

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

Application has been made for the Existing Ordinary Shares and the New Ordinary Shares to be admitted to trading on the AIM market of the London Stock Exchange PLC ("AIM"). No application has or will be made for the 'A' Shares to be admitted to trading or to be listed on any stock exchange. 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 potential risks in investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. London Stock Exchange PLC has not itself examined and approved the contents of this document.

The Ordinary Shares are not dealt in on any other recognised investment exchange and no other such applications have been made.

This document comprises a prospectus drawn up in accordance with the Public Offers of Securities Regulations 1995, as amended ("the POS Regulations") and the AIM Rules, and has been delivered to the Registrar of Companies in England and Wales for registration in accordance with Regulation 4(2) of the POS Regulations.

If you have sold or otherwise transferred all of your Existing Ordinary Shares, please send this document, together with the accompanying Application Form and Form of Proxy, at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. If you have sold part of your holding of Existing Ordinary Shares, you should refer to the instructions regarding split applications set out in the Application Form accompanying this document.

The Directors and the Proposed Director, whose names appear on page 3 of this document, accept responsibility for the information contained in this document other than for the information relating to Geraldton and the members of its related trusts, for which Lord Ashcroft accepts responsibility. The Directors and the Proposed Director accept individual and collective responsibility for the Company's compliance with the AIM Rules. To the best of the knowledge and belief of the Directors and the Proposed Director (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 this document makes no omission likely to affect the import of such information.

Mavinwood plc

*(Incorporated and registered in England and Wales
under the Companies Act 1985 with registered number 5169780)*

Proposed Placing and Clawback Offer of 35,850,000 New Ordinary Shares at 11p per share on the basis of 3 New Ordinary Shares for every 2 Existing Ordinary Shares

Proposed Acquisition of ReStore Group Holdings Limited

Admission to trading on AIM

and

Notice of Extraordinary General Meeting

Nominated Adviser and Broker

Seymour Pierce Limited

SHARE CAPITAL IMMEDIATELY FOLLOWING ADMISSION

<i>Authorised</i>			<i>Issued and fully paid</i>	
<i>Amount</i>	<i>Number</i>		<i>Amount</i>	<i>Number</i>
£9,950,000	9,950,000,000	Ordinary Shares	£59,750	59,750,000
£50,000	50,000,000	'A' Shares	£50,000	50,000,000

The New Ordinary Shares will, on Admission, rank in full for all dividends and other distributions declared, made or paid on Ordinary Shares after Admission. It is expected that Admission will become effective and that dealings will commence in the Ordinary Shares on 11 May 2005.

The Ordinary Shares and New Ordinary Shares have not been, nor will they be, registered under the United States Securities Act of 1933, as amended ("Securities Act") or with any securities regulatory authority of any state or other jurisdiction of the United States or under the applicable securities laws of Australia, Canada or Japan. Subject to certain exceptions, the Ordinary Shares may not be offered or sold in the United States, Australia, Canada or Japan or to or for the account or benefit of any national, resident or citizen of Australia, Canada or Japan or any person located in the United States. This document does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or buy, any Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

Seymour Pierce Limited, which is regulated in the United Kingdom by the Financial Services Authority, is acting as Nominated Adviser and Broker exclusively for the Company in connection with Admission and the Placing and Clawback Offer and is not acting for any other person and will not be responsible to any other person for providing the protections afforded to customers of Seymour Pierce Limited, or for advising any other person in connection with the Placing and Clawback Offer. The responsibilities of Seymour Pierce Limited, as Nominated Adviser, are owed solely to the London Stock Exchange PLC.

If you are a Qualifying Shareholder and wish to apply for shares under the Clawback Offer you should complete the Application Form accompanying this document and return it, together with the remittance payable, to the Company's receiving agents, Capita Registrars. The latest time for application and payment in full under the Clawback Offer is 3.00 p.m. on 9 May 2005. The procedure for application and payment is described in Part III of this document and in the Application Form.

Notice of an Extraordinary General Meeting of the Company to be held at 33 St James's Square, London SW1Y 4JS at 11.00 a.m. on 10 May 2005 is set out at the end of this document. A Form of Proxy for use in connection with the Extraordinary General Meeting accompanies this document and should be completed by Shareholders and returned in accordance with the instructions printed thereon as soon as possible and in any event no later than 11.00 a.m. on 9 May 2005.

Copies of this document will be available free of charge during normal business hours on any week day (except Saturdays, Sundays and public holidays) at the offices of Seymour Pierce Limited, Bucklersbury House, 3 Queen Victoria Street, London EC4N 8EL from the date of this document and for a period of one month from Admission.

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DIRECTORS, SECRETARY AND ADVISERS

Directors:	Philip Joseph Reid, <i>Non-Executive Chairman</i> Kevin David Mahoney, <i>Chief Executive</i> Michael Vincent, <i>Finance Director</i> <i>all of whose business address is:</i> 33 St James's Square London SW1Y 4JS
Proposed Director:	John Richard Minton <i>of:</i> The Databank Unit 2 Redhill Distribution Centre Salbrook Road Redhill Surrey RH1 5DY
Company Secretary:	Michael Vincent
Registered Office:	Lacon House 84 Theobald's Road London WC1X 8RW
Nominated Adviser and Broker:	Seymour Pierce Limited Bucklersbury House 3 Queen Victoria Street London EC4N 8EL
Solicitors to the Company:	Nabarro Nathanson Lacon House 84 Theobald's Road London WC1X 8RW
Auditors and Reporting Accountants to Mavinwood:	KPMG Audit Plc 8 Salisbury Square London EC4Y 8BB
Auditors and Reporting Accountants to ReStore:	Grant Thornton UK LLP The Explorer Building Fleming Way Manor Royal Crawley West Sussex RH10 9GT
Registrars and Receiving Agents:	Capita Registrars The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

DEFINITIONS

The following definitions apply throughout this document and the accompanying Application Form and Form of Proxy, unless the context requires otherwise:

“A’ Shares”	convertible ‘A’ shares of 0.1p each in the capital of the Company
“Act”	the Companies Act 1985 (as amended)
“Acquisition”	the proposed acquisition of the entire issued share capital of ReStore
“Acquisition Agreement”	the conditional agreement dated 13 April 2005 and made between the Vendors (1) and the Company (2) relating to the Acquisition, details of which are set out in paragraph 11.1.8 of Part VI of this document
“Admission”	the admission of the Existing Ordinary Shares and the New Ordinary Shares to trading on AIM and such admission becoming effective in accordance with Rule 6 of the AIM Rules
“AIB”	Allied Irish Banks plc
“AIM”	a market operated by the London Stock Exchange
“AIM Rules”	the rules of the London Stock Exchange governing admission to and the operation of AIM
“Application Form”	the application form accompanying this document for use by Qualifying Shareholders in connection with the Clawback Offer
“Articles”	the Articles of Association of the Company
“Board” or “Directors”	the directors of the Company whose names are set out on page 3 of this document
“City Code” or “Code”	the City Code on Takeovers and Mergers
“Clawback Offer”	the offer by the Company to Qualifying Shareholders to subscribe for up to 25,350,000 New Ordinary Shares at the Issue Price, on the terms and subject to the conditions set out in Part III of this document and the Application Form
“Company” or “Mavinwood”	Mavinwood plc
“Completion”	completion of the Acquisition
“CREST”	the computerised settlement system to facilitate the transfer of title to or interests in securities in uncertificated form, operated by CRESTCo Limited
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)
“EBIT”	earnings before interest and taxation
“EGM”	the extraordinary general meeting of the Company to be held at 11.00 a.m. on 10 May 2005, notice of which is set out at the end of this document, and any adjournment thereof

“Enlarged Issued Share Capital”	the issued ordinary share capital of the Company immediately following completion of the Proposals
“Existing Ordinary Shares”	the issued Ordinary Shares as at the date of this document
“Facilities Agreement”	the agreement dated 13 April 2005 between the Company and Restore (1) and AIB (2), details of which are set out in paragraph 11.1.6 of Part IV of this document
“Form of Proxy”	the Form of Proxy enclosed with this document for use by Shareholders in connection with the EGM
“Geraldton”	Geraldton Services Inc
“Group” or “Mavinwood Group”	the Company and its subsidiaries and subsidiary undertakings from time to time
“Initial Admission”	admission of Mavinwood’s shares to trading on AIM on 5 November 2004
“Initial Directors”	Kevin Mahoney and Michael Vincent
“Issue Price”	11p per New Ordinary Share
“London Stock Exchange”	London Stock Exchange plc
“New Ordinary Shares”	the 35,850,000 new Ordinary Shares which are the subject of the Placing and Clawback Offer
“LTIP”	the Mavinwood Long Term Incentive Plan to be adopted by the Company, details of which are set out in paragraph 10.2 of Part VI of this document
“Official List”	the Official List of the UKLA (and officially listed shall be construed accordingly)
“Option Scheme”	the Mavinwood Share Option Scheme to be adopted by the Company, details of which are set out in paragraph 10.1 of Part VI of this document
“Ordinary Shares”	ordinary shares of 0.1p each in the capital of the Company
“Panel”	the Panel on Takeovers and Mergers
“Placing”	the placing, subject to the Clawback Offer, of the New Ordinary Shares with Geraldton pursuant to the Placing Agreement
“Placing Agreement”	the agreement dated 13 April 2005 and made between the Company (1) the Initial Directors (2) Seymour Pierce (3) and Geraldton (4) relating to the Placing and Clawback Offer, details of which are set out in paragraph 11.1.5 of Part VI of this document
“POS Regulations”	the Public Offers of Securities Regulations 1995, as amended
“Proposals”	the Acquisition, the Placing and Clawback Offer and Admission
“Proposed Director”	John Richard Minton

“Qualifying Shareholders”	holders of Existing Ordinary Shares, other than Geraldton, whose names appear on the registrar of members of the Company as at the Record Date
“Record Date”	the close of business on 12 April 2005
“Resolutions”	the resolutions to be proposed at the EGM set out in the notice convening the EGM at the end of this document
“ReStore”	ReStore Group Holdings Limited, a company registered in England and Wales under number 2706187
“ReStore Group”	ReStore and its wholly owned subsidiary ReStore Limited
“Seymour Pierce”	Seymour Pierce Limited, the Company’s nominated adviser and broker
“Shareholder”	a holder of Ordinary Shares or ‘A’ Shares (as the context may require)
“UK”	the United Kingdom of Great Britain and Northern Ireland
“UKLA”	United Kingdom Listing Authority, being 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
“uncertificated” or “in uncertificated form”	recorded on the register of Ordinary Shares as being held in uncertificated form in CREST, entitlement to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“US”	the United States of America and all of its territories
“VAT”	UK value added tax
“Vendors”	John Minton, Richard Hunt, Paul Smith and Neil Clarke
“Waiver”	the waiver of the obligation to make a general offer under rule 9 of the City Code granted by the Panel conditional on the approval of Shareholders by the passing on a poll of Resolution 2 at the EGM
“Warrantors”	John Minton and Richard Hunt

PLACING AND CLAWBACK OFFER STATISTICS

Issue Price	11p
Number of New Ordinary Shares being issued pursuant to the Placing and Clawback Offer	35,850,000
Number of Ordinary Shares in issue immediately following the Placing and Clawback Offer and Admission	59,750,000
Percentage of Enlarged Issued Share Capital being issued pursuant to the Placing and Clawback Offer	60%
Gross proceeds of the Placing and Clawback Offer	£3,943,500
Estimated net proceeds of the Placing and Clawback Offer to be received by the Company	£3,318,500
Market capitalisation of the Company following the Placing and Clawback Offer at the Issue Price	£6,572,500

QUALIFYING SHAREHOLDER APPLICATION SUMMARY

The Clawback Offer is an opportunity for Qualifying Shareholders to subscribe for New Ordinary Shares at the Issue Price.

Those Qualifying Shareholders who wish to apply for any New Ordinary Shares should complete and return the enclosed Application Form (together with payment) in respect of any number of New Ordinary Shares that they wish to subscribe for. Whilst a *pro rata* entitlement is shown on each Application Form, less may be applied for.

All enquiries in connection with the procedure for application and completion of the Application Form should be addressed to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. Alternatively, please contact Capita Registrars on 0870 162 3121 (or if calling from outside the UK, +44 208 639 2157).

