class shall, on a poll, have one vote in respect of every share held by him.

#### 4.4 *Purchase of own shares*

Subject to the provisions of the Act and without prejudice to any relevant special rights attached to any class of shares, the Company may purchase any of its own shares of any class (including redeemable shares) at any price (whether at par or above or below par), and so that any shares to be so purchased may be selected in any manner whatsoever. Every contract for the purchase of, or under which the Company may become entitled or obliged to purchase, shares in the Company shall be authorised by such resolution of the Company as may be required by the Act and by an extraordinary resolution passed at a separate extraordinary general meeting of the holders of each class of shares (if any) which, at the date on which the contract is authorised by the Company in general meeting, entitle them, either immediately or at any time later on to convert all or any of the shares of that class held by them into the equity share capital of the Company.

#### 4.5 *Transfer of shares*

Any member may transfer all or any of his shares. The instrument of transfer of a share shall be in any usual form or in any other form which the Board may approve and shall be signed by or on behalf of the transferor and (in the case of a share which is not fully paid) by the transferee. The transfer need not be under seal.

Nothing in these articles shall preclude the transfer of shares or other securities of the Company in uncertificated form in accordance with article 11 of the Articles and any references in the Articles in relation to the execution of any instrument of transfer or the registration of any transfer of shares or other securities of the Company in uncertificated form shall be read in accordance with article 11 of the Articles.

The Board may in its absolute discretion and without giving any reason decline to register any transfer of shares which are not fully paid on which the Company has a lien.

The Board may also refuse to register the transfer of a share unless the instrument of transfer:

- (a) is lodged, duly stamped, at the office or such other place as the Board may appoint accompanied by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
- (b) is in respect of only one class of shares; and
- (c) is in favour of not more than four transferees.

In the case of a transfer by a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange, the lodgement of share certificates will only be necessary if and to the extent that certificates have been issued in respect of the shares in question. The expressions “recognised clearing house” shall mean any clearing house or investment exchange (as the case may be) granted recognition under the Financial Services Act 1986.

#### 4.6 *Dividends and other distributions*

Subject to the provisions of the Act, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Board.

The Board may pay interim dividends if it appears that they are justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the Board may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of the payment, any preferential dividend is in arrears. The Board may also pay at intervals settled by it any dividend payable at a fixed rate if it appears to the Board that profits available for distribution justify payment. Provided the Board acts in good faith it shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of any interim dividend on any shares having deferred or non preferred rights.

Except as otherwise provided by the rights attached to the shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid; but no amount paid on a share in advance of the date on which a call is payable shall be treated for the purposes of this Article as paid on the share. All dividends shall be apportioned and paid *pro rata* to the amounts paid up on the shares during any portion or portions of a period in respect of which the dividend is paid, but, if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend according.

Any dividend unclaimed after a period of twelve years from the date when it became due for payment shall, if the Board so resolves, be forfeited and cease to remain owing by the Company. The payment by the Board of any unclaimed dividend or other monies payable in respect of a shares into a separate account shall not constitute the Company as trustee thereof. The Company shall be entitled to cease sending dividend warrants and cheques by post or otherwise to a member if such instruments have been returned undelivered, or left uncashed, by that member on at least two consecutive occasions. The entitlement conferred on the Company by this article in respect of any member shall cease if such member claims a dividend or cashes a dividend warrant or cheque.

A general meeting declaring a dividend may, upon the recommendation of the Board, by ordinary resolution direct that it shall be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares or debentures of any body corporate. Where any difficulty arises in regard to the distribution, the Board may settle the same as it thinks fit and in particular, may fix the value for distribution of any assets and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of member and may vest any assets in trustees.

Any dividend or other monies payable in respect of a share may be by cheque or warrant sent by post to the registered address of the holder or person entitled to it or, if two or more persons are the holders of the shares or are jointly entitled to the registered address of that person who is first named in the register or to such person and to such address as the person or person entitled may in writing direct. Every such cheque or warrant shall be made payable to the order of the person or persons entitled or to such other person as the person or persons entitled may in writing direct and shall be sent at the risk of the persons entitled, and payment of the cheque shall be good discharge to the Company. Any joint holder or other person jointly entitled to a shares as aforesaid may give receipts for any dividend or other monies payable in respect of the share. Any such dividend or other money may also be paid by any other method (including direct debit, bank or other funds transfer system and dividend warrant) which the Board considers appropriate, and to or through such person as the holder or joint holders may in writing direct. The Company shall have no responsibility for any sums lost or delayed in the course of any such transfer, or where it has acted on any such directions.

#### 4.7 *Winding Up*

If the Company is wound up, the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Insolvency Act 1986, divide among the members *in specie* the whole or any part of the assets of the Company, and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he with the like sanction determines, but no member shall be compelled to take any assets upon which there is a liability.

#### 4.8 *Directors*

4.8.1 Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be less than 2 but shall not be subject to any maximum in number.

4.8.2 At every annual general meeting one-third of the directors who are subject to retirement by rotation or if their number is not three or a multiple of three, the number nearest to one third shall retire from office, but if there is only one director who is subject to retirement by rotation, he shall retire.

Subject to the provisions of the Act and the Articles, the directors to retire by rotation shall be those who have been longest in office since their last appointment or re-appointment, but as between persons who became or were last re-appointed directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. The directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the Board at the date of the notice convening the annual general meeting and no director shall be required to retire or be relieved from retiring or be retired by reason of any change in the number or identity of the directors after the date of the notice but before the closing of the meeting.

4.8.3 No person shall be disqualified from being appointed or reappointed a director, and no director shall be required to vacate that office, by reason only of the fact that he has attained the age of 70 years or any other age nor shall it be necessary by reason of his age to give special notice under the Act of any resolution. Where the Board convenes any general meeting of the Company at which (to the knowledge of the Board) a director will be proposed for appointment or re-appointment who at the date for which the meeting is convened will have attained the age of 70 years or more, the Board shall give notice of his age in years in the notice convening the meeting or in any document accompanying the notice, but accidental omission to do so shall not invalidate any proceedings, or any appointment or re-appointment of that director, at that meeting.

4.8.4 The ordinary remuneration of the directors who do not hold executive office for their services shall not exceed in aggregate £300,000 per annum or such higher amount as the Company may from time to time by ordinary resolution determine. Subject thereto, each such director shall be paid a fee (which shall be deemed to accrue from day to day) at such rate as may from time to time be determined by the Board.

Any director who does not hold executive office and who serves on any committee of the directors or by request of the Board goes or resides abroad for any purpose of the Company or otherwise performs special services which in the opinion of the directors are outside of the scope of the ordinary duties of a director, may be paid such extra remuneration by way of salary, commission or otherwise as the Board may determine.

4.8.5 Subject to the Act, the Board may appoint one or more of its body to be the holder of any executive office (except that of auditor) under the Company and may enter into an agreement or arrangement with any director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a director. Any such appointment, agreement or arrangement may be made upon such terms, including terms as to remuneration, as the Board determines, and any remuneration which is so determined may be in addition to or in lieu of any ordinary remuneration as a director. The Board may revoke or vary such appointment but without prejudice to any rights or claims which the person whose appointment is revoked or varied may have against the Company by reason thereof.

The emoluments of any executive director holding executive office for his services shall be determined by the Board, and may be of any description and (without limiting the generality of the foregoing) may include admission to or continuance of membership of any scheme (including any share acquisition scheme) or fund instituted or established or financed or contributed to by the Company for the provision of pensions, life assurance or other benefits for employees or their dependents, or apart from membership of any such scheme or fund, payment of a pension or other benefits to him or his dependants on or after his retirement or death.

#### 4.9 *Borrowing powers*

The Board may exercise all the powers of the Company to borrow money, to guarantee, to indemnify, to mortgage or charge its undertaking, property, assets (present and future) and uncalled capital, and 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.

The Board shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries so as to secure (but as regards subsidiaries, only so far as by the exercise of such rights or powers of control as the Board can secure) that, save with the previous sanction of an ordinary resolution, no money shall be borrowed if the principal amount outstanding of all monies borrowed by the Company and its subsidiaries, excluding amounts borrowed from the Company or any of its wholly owned subsidiaries, then exceeds, or would as a result of such borrowing exceed, an amount equal to ten times the Adjusted Capital and Reserves (as defined in the Articles).

#### 4.10 *Convening a general meeting*

Subject to article 44 of the Articles, the Board may call general meetings whenever and at such times and places as it shall determine and, on the requisition of members pursuant to the provisions of the Act, shall forthwith proceed to convene an extraordinary general meeting in accordance with the requirements of the Act. If there are not within the United Kingdom sufficient directors to call a general meeting, any director of the Company may call a general meeting.

#### 4.11 *Director' interests*

Subject to the provisions of the Act, and provided that he has disclosed to the Board the nature and extent of any material interest of his, a director notwithstanding his office:

- (a) may be party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
- (b) may act for himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
- (c) may be a director or other officer of, or employed by, or a party to any transaction with or be otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested;
- (d) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

The Board may exercise the voting power conferred by the shares in any body corporate held or owned by the Company in any such manner in all respects as it thinks fit including the exercise thereof in favour of any resolution appointing its members or any of them directors of such body corporate, or voting, or providing for the payment of remuneration to the directors of such body corporate.

#### 4.12 *Powers of the Board*

Subject to the provisions of the Act, the Memorandum of the Company and the Articles and to any direction given by special resolution, the business of the Company shall be managed by the Board which may exercise all the powers of the Company, including the power to dispose of all or any part of the undertaking of the Company. No alteration of the memorandum of the Company or the Articles and no such direction shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article shall not be limited by any special power given to the Board by the Articles and a meeting of the Board at which a quorum is present may exercise all powers exercisable by the Board.

### **5. Interests of the Directors, the Proposed Directors and the Concert Party**

#### 5.1 *Interests in Shares*

References in this paragraph 5 to “relevant securities” means Ordinary Shares and securities convertible into such shares, rights to subscribe therein, options (including traded options) in respect thereof, derivatives referenced thereto and short positions (including a short position under a derivative) therein.

References in this paragraph 5 to “associate” means, in the case of a company, its parent company, its subsidiaries and fellow subsidiaries and any companies in which such companies own or control 20 per cent. or more of the equity capital.

References in this paragraph 5 to “connected adviser” means W. H. Ireland and DMH Stallard.

As at the close of business on 26 July 2006 (being the latest practicable date prior to publication of this document), the interests (all of which are beneficial unless otherwise stated) of the Directors and the

Proposed Directors in the issued share capital of the Company, which have been notified to the Company pursuant to sections 324 or 328 of the Act or which are required to be entered in the register maintained pursuant to section 325 of the Act or which are interests of a connected person of a Director or a Proposed Director (within the meaning of section 346 of the Act) which would, if the connected person were a Director or a Proposed Director, be required to be disclosed as aforesaid or which are interests of the members of the Concert Party, are set out below. The interests of the members of the Concert Party are set out in paragraph 7 of Part I.

	<i>Before Admission</i>		<i>After Admission</i>		
	<i>Number of Ordinary Shares</i>	<i>% of existing share capital</i>	<i>Number of Ordinary Shares</i>	<i>Enlarged Share Capital</i>	<i>Number of Warrants</i>
Barrie Reginald John Whipp	—	—	115,610,132	41.90	—
Jeremy Walter Frederick Roth	—	—	30,131,159	10.92	—
Stephen Keith Goodwin	—	—	25,611,484	9.28	—
Graham Basil Ashley	—	—	16,000,000	5.80	1,309,718
Goodwin Accumulation & Maintenance Trust	—	—	1,650,000	0.60	—
Rowley Stuart Ager	—	—	5,000,000	1.81	1,043,750

The Directors, the Proposed Directors and the members of the Concert Party will, conditional upon Admission, be interested in unissued Ordinary Shares of the Company under Warrants as set out below:

	<i>Exercise price (pence)</i>	<i>Number of Ordinary Shares subject to Warrants</i>	<i>Latest exercise date</i>
Barrie Reginald John Whipp	1.5	—	22 August 2009
Jeremy Walter Frederick Roth	1.5	—	22 August 2009
Stephen Keith Goodwin	1.5	—	22 August 2009
Graham Basil Ashley	1.5	1,309,718	22 August 2009
Goodwin Accumulation & Maintenance Trust	1.5	—	22 August 2009
IAF (PS) Nominees Limited	1.5	—	22 August 2009
David Massie Furbs Trust	1.5	—	22 August 2009
Rowley Stuart Ager	1.5	1,043,750	22 August 2009
David Laurence Massie	1.5	1,850,699	22 August 2009
Joanna Judith Massie	1.5	—	22 August 2009
Trustees of the IZ Trust	1.5	—	22 August 2009
Tracey and Barry Upton	1.5	—	22 August 2009
Larry Thomson	1.5	—	22 August 2009
Eric Goodwin	1.5	333,333	22 August 2009
Reba Chakrabarti	1.5	—	22 August 2009
Henry Summers	1.5	—	22 August 2009
James Millard	1.5	—	22 August 2009
Rupert Mackay	1.5	—	22 August 2009
Norman Millard	1.5	—	22 August 2009
Peter Steven Martin	1.5	—	22 August 2009
Janet and Edo de Vries	1.5	—	22 August 2009
Sheelagh Elizabeth Turner	1.5	—	22 August 2009
Lance Langdon	1.5	—	22 August 2009
Keith Darnell	1.5	—	22 August 2009

- 5.2 Save as disclosed in paragraph 5.1 above and in paragraph 7 of Part I and in respect of Mr David Massie, in paragraphs 5.9 and 8.1, no Director, nor any Proposed Director nor any member of the Concert Party or anyone acting in concert with any member of the Concert Party has any interest in relevant securities nor have they dealt for value in such securities, nor have they borrowed or lent such securities in the 12 months prior to 26 July (being the last practicable date prior to the date of this document).