Full details of the Placing and Clawback Offer are set out in this document and on the Application Form.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date for the Placing and Clawback Offer	12 April 2005
Publication of the admission document	14 April 2005
Latest time and date for splitting Application Forms to satisfy <i>bona fide</i> market claims under the Placing and Clawback Offer	3.00 p.m. on 6 May 2005
Latest time and date for receipt of Forms of Proxy	11.00 a.m. on 8 May 2005
Latest time and date for receipt of completed Application Forms and payment in full under the Placing and Clawback Offer	3.00 p.m. on 9 May 2005
Extraordinary General Meeting	11.00 a.m. on 10 May 2005
Admission and dealings commence in the New Ordinary Shares and Ordinary Shares on AIM	11 May 2005
Completion of the Acquisition	11 May 2005
CREST accounts credited by	11 May 2005
Despatch of definitive share certificates by	17 May 2005

PART I

LETTER FROM THE CHAIRMAN OF MAVINWOOD PLC

Mavinwood plc

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 5169780)

Directors

Philip Joseph Reid (*Non-Executive Chairman*)

Kevin David Mahoney (*Chief Executive*)

Michael Vincent (*Finance Director*)

Registered Office

Lacon House
84 Theobald's Road
London WC1X 8RW

14 April 2005

To the holders of Existing Ordinary Shares

Dear Shareholder

Proposed Acquisition of ReStore
Proposed Placing and Clawback Offer of 35,850,000 New Ordinary Shares at 11p per share on the
basis of 3 New Ordinary Shares for every 2 Existing Ordinary Shares
Admission to trading on AIM
Notice of Extraordinary Meeting

Introduction

Your Board announced today that the Company has conditionally agreed to acquire ReStore, a document storage and record management company. ReStore presently manages the archiving, storage, retrieval and other document management services for a wide range of clients, including substantial law firms, banks, insurers and food manufacturing, engineering, property and construction companies. The Acquisition constitutes a reverse takeover under the AIM Rules and, as such, requires the approval of Shareholders, to be sought at the EGM of the Company on 10 May 2005.

The Company also proposes to raise £3,943,500 (before expenses) by means of a Placing and Clawback Offer of 35,850,000 New Ordinary Shares at the Issue Price. Geraldton has agreed to subscribe for the New Ordinary Shares, subject to clawback to satisfy valid applications from Qualifying Shareholders under the Clawback Offer, which is conditional, *inter alia*, on the passing of the Resolutions and on Admission.

The purpose of the document is to give you the reasons for, and details of, the Proposals, to explain why your Board considers that they are in the best interests of the Company and its Shareholders as a whole and to recommend that you vote in favour of the Resolutions.

Company Background

Mavinwood was admitted to trading on AIM on 5 November 2004 as a company established for the purpose of acquiring, or making investments in, companies or businesses involved primarily in the support services sector, and which are considered by the Directors to have the potential to create substantial shareholder value. The Acquisition will be the first such acquisition made by Mavinwood.

Market Opportunity

The Directors have identified ReStore as a suitable acquisition target, which they believe offers potential for growth and improved profitability. As such they believe that ReStore will provide a solid platform from which to grow the Mavinwood Group to achieve their aim of becoming a market-leading UK support services group.

Information on ReStore

The business of ReStore was established in 1995 by its two founders, John Minton and Richard Hunt. It fulfils an outsourcing role for the management of its clients' documents through computer-aided archiving, storage and retrieval of their business records. These can be quickly retrieved and made available to clients as original hard copy documents. ReStore also offers "non-active" storage where the storage cost is lower but the retrieval service is less immediate and more expensive.

ReStore offers a range of services to its clients, which include:

- Archive box storage with rapid and efficient retrieval;
- Computer media and film storage;
- Secure door-to-door deliveries, whether same day, overnight or next day;
- File and box bar coding, enabling retrieval of files as well as boxes;
- On-line access to view or request files and boxes;
- Secure destruction service;
- Storage of wills, plans, drawings, medical records, insurance certificates in secure and/or private areas;
- Turnkey/consultancy solutions;
- Off-site storage for computer tapes and magnetic media as part of clients' back up/disaster recovery procedures;
- Document fax back service;
- Client reading/research rooms;
- Record retention programmes to conform with legal or regulatory compliance requirements; and
- Document scanning to optical disks.

The business was launched from premises of approximately 10,000 sq.ft near Gatwick Airport in 1995, with an initial capacity of 30,000 document boxes. Demand was such that, within six months, further premises were acquired to increase capacity to 112,000 boxes. Additional leased capacity has since been secured in line with the growth of the business. ReStore now has capacity for in excess of 1 million boxes from its ten leased storage and retrieval facilities. Four of these facilities are located in Redhill, Surrey, five at Paddock Wood in Kent and one (for "non-active" storage) in Launceston, Cornwall. The company operates liveried vans for daily retrievals and collections and also uses out-sourced courier services or HGVs as necessary for emergency or bulk deliveries.

ReStore's IT systems are key to maintaining its standards of service. It operates a powerful computer network and bespoke archiving/document management and tracking system. These systems are subject to ongoing enhancements to both the hardware and software.

ReStore provides its services to a wide range of businesses and professional firms, including solicitors, media and advertising, accountancy practices, architects and property services, banks, pharmaceutical businesses, construction firms, engineering companies, insurance companies, local authorities and government agencies and food manufacturers. In particular ReStore has become a well-established provider of archiving and retrieval services to the legal profession, presently servicing over 20 law firms in the UK. Such clients currently represent approximately 64 per cent. of the ReStore Group's revenue. ReStore presently retains around 170 clients, the largest of which provides approximately 9 per cent. of turnover and the largest twenty of which account for some 67 per cent. of revenues. Since 1995 there have been minimal client losses and none of these, to the Vendors' belief, were as a result of service problems.

ReStore's charges for storage are not inclusive of other services such as retrievals, indexing, boxes and transport, which are all invoiced additionally in accordance with usage. Client contracts typically run for an initial term of three years, with reviews thereafter on an annual basis. Prices are normally fixed for the initial term and reviewed annually thereafter.

ReStore wins new business primarily through referrals from existing clients, but also through its website (www.ReStore.co.uk), large advertisements in the Yellow Pages and regular and personalised mail shots

to known prospective clients sourced from bought-in databases as well as from the company's own research of competitor activity.

The audited financial results for the three years ended 31 December 2002, 2003 and 2004 are summarised below:

	<i>2004</i>	<i>2003</i>	<i>2002</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Turnover	3,188	2,783	2,181
Operating Profit	723	571	177
Profit before tax	713	559	139

Market Overview

Certain factors have led to an increase in paperwork in recent years, including moves to eliminate money laundering, major corporate scandals such as Enron, a more litigious society and periods for the retention of compliance records being extended by regulators. Meanwhile, the theory of a "paperless office" whereby records are all scanned and/or stored digitally, seems not to be viable for the foreseeable future for a number of reasons, including:

- the reliability both of the scanning process and of the storage media used being suspect and unproven;
- retrieval methods being unreliable;
- regulations that require records to be kept in hard copy form; and
- many UK law firms having a policy of storing all records in hard copy form.

The demand for the outsourcing of records management is expected to continue to grow as issues such as corporate governance, regulatory compliance and cost reduction are addressed through specialists with the relevant property, storage systems and records management information technology.

Principal competition is from three major archive companies:

- Iron Mountain, a US quoted company operating in the US, Canada, Europe and Latin America;
- Recall, a subsidiary of Anglo-Australian logistics group, Brambles Industries plc, quoted in the UK and Australia and operating in Europe and the US; and
- Pickfords, a subsidiary of US quoted Sirva Inc., operating in 40 countries including the UK.

In addition, other significant companies which compete with ReStore include TNT, Crown Worldwide, House of Hill and Graphic Data.

Reasons for the Acquisition

The Board's stated strategy is to build a group of market-leading UK support services businesses. The Directors believe that the Acquisition will form a solid platform from which to build such a group, having the characteristics outlined in Mavinwood's original AIM admission document dated 5 November 2004 as being required in an investment target. The Directors believe that ReStore has potential for substantial growth, both organically and by making bolt-on acquisitions.

Principal terms of the Acquisition

The Company has conditionally agreed to purchase the entire issued share capital of ReStore from the Vendors for an initial consideration of approximately £6 million. Additional consideration of up to £5 million may also be payable, depending on the performance of the ReStore Group. In this respect, £8 of additional consideration will be payable in respect of each £1 of EBIT in excess of £730,000 achieved by the ReStore Group during the year ending 31 March 2006 from which shall be deducted an amount equal to the corporation tax liability of the ReStore Group for the period from 1 January 2005 to 31 March 2005.

The initial consideration will be satisfied entirely in cash and the additional consideration will be satisfied as to 50 per cent. in cash and 50 per cent. by the issue of new Ordinary Shares, calculated by reference to the Issue Price. The initial consideration will be satisfied from existing cash resources of the Company, the proceeds of the Placing and Clawback Offer and a £1.6 million revolving credit facility to be provided to the Company by AIB pursuant to the Facilities Agreement. The cash element of the deferred consideration (if any) will be satisfied from an additional term loan to be made available pursuant to the Facilities Agreement. Further details of the Facilities Agreement are set out in paragraph 11.1.6 of Part VI of this document.

The Acquisition Agreement is conditional, *inter alia*, on the passing of the Resolutions at the EGM and on Admission. Further details of the Acquisition Agreement are set out in paragraph 11.1.8 of Part VI of this document.

Current trading and prospects

Mavinwood was established and admitted to AIM as an investing company and as such has had no trading activity to date. Its audited results for the period ended 31 December 2004 are set out in Part IV of this document. The Acquisition will be the first to be made by the Company and the Directors, whilst growing ReStore organically, intend to continue to pursue their previously stated strategy of identifying and acquiring other support service companies that satisfy the criteria of providing potential for improved profitability, together with positive cashflows and a strong customer base. Such companies may operate in the same area as ReStore, so that direct synergistic benefits may be achieved between them or they may be involved in other support service sectors. Mavinwood will continue to consider private and public companies that are primarily UK-based.

Financial information on ReStore for the three years to 31 December 2004 is set out in Part V of this document. The unaudited management accounts of ReStore for the two month periods ended 28 February 2005 and 2004 show revenue of £579,000 (£491,000), EBIT of £130,000 (£92,000) and profit before tax of £128,000 (£89,000).

Directors

Philip Joseph Reid, aged 55, *Non-Executive Chairman*

Philip Reid has been involved within the investment banking industry for the last 30 years. During that time, he has held senior positions in stockbroking, venture capital, asset management and corporate finance with organisations that included The National Research Development Corporation, Merrill Lynch and Continental Trust. Between 1989 and 1999, he helped found and grow Custom House Asset Management Limited, an independent adviser and administrator to third party investment funds in the Dublin International Financial Services Centre. More recently, Mr Reid has acted as a consultant to Insinger de Beaufort, the Anglo-Dutch investment bank, as well as holding several directorships with listed companies. He is Executive Chairman of Harbinger Capital Plc.

Kevin Mahoney, aged 54, *Chief Executive*

Kevin Mahoney has worked as managing director at a number of blue-chip service companies and has experience of steering businesses through periods of change. Most recently he was a member of the management team at Electricity Direct that sold that business to Centrica. He was also managing director at Caradon Everest Double Glazing from 1990 to 1995 and managing director of WH Smith Business Supplies, where he was a member of the management team that sold that business for £140 million. Between 1996 and 1997 he worked at British Gas Services as sales and marketing director. Kevin was also managing director of ISS (UK) for four years, where he gained direct experience of business-to-business outsourcing of facilities management services.

Mike Vincent, aged 48, *Finance Director*

Mike Vincent qualified as a chartered accountant with KPMG, where he later specialised in mergers and acquisitions work. Between 1986 and 1995 he held senior financial positions at Caradon plc, facilitating the official listing of the company in 1987 and later becoming finance director of the European heating and plumbing division and then chief financial officer of the Caradon North American business. As group finance director of officially listed company, Ascot plc, Mike was involved in developing the group from a company capitalised at £40 million to one in excess of

£250 million. He was later involved in a business-to-business start up in the business service sector and was then finance director of the business process outsourcing division of PwC from 2001 to 2004.

Proposed Director

John Richard Minton, aged 53, Proposed Director

John was a co-founder of ReStore and is responsible for the management and direction of its marketing and sales efforts. He previously occupied a number of senior positions in general management with companies such as Office International, IML Air Couriers and ANC Parcels Group. It is proposed that following Admission John will be appointed to the Board as an Executive Director and he intends to remain in this role at least until April 2006.