- 5.3 Neither the Company nor any of the Directors, have any interest in any securities of any of the members of the Concert Party.
- 5.4 No associate, no pension fund of the Company owns, controls or is interested in any relevant securities.
- 5.5 Save as set out in paragraph 10.1.6, no connected adviser of the Company or its associates or any person controlling, controlled by or under the same control as any connected adviser has any interest in relevant securities.
- 5.6 There are no outstanding loans granted by the Company to any of the Directors or any other member of the Concert Party nor has any guarantee been provided by the Company for the benefit of any Director or any other member of the Concert Party.
- 5.7 The Company and its associates have no employee benefit trusts.
- 5.8 No member of the Concert Party nor anyone acting in concert with any member of the Concert Party, nor the Company, the Directors or anyone acting in concert with the Directors, has borrowed or lent any relevant securities.
- 5.9 Mr David Laurence Massie, a member of the Concert Party, holds an option over 2,190,100 Crimson Tide Shares held by Barrie Whipp which will convert on Admission to an option over 6,022,775 Ordinary Shares.
- 5.10 No member of the Concert Party nor anyone acting in concert with any member of the Concert Party, has any indemnity or other arrangement or understanding in respect of relevant securities, including option arrangements, whether formal or informal, which may act as an inducement to deal or refrain from dealing.
- 5.11 No associate of the Company has any interest in relevant securities.

## **6. Enlarged Group Board Service Agreements and Letters of Appointment**

- 6.1 The services of Barrie Whipp, Stephen Goodwin and Jeremy Roth are provided under the terms of service agreements between the Company and each of them dated 27 July 2006 subject to termination upon at least 12 month's notice, at an initial salary of £84,000 per annum in respect of Barrie Whipp and £72,000 per annum in respect of each of Stephen Goodwin and Jeremy Roth.

James Ferguson and Russell Sincock have waived contracted fees from November 2004 to the date of this document and are to resign immediately prior to Admission and will each receive an ex gratia termination payment of £20,000, which will be in the form of Placing Shares.

- 6.2 Graham Ashley and Rowley Ager have each entered into letters of appointment to act as non-executive directors of the Company with effect from Admission. Pursuant to their letters of appointment they are each entitled to receive a fee of £18,000 per annum for their services to the Company. It is expected that they will spend approximately one day per month on Company business. Each non-executive director's engagement is for an initial period of one year and thereafter may be terminated by either party by giving three months' written notice.
- 6.3 There are no service agreements in existence between any of the Directors and the Company which cannot be determined by the Company without payment of compensation (other than statutory compensation) within one year.

Save as set out in paragraphs 6.1 and 6.2 above, none of the Directors nor the Proposed Directors has an existing or proposed service agreement with the Company or Crimson Tide, nor has there been any change in the last six months.

- 6.4 Transactions carried out by the Company with related parties during the period covered by the historical information set out in this document are set out on page 65 in Part VI of this document.

The transactions were at arm's length.

- 6.5 Crimson Tide has a loan from Barrie Whipp reduced from £49,920 in 2004 to £39,629 as at 31 October 2005. The balance payable consists of unpaid net salary amounts of £26,454, a loan provided of £8,123 and leasehold improvements paid for on behalf of Crimson Tide of £5,052. Interest on this loan is being charged at 6 per cent.

## 7. Additional Information on the Enlarged Group Board

7.1 The names of all companies and partnerships outside the Company of which the Directors and Proposed Directors have, at any time in the five years prior to the date of this document, been a director or partner, as appropriate, each of which is currently held unless stated otherwise are as follows:

<i>Name</i>	<i>Current Directorships and Partnerships</i>	<i>Past Directorships and Partnerships</i>
Graham Basil Ashley	Crimson Tide Limited Dermasalve Sciences Plc Eastdale Properties Ltd IAF Group PLC Oakleigh Financial Solutions Ltd Oakleigh Financial Solutions (partnership) Quintessentially English plc Scott Tod Plc	G M Computers Limited Greig Middleton Holdings Limited The Patio Westcliff Limited
Russell John Sincock	A. Cohen Metals Merchanting Limited Comexim International Limited	A. Cohen Electronics Limited A. Cohen Securities Limited A. Cohen Services Limited American Metal & Ore Corporation Limited Comexim Traders Limited King of Norwich (Non-Ferrous) Limited
James Simpson Ferguson	A. Cohen & Co. (Great Britain) Limited A. Cohen (UK) Ltd Jim Ferguson Ltd	Aluminium Alloy Manufacturing and Recycling Association Motehill Metals Limited
Barrie Reginald John Whipp	Callog Limited Crimson Tide Limited Mobile Professional plc Moneymotive Limited JP Search & Selection Limited	Olive Fusion Limited Olive 360 Limited
Stephen Keith Goodwin	Crimson Tide Limited Goodwin Solutions Limited Mobile Professional plc	International Wagon Services Limited GE Capital Rail Limited GE Capital Rail Services Limited
Jeremy Walter Frederick Roth	Crimson Tide Limited	None
Rowley Stuart Ager	Ager Consultants Limited Andrew Brodie Engineering Limited Tesco Capital No.1 Limited Tesco Capital No.2 Limited Tesco Pension Trustees Limited The Carbis Beach Apartments Management Company Limited W.M. Low & Company, P.L.C. (liquidation)	* please see below

\* Rowley Stuart Ager's past directorships and partnerships in the five years prior to the date of this document were:

3 Guys Limited, Actado Limited, Adsega Limited, Alfred Preedy & Sons Limited, Alfred Preedy & Sons (Trustees) Limited, Angel Ware House Co. Limited, Anthony Heagney Limited, Anthony Jackson's Foodfare Limited, Bargain Centres (London) Limited, Bathmare Limited, Beehythe Estates Limited, Billjive Limited, Bishops Bridge Investments Limited (*liquidation*), Brace-Pinhorne Construction Company Limited (*liquidation*), Bride Developments (Ely) Limited, Bride Developments Limited (*liquidation*), Bride Developments (Borehamwood) Limited, Bride Developments (Colchester) Limited, Bride Developments (Middlewich) Limited, Bride Developments (Twickenham) Limited, Bride Investments (Borehamwood) Limited (*liquidation*), Bride Investments (Colchester) Limited (*liquidation*), Bride Investments (Cowley) Limited, Bride Investments (Ely) Limited (*liquidation*), Bride Investments (Middlewich) Limited (*liquidation*), Bride Investments (Twickenham) Limited (*liquidation*), Broughton Retail Park Nominee 1 Limited, Broughton Retail Park Nominee 2 Limited, Broughton Retail Park Nominee 3 Limited, Broughton Retail Park Nominee 4 Limited, Bugden Limited, Buyright (London) Limited, Buy-Wise Limited, Cadena Cafes, Limited, Comar Limited, Charles Phillips & Company, Limited, Cowbell Estates Limited, Dairyglen Travel Limited, Day and Night Stores Limited, Daylin Stores Limited, Dillons Newsagents Limited, Discount Super Markets Limited, Dubpark Limited (*liquidation*), East Herts Research Limited, Ely Trading Estate Limited (*liquidation*), Faraday Properties Limited, Fieldcastle Investments Limited, Flitwick Pharmacies Limited, G.H. Langley (Pharmacy) Limited (*liquidation*), Gibbs News Limited, Gibbs Newsagents Limited, Giltbonues Public Company Limited, Glenne Motors Limited, Goodworths Limited, Harrow Stores (Watford) Limited, Hillards Pension Trustees Limited, Jivebill Limited, J.E. Cohen & Company Limited, J.W. Hillard Limited, Laws Stores Limited, Lee (Southern) Limited, London Grocers Limited (*liquidation*), Lowfoods Limited, M&W Limited, Moody & Midgley Limited, NPL (Hardgate) Limited, Oasis Stores Limited, One Stop Convenience Stores Limited, One Stop Stores Trustee Services Limited, New Clapton Stadium Company Limited, One Stop Stores Limited, One Stop Community Stores Limited, Paper Chain (East Anglia) Limited, Peter B.Harris Limited, Ready Pharmacy Limited, Reynolds (Kent) Limited, Riverway Finance Company Limited, S. Bottomley and Bros. Limited, Sanders Supermarket Limited, Seacroft Green Nominee 1 Ltd, Seacroft Green Nominee 2 Ltd, Sheraz Limited, Shopping Centres Limited, Spen Hill Management Limited, Spen Hill Properties (Holdings) plc, Spen Hill Properties (Southend) Limited, Stewarts Supermarkets Limited, Supercigs Stores Limited, TGP (Partnership Nominee) Limited, T&S Management Services Limited, T&S Properties Limited, T&S Store Management Limited, T&S Stores Limited, T&S Stores Trustee Services Limited, Tesco Card Services Limited, Tesco.com Limited, Tesco (Cheshunt) Ltd (*liquidation*), Tesco Dispensing Limited, Tesco Distribution Holdings Limited, Tesco Distribution Limited, Tesco Employees' Share Scheme Trustees Limited, Tesco Estates Limited, Tesco Fuel Limited, Tesco Holdings Limited, Tesco Hungary (Holdings) Limited, Tesco International Services Limited, Tesco (London) Ltd, Tesco Management Limited (*liquidation*), Tesco Mobile Communications Limited, Tesco Mobile Limited, Tesco Mobile Services Limited, Tesco (Overseas) Ltd, Tesco Overseas (Holdings) Ltd, Tesco Overseas Investments Limited, Tesco Overseas ULC, Tesco (Partnership) Ltd, Tesco Pension Trustees Limited, Tesco Personal Finance Group Limited, Tesco Personal Finance Limited, Tesco PLC, Tesco Property Holdings Limited, Tesco Property (Nominees) (No.1) Limited, Tesco Property (Nominees) (No.2) Limited, Tesco Property (Nominees) Limited, Tesco Property Partner (GP) Limited, Tesco Property Partner (No.1) Limited, Tesco Savings Limited (*liquidation*), Tesco Seacroft Ltd, Tesco Self Service Limited (*liquidation*), Tesco Services Limited, Tesco Stores Limited, Tesco Swap Realisation Company Limited, Tesco (Wholesale) Ltd (*liquidation*), Tesco Worldwide Limited, Tesco (Yorkshire) Limited, Titus Ward & Co., Limited, Toogood's Newsmarket Limited, TPF ATM Services Limited, Ventcourt Limited, Waltham Properties Limited, W.H. Richards Limited, W.M. Low Investments Limited (*liquidation*), W.M. Low Supermarkets Limited, WNFS Limited (*liquidation*), W.S. Chapman & Co. Limited, Williamsons Limited, Worple Road PLC.

Save as set out above, none of the Directors or Proposed Directors has held or occupied any other directorships or has been a partner in a partnership over the previous five years.

7.2 Save as set out in paragraph 7.2.6, no Director or Proposed Director:

7.2.1 has any unspent convictions in relation to indictable offences; or

7.2.2 has been bankrupt or the subject of an individual voluntary arrangement, or has had a receiver appointed to any asset of such director; or

7.2.3 has been a director of any company which, while he was a director or within 12 months after he ceased to be a director, had a receiver appointed or went into compulsory liquidation, creditors'



voluntary liquidation, administration or company voluntary arrangement, or made any composition or arrangement with its creditors generally or with any class of its creditors; or

7.2.4 has been a partner of any partnership which, while he was a partner or within 12 months after he ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset; or

7.2.5 has had any public criticism by statutory or regulatory authorities (including recognised professional bodies); or

7.2.6 has 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.

Barrie Whipp was a non-executive director of JP Search & Selection Limited which went into liquidation in 1993. The principal creditor was IAF Group plc, where Mr Whipp was the group managing director. The official receiver failed to send the relevant documentation to Companies House which does not show the company as dissolved and therefore Mr. Whipp is still shown as a director.

James Ferguson was a director of A Cohen (UK) Limited. This company went into receivership on 19 December 2001, and was compulsorily wound up in March 2004.

## 8. Significant Shareholders and transactions in shares

8.1 As at 26 July 2006 (being the latest practicable date prior to the date of this document) the Company had been notified of, or was otherwise aware of the following person(s) who were, directly or indirectly, interested in 3 per cent. or more of the existing share capital of the Company and as they will be following Admission and/or who will be immediately following Admission directly or indirectly interested in 3 per cent. or more of the Enlarged Share Capital of the Company.

<i>Name</i>	<i>Ordinary Shares as at the date of this document</i>	<i>% of existing Ordinary Shares</i>	<i>Deferred Shares as at the date of this document</i>	<i>Ordinary Shares following Admission</i>	<i>% of Enlarged Share Capital</i>	<i>No. of Warrants following Admission</i>	<i>% of future Enlarged Share Capital on exercise of Warrants</i>
HSBC Global Custody Nominee (UK) Limited	3,510,350	23.15	351,350	3,150,350	1.27	1,755,175	1.77
Mr David Laurence Massie	1,201,398	7.92	1,201,398	6,751,398	0.44	1,850,699	2.89
J M Finn Nominees Limited	715,000	4.72	784	715,000	0.26	357,500	0.36
Mr Desmond John Davies	669,508	4.42	611,175	669,508	0.24	334,754	0.34
L R Nominees Limited	654,782	4.32	187,000	654,782	0.24	327,391	0.33
Mr Nicholas James Tod	600,000	3.96	600,000	600,000	0.22	300,000	0.30
Fiske Nominees Limited	494,259	3.26	494,259	494,259	0.18	247,130	0.25
Pershing Keen Nominees Limited	475,000	3.13	575,000	475,000	0.17	237,500	0.24

8.2 Save as disclosed in this paragraph 8, the Company is not aware of any person who as at 26 July 2006 (being the latest practicable date prior to the date of this document), directly or indirectly, has an interest in the Company which represents 3 per cent. or more of its issued share capital. Save as disclosed in this paragraph 8, the Company is not aware of any persons who as at 26 July 2006 (being the latest practicable date prior to the date of this document), directly or indirectly, jointly or severally, exercise or could exercise control over the Company.

8.3 None of the members of the Concert Party, nor the Directors, nor any associate of these are party to any arrangement, other than the Acquisition Agreement in respect of the equity of A. Cohen.

8.4 None of the Directors nor any persons named in paragraph 8.1 above has voting rights which are different to any other holder of Ordinary Shares.