Principal terms of the Placing and Clawback Offer

The Company proposes to issue 35,850,000 New Ordinary Shares at the Issue Price, which will raise in aggregate approximately £3.94 million for the Company (before expenses). Geraldton has, in accordance with the Placing Agreement, agreed to subscribe for the New Ordinary Shares, subject to clawback to satisfy valid applications from Qualifying Shareholders under the Clawback Offer. Qualifying Shareholders are invited to apply for New Ordinary Shares at the Issue Price on the basis of:

3 New Ordinary Shares for every 2 Existing Ordinary Shares

registered in their name on the Record Date and so on in proportion for any other number of Existing Ordinary Shares so registered. **Qualifying Shareholders may apply for their *pro rata* entitlement or less than their *pro rata* entitlement, by inserting the number of New Ordinary Shares being applied for in the relevant box on the Application Form.** Where appropriate, the entitlement of Qualifying Shareholders will be rounded down to the nearest whole number of New Ordinary Shares and any fractional entitlements will be aggregated and sold, if required, for the benefit of the Company. The New Ordinary Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares and will, once allotted, rank in full for all dividends and other distributions declared, made or paid on the share capital of the Company in respect of the period after such allotment.

For example, if you currently hold 4,000 Existing Ordinary Shares, your *pro rata* entitlement pursuant to the Clawback Offer is 6,000 New Ordinary Shares.

Qualifying Shareholders will find enclosed with this document an Application Form containing details of their entitlement to subscribe for New Ordinary Shares. To be valid, completed Application Forms and payment in full must be received by the Company's receiving agents, Capita Registrars, Corporate Actions, P.O. Box 166, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TH by 3.00 p.m. on 9 May 2005.

The Placing and Clawback Offer is conditional, *inter alia*, on both the passing of the Resolutions to be proposed at the EGM and Admission. It is expected that dealings in the Existing Ordinary Shares and the New Ordinary Shares will commence on AIM on 11 May 2005 (or such later date as shall be determined by Seymour Pierce and the Company, being not later than 17 May 2005). If Admission has not so occurred by such later date, application monies will be returned to applicants without interest as soon thereafter as is practicable and in any event by 24 May 2005.

Further information on the Placing and Clawback Offer, including the procedure for application and payment, is set out in Part III of this document and in the Application Form. The attention of Overseas Shareholders is drawn specifically to the section entitled "Overseas Shareholders" contained in Part III of this document.

Directors' Intentions

Kevin Mahoney intends to subscribe for his full entitlement of 2,250,000 New Ordinary Shares under the Clawback Offer and Michael Vincent intends to subscribe for 50,000 New Ordinary Shares under the Clawback Offer.

Extraordinary General Meeting

You will find set out at the end of this document a notice convening the EGM to be held at 11.00 a.m. on Tuesday 10 May 2005 at 33 St James's Square, London SW1Y 4JS, at which the Resolutions will be proposed for the purposes of approving the Proposals.

At this meeting, ordinary resolutions will be proposed to:

- approve the Acquisition;
- approve the waiver by the Panel on Takeovers and Mergers of the obligation that would otherwise fall on Geraldton to make a general offer pursuant to Rule 9 of the City Code on Takeovers and Mergers;
- authorise the Directors pursuant to section 80 of the Act to allot up to 85,000,000 Ordinary Shares;

and a special resolution will be proposed to disapply statutory pre-emption rights of Shareholders in accordance with section 95 of the Act in relation to the New Ordinary Shares to be issued in connection with the Placing and Clawback Offer, the issue of Ordinary Shares in connection with rights issues and other pre-emptive issues, the grant of LTIP awards to Philip Reid and otherwise in relation to the issue of up to 12,000,000 Ordinary Shares.

Save for the issue of Ordinary Shares (i) pursuant to the Placing and Clawback Offer; (ii) as deferred consideration pursuant to the terms of the Acquisition; and (iii) to satisfy the exercise of options under the LTIP and the Option Scheme, the Directors have no present intention of exercising the authority to allot any unissued share capital.

Lock-in arrangements

Under the terms of the Acquisition Agreement, with regard to any Ordinary Shares (if any) received by them by way of additional consideration for the Acquisition, the Vendors have undertaken to the Company (subject to certain limited exceptions, including disposals by way of acceptance of a recommended takeover offer for the entire issued share capital of the Company) not to dispose of 50 per cent. of these shares for six months following receipt of the shares and not to dispose of the remainder of these shares for one year following the issue of the shares. Furthermore, the Vendors have undertaken not to dispose of any of their Ordinary Shares otherwise than through the Company's broker from time to time.

Share incentive schemes

Options over an aggregate of 2,987,500 Ordinary Shares (representing approximately 5 per cent. of the Enlarged Issued Share Capital) are being awarded, under the Option Scheme, on or prior to Admission to certain Directors. Awards are also being made under the LTIP over an aggregate of approximately 10 per cent. of the Enlarged Issued Share Capital to certain Directors. Details of the awards to be made to the Directors are set out in the table below:

<i>Director</i>	<i>Number of Ordinary Shares held on Admission</i>	<i>% of Enlarged Issued Share Capital</i>	<i>Number of Ordinary Shares subject to Share options</i>	<i>% of Enlarged Issued Share Capital</i>	<i>Number of Ordinary Shares subject to Long Term Incentive Plan awards</i>	<i>% of Enlarged Issued Share Capital</i>
Philip Reid	Nil	Nil	Nil	Nil	746,875	1.3%
Kevin Mahoney	3,750,000	6.28%	1,613,250	2.7%	2,823,188	4.7%
Michael Vincent	1,050,000	1.76%	1,374,250	2.3%	2,404,937	4.0%

The share options granted to Directors will, subject to certain performance targets being met, vest in three tranches on the date of announcement of the final results for the Company for each of the years

ending 31 December 2005, 31 December 2006 and 31 December 2007. The full vesting of each tranche of the share options granted to Directors will be subject to the Company achieving annually a performance target of a growth of earnings per share (“EPS”) of 10 per cent. or more over the EPS for the previous year, or, in the event that the EPS growth in each year is less than 10 per cent. then the proportion of options that will vest shall be adjusted as set out in paragraph 10.1.5 of Part VI of this document.

For the initial awards to be made under the LTIP, it is proposed that the number of Ordinary Shares which the participant may receive under his award will vest in full in three equal tranches if either:

- the Company’s average EPS growth is no less than 12 per cent. per annum compounded for the periods of three, four and five financial years ending 31 December 2007, 2008 and 2009, respectively; or
- the Company’s total shareholder return (that is share price growth plus re-invested dividends) (“TSR”) achieves certain levels measured over the specified periods following Admission.

Details of the performance targets proposed for the initial awards to be made under the LTIP are set out in paragraph 10.2.5 of Part VI of this document.

The Company had made no acquisitions as at 31 December 2004. Therefore, its reported EPS for that financial year is not appropriate to use as the base EPS against which the performance target attached to the initial options and LTIP awards is to be measured. Consequently, the base EPS against which the Company’s EPS will be measured for the purposes of the initial grant of options and LTIP awards will be determined by the remuneration committee. This base EPS will be derived from the EPS of ReStore for the relevant period, adjusted as appropriate.

A summary of the principal terms of both the Option Scheme and LTIP is set out in paragraph 10 of Part VI of this document. In addition to the above, a key element of the Company’s retention and reward strategy will be the implementation of long term share incentive schemes for staff which align the interests of participants in the schemes with Shareholders, as well as encourage employee share ownership and facilitate the retention of key staff.

Corporate governance and internal controls

The Directors and the Proposed Director intend, insofar as is practicable given the Company’s size and the constitution of the Board, to comply with the main provisions of the Combined Code on Corporate Governance.

The Directors and the Proposed Director will establish an audit committee and a remuneration committee following completion of the Proposals. The remuneration committee will determine the terms and conditions of service of (including the remuneration and grant of options to) executive Directors. The audit committee has primary responsibility for monitoring the quality of internal control and ensuring that the financial performance of the Company is properly measured and reported on and for reviewing reports from the Company’s auditors relating to the Company’s accounting and internal controls.

The Directors and the Proposed Director will comply with Rule 19 of the AIM Rules relating to directors’ dealings as applicable to AIM companies and will also take all reasonable steps to ensure compliance by the Company’s applicable employees.

Dividend policy

The Directors intend to re-invest profits in opportunities as they arise. As a result, the Directors do not intend to propose a dividend in the foreseeable future.

Taxation

Further information regarding taxation in relation to the Placing and Clawback Offer and Admission is set out in paragraph 14 of Part VI of this document. **If you are in any doubt as to your tax position you should consult your own independent financial adviser immediately.**

Admission, settlement and dealings

Application has been made to the London Stock Exchange for all of the Existing Ordinary Shares and the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and dealings will commence on 11 May 2005. No application has or will be made for the 'A' Shares to be admitted to trading or to be listed on any stock exchange.

No temporary documents of title will be issued. All documents sent by or to a placee, or at his direction, 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.

The Ordinary Shares are eligible for CREST settlement. Accordingly, settlement of transactions in Existing Ordinary Shares and the New Ordinary Shares following Admission may take place within the CREST system if the relevant Shareholder so wishes.

CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so.

THE CITY CODE ON TAKEOVERS AND MERGERS

The issue of New Ordinary Shares to Geraldton gives rise to certain considerations under the Code. Brief details of the Panel, the Code and the protections they afford to Shareholders are described below.

The Code has not, and does not seek to have, the force of law. It has, however, been acknowledged by both the UK government and other UK regulatory authorities that those who seek to take advantage of the facilities of the securities markets in the UK should conduct themselves in matters relating to takeovers in accordance with high business standards and so according to the Code.

The Code is issued and administered by the Panel. The Code applies to all takeovers and merger transactions, however effected, where the offeree company is, *inter alia*, a listed or unlisted public company resident in the UK, the Channel Islands and the Isle of Man and to certain categories of private limited companies. Mavinwood is such a company and its Shareholders are entitled to the protection afforded by the Code.

Under Rule 9 of the Code ("Rule 9"), where any person acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30 per cent. or more of the voting rights of a company that is subject to the Code, that person is normally required by the Panel to make a general offer in cash to the shareholders of that company to acquire the balance of the equity share capital of the company at the highest price paid by him or any person acting in concert with him in the previous 12 months.

Similarly, where any person or persons acting in concert already hold more than 30 per cent. but not more than 50 per cent. of the voting rights of such a company, a general offer will normally be required if any further shares are acquired.

Under the Code, a concert party arises where persons acting together pursuant to an agreement or understanding (whether formal or informal) actively co-operate, through the acquisition by them of shares in a company, to obtain or consolidate control of that company. Control means holding, or aggregate holdings, of shares carrying 30 per cent. or more of the voting rights of the company, irrespective of whether the holding or holdings give *de facto* control.

Details of Geraldton and its holdings as they would be immediately following completion of the Proposals are set out in paragraph 7.2 of Part VI of this document. On Completion and Admission, Geraldton will hold up to 42,850,000 Ordinary Shares in aggregate, representing approximately 71.72 per cent. of the Enlarged Issued Share Capital. In those circumstances Geraldton may be able to exert a significant degree of control over the future conduct of the Company.

The Panel has agreed, subject to Resolution 2 being passed on a poll at the EGM, to waive the requirement for Geraldton to make a general offer subject to the approval of the Shareholders. Accordingly Shareholders approval will be sought to approve the Waiver as described further below. Geraldton shall, as a non-independent shareholder, be excluded from voting on this Resolution at the EGM. The Acquisition is conditional on the Waiver being approved.

Shareholders should note that, if the Resolutions were passed, Geraldton may hold more than 50 per cent. of the Company's issued share capital and would be able to increase its interest in the voting rights of the

Company without incurring any further obligation under Rule 9 to make a general offer. If Geraldton subscribes for such a number of New Ordinary Shares under the Placing so that, following Completion and Admission, Geraldton holds not less than 30 per cent. but not more than 50 per cent. of the Company's issued share capital, then Geraldton (or any person acting in concert with it) will not be able to acquire additional shares which would increase their percentage holding of the voting rights without being obliged to obtain a further waiver of Rule 9 or make a general offer to all remaining Shareholders to purchase their shares in the Company at the highest price paid by Geraldton (or any person acting in concert with it) within the twelve months prior to such obligation arising.

Other than the shares acquired by Geraldton in the placing undertaken by the Company on its Initial Admission, Geraldton has not purchased any Ordinary Shares in the 12 months immediately preceding the date of this document. The Waiver which the Panel has agreed to provide will be invalidated if any purchases of Ordinary Shares are made by Geraldton in the period between the date of this document and the EGM.

The Directors, the Proposed Director and Geraldton have confirmed that they intend to continue to operate the existing business of the Group as they do currently. Further, the existing employment contracts, including the pension rights, of all employees of the Company will be fully safeguarded.

Risk factors and further information

Your attention is drawn to the Risk Factors set out in Part II of this document and to the accountants' report and additional information set out in Part V and Part VI of this document respectively.