## 9. Warrants

Pursuant to the Warrant Instruments the Company will, conditional upon Admission, issue an aggregate of 22,574,048 Warrants to Shareholders on the basis of 1 Warrant for every 2 Ordinary Shares held by Shareholders on the register as at the Record Date and to Placees on the basis of 1 Warrant for every

4 Ordinary Shares subscribed for. The Warrants may only be exercised in whole until 22 August 2009 and will lapse thereafter. The subscription price payable on the exercise of the Warrants is the Placing Price. The Warrants may be transferred in whole to a third party in accordance with the terms of the Warrant Instrument. In certain circumstances, there will be an adjustment to the number of Warrants which the warrant holder holds, or the price at which the Warrants may be exercised. Under the terms of the Warrant Instruments the Company is required to keep available sufficient authorised but unissued share capital to satisfy the exercise of the Warrants and upon exercise shall apply for such new Ordinary Shares to be admitted to trading on AIM. Ordinary Shares issued pursuant to an exercise of Warrants will rank *pari passu* in all respects with the existing Ordinary Shares save in respect of any rights attaching to the Ordinary Shares by reference to a record date prior to receipt by the Company of a notice of exercise in respect of such Warrants.

## 10. Material Contracts

10.1 The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company or its subsidiaries within the period of two years immediately preceding the date of this document which are or may be material:

10.1.1 On 21 February 2006, the Company entered into an agreement with W.H. Ireland under which W.H. Ireland agreed to act as the Company's Financial Adviser and Nominated Adviser and Broker and to advise and assist the Company in respect of admission of its share capital to trading on AIM and on an ongoing basis for an initial period of twelve months and thereafter until terminated by six months' notice by either party. The agreement contains indemnities given by the Company to W.H. Ireland. In addition, in respect of its nominated adviser and broker services, W.H. Ireland receives a fee equivalent to £25,000 per annum.

10.1.2 Barrie Whipp entered into a controlling shareholder agreement with the Company and W.H. Ireland dated 27 July 2006 pursuant to the terms of which Barrie Whipp agreed that for so long as he is interested in excess of 30 per cent. of the issued share capital of the Company, he would not exercise his voting powers so as to derogate from the independence of the Board, that he would not vote on any matter involving any actual or potential conflict between the Company and him and shall ensure that any transactions entered into between the Company and him are conducted at arm's length and on a normal commercial basis.

10.1.3 On 27 July 2006, the Company, the Directors and the Proposed Directors entered into the Placing Agreement with W.H. Ireland whereby W.H. Ireland has conditionally agreed to use its reasonable endeavours (as agent for the Company) to procure subscribers for the Placing Shares at the Placing Price. The Placing Agreement is conditional, *inter alia*, upon the Acquisition Agreement becoming unconditional (other than any condition relating to the Placing Agreement and Admission) and not being terminated and Admission taking place on or before 8.00 a.m. on 22 August 2006 or such later date as W.H. Ireland and the Company may agree but in any event not later than 6 September 2006. The Company will, subject to Admission, pay W.H. Ireland a fee of £120,000 plus a commission of 3 per cent. on all monies raised in the Placing and an additional commission of 2 per cent. on monies introduced by W.H. Ireland, together with all costs and expenses and VAT thereon where appropriate. In addition, the Company will be responsible for all other costs and expenses of the application for Admission. The Company, the Directors and the Proposed Directors have given certain warranties and indemnities as to the accuracy of the information contained in this document and other matters in relation to the Enlarged Group. W.H. Ireland may terminate the Placing Agreement in certain specified circumstances prior to Admission, principally in the event of a material breach of the Placing Agreement or any of the warranties contained in it or any failure by the Directors, the Proposed Directors or the Company to comply with their obligations which is or will be in the opinion of W.H. Ireland, materially prejudicial in the context of the Placing.

10.1.4 On 27 July 2006, the Company and the Vendors entered into the Acquisition Agreement, under which the Vendors have agreed to sell the entire issue share capital of Crimson Tide in consideration for the issue of the Consideration Shares. Completion of the Acquisition is conditional upon *inter alia* the passing of the Resolutions completion of the Placing and Admission.

In the period between exchange and Admission the Vendors must procure that the business of Crimson Tide is carried on in the ordinary and usual course.

Barrie Whipp, Stephen Goodwin and Jeremy Roth have given normal warranties to the Company in relation to Crimson Tide, its subsidiaries and its business. The Company may rescind the Acquisition Agreement for breach of warranty between exchange and completion but thereafter any remedy will be limited to damages.

The Directors have given certain warranties to the Company, primarily relating to any residual environmental liabilities relating to current and previously occupied properties.

10.1.5 The Directors, the Proposed Directors and certain other shareholders have entered into an orderly market agreement dated 27 July 2006 with W.H. Ireland and the Company whereby such Directors, Proposed Directors and certain other shareholders have undertaken that they will not sell or otherwise dispose of their Ordinary Shares for a period of 12 months following Admission, save subject to certain specific circumstances. The specific circumstances include:

- (a) any disposal pursuant to acceptance of a general, partial or tender offer made by an offeror (the "Offeror") to shareholders for the whole or part of the issued share capital of the Company (other than shares already held by the Offeror or persons acting in concert with the Offeror); or
- (b) the execution of an irrevocable commitment to accept a general, partial or tender offer made to all shareholders of the Company for the whole or part of the issued capital of the Company (other than any shares already held by the Offeror or persons acting in concert with the Offeror); or
- (c) a sale to an offeror or potential offeror who has been named in an announcement made pursuant to the City Code on Takeovers and Mergers; or any disposal pursuant to an intervening court order.

In addition, the Directors, the Proposed Directors and certain other shareholders have agreed to orderly market arrangements covering the following 12 month period after the end of the Lock-in Period and the Vendors for the 12 month period following Admission, under which the relevant persons may not *inter alia* dispose of shares if the "prevailing bid price" is less than the Placing Price at the date of such proposed disposal; or if the prevailing bid price at the date of the proposed disposal is lower than the price for Ordinary Shares realised on any disposal by that person of Ordinary Shares within the previous three months, without the prior consent of W.H. Ireland (or such other broker as may be appointed by the Company from time to time).

10.1.6 Under the Placing Agreement, W.H. Ireland has agreed to subscribe for 4,608,000 Placing Shares, DMH Stallard has agreed to subscribe for 3,525,000 Placing Shares and other advisers have agreed to subscribe for 4,766,667 Placing shares out of the fees due to them in respect of the Acquisition and the Placing. As a result of their participation in the Placing, W.H. Ireland, DMH Stallard and other advisers will be interested in 1,152,000, 881,250 and 1,191,667 Warrants, respectively.

10.2 No contracts, not being contracts entered into in the ordinary course of business, have been entered into by Crimson Tide or its subsidiaries within the period of two years immediately preceding the date of this document which are or may be material.

## **11. Working Capital**

In the opinion of the Enlarged Group Board, having made due and careful enquiry, the working capital available to the Enlarged Group will, from the date of Admission, be sufficient for its present requirements, that is for the next twelve months.

## **12. Litigation**

### **12.1 A. Cohen**

The Company is not and has not been engaged in any legal or arbitration procedures and the Company is not aware that any legal or arbitration proceedings are pending or threatened by or against the Company which may have, or have during the 12 months, immediately preceding the date of this document, a significant effect on the financial position of the Company.