Action to be taken

Form of Proxy

A reply paid Form of Proxy is enclosed for use by Shareholders at the EGM. Whether or not Shareholders intend to be present at the EGM they are asked to complete sign and return the Form of Proxy also enclosed with this document to the Company's registrars, Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible so as to arrive no later than 11.00 a.m. on 8 May 2005. The completion and return of the Form of Proxy will not preclude Shareholders from attending the EGM and voting in person should they wish to do so. Accordingly, whether or not Shareholders intend to attend the EGM in person or take up any New Ordinary Shares under the Clawback Offer, they are asked to complete and return the Form of Proxy as soon as possible.

Application Form

If you wish to apply for New Ordinary Shares under the Clawback Offer, you should complete the enclosed Application Form in accordance with the instructions set out therein and in Part III of this document. You should then return the Application Form in the enclosed reply-paid envelope, with the appropriate remittance for the full amount payable on application, to be received no later than 3.00 p.m. on 9 May 2005 at the offices of the Company's receiving agents, Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

Recommendation

Your Directors, having been so advised by Seymour Pierce, believe that the Proposals and the Waiver by the Panel of the obligation on Geraldton to make a general offer to Shareholders which would otherwise arise under Rule 9 of the Code to be fair and reasonable and in the best interests of the Shareholders as a whole. In providing advice to the Board, Seymour Pierce has taken into account the Directors' commercial assessments.

Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolutions to be proposed at the EGM as they intend to do in respect of their own beneficial holdings which amount to 2,500,000 Ordinary Shares, representing 10.46 per cent. of the voting rights currently exercisable at a general meeting of the Company.

Yours faithfully,

Philip Reid
Non-Executive Chairman

PART II

RISK FACTORS

In addition to the other relevant information set out in this document, the following specific risk factors should be considered. It should be noted that these risk factors are not exhaustive and other risk factors may need to be considered.

If any of the circumstances identified in the risk factors were to materialise, the Company's business, financial condition and results of operation could be materially affected.

An investment in the Company may not be suitable for all recipients of this document. Investors are accordingly advised to consult an independent financial adviser duly authorised under the Financial Services and Markets Act 2000 and who specialises in advising upon the acquisition of shares and other securities before making a decision to invest.

1. Investment in AIM securities

Investment in shares traded on AIM is perceived to involve a higher degree of risk and to be less liquid than investment in companies whose shares are listed on the Official List. An investment in Ordinary Shares may be difficult to realise. Prospective investors should be aware that the value of Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may, therefore, realise less than, or lose all of, their investment.

2. Potentially volatile share price and liquidity

The share price of quoted emerging companies can be highly volatile and shareholdings illiquid. The price at which the Ordinary Shares are quoted and the price at which investors may realise for their Ordinary Shares may be influenced by a significant number of factors, some specific to the Company and its operations and some which affect quoted companies generally. These factors could include the performance of the Company, large purchases or sales of Ordinary Shares, legislative changes and general, economic, political or regulatory conditions.

4. Requirement for further funds

In the opinion of the Directors, having made due and careful enquiry and taking into account the net proceeds of the Placing and Clawback Offer, the working capital available to the Company will be sufficient for its present requirements, that is for at least the next 12 months from the date of Admission.

However, it is likely that the Company will need to raise further funds in the future either to complete a proposed acquisition or investment or to raise further working or development capital for such an acquisition or investment. There is no guarantee that the then prevailing market conditions will allow for such a fundraising or that new investors will be prepared to subscribe for Ordinary Shares at the same price as the Issue Price or higher.

5. Acceptability of Ordinary Shares as consideration

Although it is the Company's intention to issue Ordinary Shares to satisfy all or part of any consideration payable on an acquisition, vendors of suitable companies or businesses may not be prepared to accept shares traded on AIM or may not be prepared to accept Ordinary Shares at the quoted market price.

6. Attraction and retention of key executives

The Company's success will depend, *inter alia*, on its current and future management team. Whilst it has entered into contractual arrangements with the aim of securing the services of the Directors, the retention of their services or the services of its management team cannot be guaranteed.

7. Loss of key customer contracts

Although ReStore has agreements with a large number of businesses and professional firms for its services, the loss of one or more of its key clients may have a material adverse effect on the business prospects of Restore.

8. Ownership of IT systems

Restore uses software in the operation of its business which was developed for the Company by a third party. There is some uncertainty as to the ownership of the intellectual property rights in this software. The Company's ability to compete effectively, if at all, with other companies may be materially dependent on such intellectual property rights and such other rights as it is able to develop. There can be no assurance as to the scope of the intellectual property rights that have been granted, or the scope of any intellectual property rights that may be granted, in the software or that claims related thereto will not be asserted by other parties. These claims, even if without merit, could be time-consuming and expensive to defend and could have a materially detrimental effect on the Group.

9. Environmental issues

Certain of the properties of Restore have been identified as being at risk from asbestos and contamination from environmental pollution. Restore, as a tenant of such properties, may be liable under the terms of its leases and the applicable environmental legislation for such contamination. In addition, Restore may be liable for remediation work in respect of any asbestos found including taking steps to identify the asbestos, and to plan and implement appropriate management strategies.

10. Forward-looking statements

This document contains forward-looking statements. These forward-looking statements are not historical facts, but rather based upon the Group's current expectations, estimates and projections about the industry, beliefs and assumptions relevant to both ReStore and the Company. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks" and "estimates" and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors (some of which are beyond the Group's control), are difficult to predict and could cause actual results to differ materially from those expressed or forecast in the forward-looking statements. Subject to any continuing obligations in the AIM Rules, the Group disclaims any obligation of undertaking after Admission to disseminate any updates or revisions to any forward-looking statements contained herein, to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Forward-looking statements made in this document relate only to events on the date on which such statements are made.

PART III

TERMS OF THE PLACING AND CLAWBACK OFFER

The Clawback Offer is being made only to Qualifying Shareholders. Qualifying Shareholders are invited to apply for New Ordinary Shares at the Issue Price of 11p per share, payable in full on application (free of expenses).