## 12.2 *Crimson Tide*

No member of Crimson Tide is or has been engaged in any legal or arbitration proceedings and no member of Crimson Tide is aware that any legal or arbitration proceedings are pending or threatened by or against Crimson Tide which may have, or have had during the 12 months immediately preceding the date of this document, a significant effect on the financial position of any member of Crimson Tide.

## 13. Significant Changes

### 13.1 *A. Cohen*

Save for incurring fees of approximately £0.16 million in respect of the Placing, there has been no significant or material change in the financial or trading position of the Company since 31 December 2005, the date to which the accountants' report in Part VI of this document was made up.

### 13.2 *Crimson Tide*

There has been no significant or material change in the financial or trading position of Crimson Tide since 31 January 2006, the date to which the accountants' report in Part IV was made up.

## 14. Enlarged Group Companies

A. Cohen is a member of a group of which it is the holding company. A. Cohen has the following interests in the following subsidiaries, all of which are registered in England and Wales with the exception of A. Cohen (Aust) Pty Ltd which is registered in Victoria, Australia:

<i>Subsidiary</i>	<i>Issued Share Capital</i>	<i>A. Cohen Group Shareholding</i>	<i>Date of Incorporation</i>	<i>Activity</i>	<i>Registered Office</i>
A. Cohen & Co. (Great Britain) Ltd	273,506	273,506	30/12/1970	Non-trading	Purland Road London SE28 0AT
A. Cohen (Aust) Pty Ltd	Aus \$2	Aus \$2	12/01/2000	Non-trading	C.W. Stirling & Co. Level 6 90 William Street Melbourne VIC 3000 Australia
Comexim International Limited	10,000	10,000	10/05/1972	Non-trading	45 Springbank Crescent Motherwell Strathclyde ML1 4FW

Crimson Tide is a member of a group of which it is the holding company. Crimson Tide has the following wholly owned subsidiaries, all of which are registered in England and Wales:

<i>Subsidiary</i>	<i>Issued Share Capital</i>	<i>Date of Incorporation</i>	<i>Activity</i>	<i>Registered Office</i>
Moneymotive Limited	299	21/10/1991	Intermediate holding company	Tavern Cellars 39/41 The Pantiles Tunbridge Wells Kent TN2 5TE
Mobile Professional plc	2	8/12/2003	Dormant	22 Great James Street London WC1N 3ES

## 15. Middle Market Quotations for Ordinary Shares

The table below lists the closing middle market quotations for Ordinary Shares as derived from the AIM Appendix of the daily Official List for the first dealing day in each of the six months prior to the date of this document and for 26 July 2006 (the last business day before the commencement of the offer period (for the purposes of the City Code) and the last practicable day before the posting of this document).

<i>Date</i>	<i>Share price (pence)</i>
1 February 2006	1.50
1 March 2006	1.50
3 April 2006	1.50
2 May 2006	1.50
2 June 2006	1.50
3 July 2006	1.50
26 July 2006	1.50

## **16. Taxation**

The following information, which sets out the taxation treatment for holders of Ordinary Shares, is based on existing law in force in the UK (“UK”) and what is understood to be current HM Revenue & Customs practice. It is intended as a general guide only and applies to Shareholders who are resident or ordinarily resident in the UK (except to the extent that specific reference is made to Shareholders resident outside the UK), who hold the Ordinary Shares as investments and who are the absolute beneficial owners of those Ordinary Shares.

Any Shareholders who are in any doubt as to their taxation position or who are subject to taxation in any jurisdiction other than the UK should consult their professional advisers immediately. Shareholders should note that the levels and bases of, and relief from, taxation may change and that changes may affect benefits of investment in the Company. This summary is not exhaustive and does not generally consider tax relief or exemptions.

### *16.1 Taxation of Dividends*

Under current UK tax legislation, no tax will be withheld from any dividend paid by the Company.

#### *16.1.1 UK Resident Individual Shareholders*

An individual UK resident Shareholder is currently entitled to a tax credit in respect of the dividend (the “associated tax credit”) that can be set off against the total liability to UK income tax. The amount of the associated tax credit is equal to one-ninth of the cash dividend received. The aggregate of the cash dividend and the associated tax credit (the “dividend income”) will be included in the Shareholder’s income for UK tax purposes and will be treated as the top slice of the Shareholder’s income. Thus, an individual UK resident Shareholder receiving a cash dividend of £90 will be treated as having received dividend income of £100, which has the associated tax credit of £10 attached to it.

An individual UK resident Shareholder who, after taking into account the dividend income, pays income tax at the lower rate or basic rate will pay tax on the dividend income at the “ordinary dividend rate” of 10 per cent. against which he can set off the tax credit. As a consequence, such a Shareholder will have no further liability to account for income tax on the cash dividend received.

An individual UK resident Shareholder who, after taking into account the dividend income, pays income tax at the higher rate will pay tax on the dividend income at the “higher dividend rate” of 32.5 per cent. against which he can set off the associated tax credit. Such a Shareholder will have a liability to account for additional tax on the dividend income, calculated by multiplying the gross dividend by the “higher dividend rate” and deducting the tax credit. This will be equivalent to 25 per cent. of the cash dividend received.

An individual UK resident Shareholder who does not pay income tax or whose liability to income tax does not exceed the amount of the associated tax credit will not be entitled to claim repayment of the associated tax credit attaching to the dividend.

#### *16.1.2 Trustees of UK Resident Trusts*

For dividends paid to Trustees of UK resident discretionary or accumulation trusts, the dividend income will be subject to UK income tax at the “dividend trust rate” of 32.5 per cent. To the extent that the associated tax credit exceeds the Trustees’ liability to account for income tax, the trustees will have no right to claim repayment of the associated tax credit. Trustees who are in any doubt as to their position should consult their own professional advisers immediately.

### 16.1.3 *UK Resident Corporate Shareholders*

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

### 16.1.4 *UK Resident Pension Funds and Charities*

UK pension funds and charities are not subject to tax on dividends which they receive. Neither are they generally entitled to claim repayment of the associated tax credit.

### 16.1.5 *Non-resident Shareholders*

Shareholders not resident in the UK for tax purposes are generally not taxed in the UK on dividends received by them nor entitled to an associated tax credit in respect of a dividend received. However, such non-resident Shareholders may be entitled to a payment from the UK taxing authority (HM Revenue & Customs) of a proportion of the associated tax credit in respect of dividends paid to them under a double tax treaty between the UK and the country in which they are resident for tax purposes. Non-resident Shareholders may be subject to foreign tax on the dividend income received from the Company. Such non-resident Shareholders should consult their own professional tax advisers on the incidence of tax in the country in which they are resident for tax purposes, as to whether they are entitled to the benefit of any associated tax credit and the procedure for claiming repayment. An individual shareholder who is not resident in the UK but is a Commonwealth citizen, a national of a member state of the European Economic Area or falls within certain categories of person within section 278 of the Income and Corporation Taxes Act 1988 is entitled to set the associated tax credit against their UK Income tax liability.

## 16.2 *Taxation of Chargeable Gains*

A disposal of Ordinary Shares by an individual or corporate Shareholder may result in a liability to UK taxation on chargeable gains, depending upon the relevant circumstances of the transaction and the particular Shareholder's circumstances. Shareholders who are not resident or ordinarily resident in the UK for tax purposes will not generally have a liability to UK taxation on chargeable gains.

On 5 April 1998, "taper relief" was introduced which applies to individual Shareholders and trustees (but not to corporate Shareholders). Taper relief reduces the proportion of any chargeable gain assessable to capital gains tax by reference to the period of ownership of the Ordinary Shares by a Shareholder. The rate of taper depends upon whether the Shareholder holds the Ordinary Shares as "business" or "nonbusiness" assets, with the speed of taper relief being accelerated for Ordinary Shares held as "business" assets.

Business assets include shares in qualifying unquoted companies or qualifying holding companies. For these purposes, Shareholders should note that companies admitted to trading on AIM are regarded as unquoted.

For Shareholders who are individuals and who do not qualify for capital gains tax exemption under the EIS rules, as referred to below, taper relief may apply depending on the length of ownership so that the effective rate of capital gains tax on any gain on a disposal by an individual Shareholder may be reduced the longer the Ordinary Shares are held. Indexation allowance no longer applies in the case of individual Shareholders. For corporate Shareholders an indexation allowance (not taper relief) will be available on a disposal in respect of the subscription cost of the Ordinary Shares. Indexation allowance cannot be used to create or increase a loss for tax purposes.

## 16.3 *Stamp Duty and Stamp Duty Reserve Tax*

No charge to stamp duty or stamp duty reserve tax ("SDRT") will arise on the registration of applications for Ordinary Shares under the Placing. Transfers of or sales of Ordinary Shares will be subject to *ad valorem* stamp duty (payable by the purchaser and generally at the rate of 0.5 per cent. of the consideration given rounded up to the next £5.00). An unconditional agreement to transfer such shares, if not completed by a duly stamped stock transfer form by the seventh day of the month following the month in which such agreement is made or becomes unconditional, will be subject to SDRT (payable by the purchaser and generally at the rate of 0.5 per cent. of the consideration given). However, if within six years of the date of the agreement, an instrument of transfer is executed pursuant to the agreement and stamp duty is paid on the instrument, any liability to SDRT will be cancelled or repaid.

#### 16.4 *Tax reliefs potentially available to investors*

The Directors anticipate that the Company will be treated as a qualifying company for the purpose of Venture Capital Trust relief, although no guarantee of this can be given. Provisional clearance has been given by the Inland Revenue that the Placing Shares will comply with the provisions of schedule 28B to the Income and Corporation Taxes Act 1988 and will be a qualifying holding under that schedule.

The Directors also anticipate that the Company will be a “qualifying company” and the Placing Shares will be eligible shares for the purposes of the Enterprise Investment Scheme (“EIS”). In respect of Qualifying Investors under the EIS scheme, provisional clearance has also been given by the Inland Revenue that the Placing Shares should be eligible for income tax relief at a rate of 20 per cent. in respect of investment in the Placing Shares up to a maximum investment of £400,000 when aggregated with other qualifying EIS investments in the same year. Provided that the individual subscribers hold their shares for at least five years and that the relevant conditions are met by individual subscribers and the Company throughout that period, the ultimate disposal of the Placing Shares by the individual subscriber should be exempt from capital gains tax, on those shares which qualify for income tax relief (assuming that income tax relief has not been withdrawn). Qualifying individuals and certain trusts with gains arising from the disposal of any asset in the three years prior to, or the 12 months following the subscription for the Placing Shares may be able to defer a charge to capital gains tax on that gain until such time as the Placing Shares are disposed of if certain conditions are met.

Although the Company currently expects to satisfy the relevant conditions contained in the Venture Capital Trust and EIS legislation, neither the Company nor the Directors make any representation or warranty or give any undertaking that Venture Capital Trust or EIS relief will be available in respect of any investment in the Ordinary Shares pursuant to this document, nor do they give any representation or undertaking that the Company will keep its qualifying status throughout the relevant period or that, once given, such relief will not be withdrawn.

If you are in any doubt as to your taxation position, you should consult your professional adviser immediately.

#### **17. General**

- 17.1 On 29 December 1995, the Company leased premises at Unit 26 Cwmdru Industrial Estate, Swansea (the “Premises”) for a term of 15 years from 14 August 1995 at an initial annual rent of £22,080 plus VAT with five yearly rent reviews. The Company no longer carries on any business at the Premises. The Company is seeking to dispose of its interest in the Premises by surrender, sub-letting or assignment.
- 17.2 Except for the key commercial relationships referred to in Part II, the Directors and Proposed Directors are not aware of any patents or other intellectual property rights, licences or particular contracts which are of fundamental importance to the Company’s or Crimson Tide’s business.
- 17.3 The gross proceeds of the Placing are expected to be £0.66 million. The total costs and expenses relating to the Placing payable by the Company are estimated to be £0.16 million (excluding VAT).
- 17.4 Except for payments to trade suppliers the Company’s professional advisers or as set out in this document, 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 the application for Admission, or has entered into any contractual arrangement to receive from the Company, directly or indirectly, any such fees, securities or other benefit on or after Admission.
- 17.5 Save as disclosed in this document, the Enlarged Group Board is not aware of any exceptional factors which have influenced the Company’s or Crimson Tide’s activities.
- 17.6 Shipleys LLP has given and not withdrawn its written consent to the issue of this document with the inclusion of their accountants’ reports in Parts IV and VI of this document and the references to such report and to its name in the form and context in which they appear.
- 17.7 W.H. Ireland which is authorised and regulated by the Financial Services Authority in the UK has given and not withdrawn its written consent to the issue of this document with the inclusion of its name and the references to it in the form and context in which such references appear.
- 17.8 The period within which Placing participations may be accepted pursuant to the Placing and the arrangements for paying for the Placing Shares are set out in the placing letters to Placees. All monies received from applicants will be held by W.H. Ireland prior to issue of the shares. If any application is unsuccessful, 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. Share certificates will where relevant be sent to successful applicants by first class post at the risk of the applicant within ten days of the completion of the Placing.

- 17.9 The New Ordinary Shares are in registered form, will be created under the Act and can be issued in certificated and uncertificated form. The Directors have applied for the New Ordinary Shares to be admitted to CREST with effect from Admission. Accordingly, it is expected that the New Ordinary Shares will be enabled for settlement in CREST following Admission. Placees who are CREST system members may elect to have the Placing Shares allotted to them in uncertificated form through CREST.
- 17.10 The ISIN number for Ordinary Shares is GB0002080082.
- 17.11 There are no agreements, arrangements or understandings (including any compensation arrangements) that exist between any members of the Concert Party and any of the Directors, recent directors, shareholders or recent shareholders of A. Cohen which have any connection with or dependence on the Acquisition.
- 17.12 Except as set out in paragraph 5.9 of this Part VIII there are no agreements, arrangements or understandings whereby the beneficial ownership of any Consideration Shares acquired by any members of the Concert Party pursuant to the Acquisition Agreement will be transferred to any person.
- 17.13 Save as disclosed in this document, the Company has not made any investments since 31 December 2005 to the date of this document, nor are there any investments by the Group in progress or future investments on which the Company's management have already made firm commitments, which are significant.

## **18. Availability of Documents for Inspection**

Copies of the following documents will be available for inspection at the offices of DMH Stallard, Centurion House, 37 Jewry Street, Haymarket, London EC3N 2ER during normal working hours on any weekday (excluding Saturdays, Sundays and public holidays) from the date of this document up to and including 22 September 2006. The documents will also be available for inspection at the Extraordinary General Meeting:

- 18.1 the memorandum and articles of association of the Company and Crimson Tide;
- 18.2 the accountants' report by Shipleys LLP on the Crimson Tide Group for the years ended 31 October 2003, 2004, 2005 and the 3 months ended 31 January 2006 as set out in Part IV of this document;
- 18.3 the accountants' report by Shipleys LLP on the A. Cohen Group for the years ended 31 December 2003, 2004 and 2005 as set out in Part VI of this document;
- 18.4 the Proposed Directors' letters of appointment and service agreements referred to in paragraph 6 above;
- 18.5 the material contracts referred to in paragraph 10 above;
- 18.6 the letters of consent referred to in paragraphs 17.6 and 17.7 above; and
- 18.7 this document.

Dated: 27 July 2006



**A. COHEN & CO.  
(THE “COMPANY”)**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting of the Company will be held at the offices of DMH Stallard, Centurion House, 37 Jewry Street, London EC3N 2ER at 11.00 a.m. on 21 August 2006 for the purpose of considering and, if thought fit, passing the following resolutions, of which resolutions 1 to 4 will be proposed as ordinary resolutions (resolution 3 to be determined on a poll, as required by the Panel on Takeovers and Mergers) and resolutions 5 and 6 will be proposed as special resolutions.

**ORDINARY RESOLUTIONS**

1. THAT the authorised share capital of the Company be increased beyond the existing share capital of £4,000,000 divided into 111,950,842 ordinary shares of 1p and 15,160,482 deferred shares of 19p each to £7,000,000 by the creation of 300,000,000 new ordinary shares of 1p each ranking *pari passu* in all respects with the existing ordinary shares of 1p each.
2. THAT, subject to the passing of resolution 3 below, the proposed acquisition (“the Acquisition”) by the Company of the entire issued share capital of Crimson Tide Limited, on the terms and subject to the conditions of the agreement (“the Acquisition Agreement”) described in the admission document sent to shareholders of the Company dated 27 July 2006 (“the admission document”) be and is hereby approved and that the board of directors of the Company (or a duly constituted committee of that board) be and is hereby authorised to waive, amend, vary or extend any of the terms and conditions of the Acquisition or the Acquisition Agreement (but not to any material extent) and do all such things as it may consider necessary or desirable in connection with the Acquisition.
3. THAT the Waiver by the Panel on Takeovers and Mergers of the obligations of the Concert Party (as defined in the admission document) to make a general cash offer for the whole of the Company’s issued share capital pursuant to Rule 9 of the City Code as a result of (i) the issue to the Concert Party of 209,574,031 new ordinary shares in the Company pursuant to the Acquisition as a result of which the Concert Party will own in aggregate 76.0 per cent. of the Enlarged Share Capital; and (ii) any increase on the exercise of Warrants to subscribe for a further 5,037,500 Ordinary Shares as a result of which the Concert Party could in aggregate own up to 76.4 per cent. of the further enlarged issued ordinary share capital of the Company, be and is hereby approved.
4. THAT in substitution for any existing authority subsisting at the date of this resolution (save to the extent that the same may already have been exercised and for any such powers granted by statute), the Directors be and they are hereby generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities (within the meaning of Section 80 of the Companies Act 1985 (the “Act”)) up to an aggregate nominal amount of £3,400,000, provided that this authority shall expire five years after the passing of this resolution, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

**SPECIAL RESOLUTIONS**

5. THAT subject to, and conditional upon, completion of the Acquisition Agreement, the name of the Company be changed to “Crimson Tide plc”.
6. THAT the Directors be and are hereby empowered pursuant to Section 95 of the Companies Act 1985 to allot equity securities (within the meaning of Section 94(2) of that Act) of the Company for cash pursuant to the general authority conferred on the Directors pursuant to resolution 4 as if Section 89(1) of that Act did not apply to such allotment, provided that this power shall be limited to:
  - (i) the allotment of up to 200,759,180 ordinary shares of 1p each under the Acquisition Agreement as defined in the AIM admission document of the Company dated 27 July 2006;
  - (ii) the allotment of up to 59,975,227 ordinary shares of 1p each pursuant to the Placing (as defined in the AIM admission document of the Company dated 27 July 2006);

- (iii) the allotment of up to 22,574,048 ordinary shares of 1p each under the Warrants (as defined in the AIM admission document of the Company dated 27 July 2006);
- (iv) the allotment of new equity securities in connection with or any rights issue or other offering of new equity securities in favour of the holders of Ordinary Shares and other persons entitled to participate therein in proportion (as nearly as may be) to their respective holdings of Ordinary Shares (or, as appropriate, the numbers of Ordinary Shares which such other persons are for those purposes deemed to hold), subject only to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements and/or transfer and/or holding of any securities in uncertificated form or legal or practical problems under the laws of any territory or the regulations or requirements of any regulatory body or any stock exchange in any territory; and
- (v) the allotment (other than pursuant to paragraphs (i), (ii) and (iii) of this resolution 6) of equity securities up to an aggregate nominal amount of £566,915.45 provided that such power shall expire on the date of the Annual General Meeting of the Company to be held in 2007 or 15 months after the date of the passing of this Resolution (whichever is the earlier) but so that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

*Registered Office:*

10 Orange Street  
Haymarket  
London  
WC2H 7DQ

*By Order of the Board:*

Russell John Sincock  
Company Secretary  
27 July 2006

**Notes:**

1. A member entitled to attend and vote at the meeting is also entitled to appoint one or more proxies to attend and, on a poll, vote instead of him/her. The proxy need not be a member of the Company.
2. To be valid a form of proxy, together with a power of attorney or other authority, if any, under which it is executed or a notarially certified copy thereof, must be deposited at Computershare Investor Services PLC, PO Box 1075, The Pavilions, Bridgwater Road Bristol BS99 3FA not less than 48 hours before the time for holding the meeting or adjourned meeting. A form of proxy is enclosed with this notice.
3. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of any other joint holders. For these purposes, seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
4. In the case of a corporation, the form of proxy must be executed under its common seal or signed on its behalf by a duly authorised attorney or duly authorised officer of the corporation.
5. The Company, pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those shareholders registered in the register of members of the Company as at 11.00 a.m. on 19 August 2006 shall be entitled to attend and vote, whether in person or by proxy, at the Extraordinary General Meeting, in respect of the number of Ordinary Shares registered in their name at that time. Changes to entries in the register of members after 11.00 a.m. on 19 August 2006 shall be disregarded in determining the rights of any person to attend or vote at the Extraordinary General Meeting. If the Extraordinary General Meeting is adjourned, entitlements to attend and vote will be determined by reference to the register of members of the Company 48 hours before the time of the adjourned meeting.
6. Completion and return of the form of proxy will not preclude members from attending or voting in person at the meeting if they so wish.
7. Resolution 3 will be taken on a poll of Independent Shareholders in accordance with the requirements of the Panel on Takeovers and Mergers for dispensation from Rule 9 of the City Code on Takeovers and Mergers.