The Clawback Offer is made on the terms and subject to the conditions set out in this Part III and in the Application Form enclosed with this document on the following basis:

3 New Ordinary Shares for every 2 Existing Ordinary Shares

registered in the Qualifying Shareholder's name at the close of business on the Record Date. **Qualifying Shareholders may apply for their *pro rata* entitlement, or less than their *pro rata* entitlement, by inserting the number of New Ordinary Shares being applied for in the relevant box on the Application Form.**

Qualifying Shareholders' *pro rata* entitlements are shown on the Application Form. Where appropriate, the entitlement of Qualifying Shareholders will be rounded down to the nearest whole number of New Ordinary Shares. Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Clawback Offer.

The New Ordinary Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares and will, once allotted, rank in full for all dividends and other distributions declared, made or paid on the share capital of the Company in respect of the period after such allotment. Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. The New Ordinary Shares are not being made available in whole or in part to the public except under the terms of the Placing and Clawback Offer.

The Placing and Clawback Offer is conditional, *inter alia*, on the Placing Agreement not having been terminated in accordance with its terms, on passing the Resolutions at the EGM and on Admission.

Procedure for application

Application may only be made for the New Ordinary Shares on the enclosed Application Form, which is personal to the Qualifying Shareholder named on it. The Application Form represents a right to apply for New Ordinary Shares. It is not a document of title and it may not be sold, assigned or transferred, except to satisfy *bona fide* market claims in relation to purchases of Ordinary Shares through the market prior to the date on which the Existing Ordinary Shares are marked "ex" the entitlement to participate in the Clawback Offer pursuant to the Rules of the London Stock Exchange (the "ex-date"). Application Forms may be split up to 3.00 p.m. on 6 May 2005, but only to satisfy such *bona fide* market claims. Persons who have, prior to the ex-date, sold or otherwise transferred some or all of their Existing Ordinary Shares should contact their stockbroker, bank or other agent authorised under the Financial Services and Markets Act 2000 through whom the sale or transfer was effected and refer to the instructions regarding split applications set out on the Application Form, since the invitation to subscribe for New Ordinary Shares under the Clawback Offer may represent a benefit which can be claimed from them by purchasers or transferees under the Rules of the London Stock Exchange.

In the Clawback Offer, unlike in a rights issue, the New Ordinary Shares which are not applied for will not be sold in the market for the benefit of those Qualifying Shareholders who do not apply. The Application Form is not a document of title and cannot be traded.

Qualifying Shareholders who do not wish to apply for any New Ordinary Shares under the Clawback Offer should not complete or return the Application Form, but are nonetheless encouraged to attend the EGM, or if they cannot attend, complete and return the enclosed Form of Proxy to appoint a proxy to vote (on a poll) on their behalf.

The Application Form shows the number of Existing Ordinary Shares on which the relevant Qualifying Shareholder's *pro rata* entitlement has been based and the number of New Ordinary Shares to which such Qualifying Shareholder is entitled, calculated on the basis described above.

Qualifying Shareholders wishing to apply for New Ordinary Shares should complete and sign the enclosed Application Form in accordance with the instructions thereon and send or deliver it in the reply-paid envelope provided, together with a remittance for the full amount payable to "Capita IRG Plc a/c Mavinwood" (see details of the Procedure for Payment below), so as to arrive as soon as possible and in any event not later than 3.00 p.m. on 9 May 2005, at which time the Clawback Offer will close.

Applications will not be acknowledged and, once made, will be irrevocable. The Company reserves the right (but shall not be obliged) to treat an Application Form as valid and binding on the person(s) by whom or for whose benefit it is lodged even if such Application Form is not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required.

The Company further reserves the right (but shall not be obliged) to accept either Application Forms received after 3.00 p.m. on 9 May 2005 with the envelope bearing a legible postmark not later than 3.00 p.m. on 9 May 2005 or from authorised persons (as defined in the Financial Services and Markets Act 2000) specifying the New Ordinary Shares applied for and undertaking to lodge the Application Form in due course.

If an Application Form is sent by post, Qualifying Shareholders are recommended to allow at least four working days for delivery. The instructions and other terms set out on the Application Form are part of the Clawback Offer.

If you are in any doubt about the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser authorised under the Financial Services and Markets Act 2000 immediately.

Money laundering regulations

To ensure compliance with the Money Laundering Regulations 2003 ("Regulations"), it is a term of the Clawback Offer that Capita Registrars may, at its absolute discretion, require verification of identity from any person completing an Application Form ("Subscriber") and, without prejudice to the generality of the foregoing, in particular any person who either (i) tenders payment by way of a cheque or banker's draft drawn on an account in the name of any person or persons other than the Subscriber; or (ii) appears to Capita Registrars to be acting on behalf of some other person.

For Subscribers resident in the United Kingdom this may involve verification of names and addresses through a reputable agency. For Subscribers who are not resident in the United Kingdom, verification of identity may be sought from the Subscriber's bankers or from other reputable institutions or professional advisers in the Subscriber's country of residence.

By lodging an Application Form, each Subscriber undertakes to provide such evidence of identity at the time of lodging an Application Form or, at the absolute discretion of the Company, within a reasonable time thereafter (in each case to be determined at the absolute discretion of the Company and Capita Registrars) as may be required to ensure compliance with the Regulations.

If satisfactory evidence of identity has not been received by Capita Registrars within a reasonable period of time, then the Application Form in question may be rejected, in which event the application monies (without interest) will be returned to the bank account on which the cheque was drawn, at the Subscriber's own risk. Where possible Subscribers should make payment by their own cheque. If a third party cheque, banker's draft or building society cheque is used, the Subscriber should:

- (a) write his/her name and address on the back of the draft or cheque and, in the case of an individual, record his/her date of birth against his/her name; and
- (b) ask the bank or building society (if relevant) to endorse on the reverse of the draft or cheque the full name and account number of the person whose account number is being debited and stamp such endorsement.

The above information is provided by way of guidance to reduce the likelihood of difficulties, delays and potential rejection of an Application Form (but without limiting the right of Capita Registrars to require verification of identity as indicated above).

Neither the Company nor its advisers shall be responsible, or have any liability, for loss or damage (whether actual or alleged) arising from the election by the Company or Capita Registrars to treat an application in respect of New Ordinary Shares lodged by any Subscribers as invalid or to terminate the contract of allotment as a result of Capita Registrars not having received evidence as to the identity of the Subscriber and of any person for whom the Subscriber appears to be acting, reasonably satisfactory to Capita Registrars as set out above, or as a result of the Company or its advisers exercising any of their other discretions in relation to the Placing and Clawback Offer.

Procedure for payment

All payments must be made by cheque or banker's draft (i) in pounds sterling drawn on a bank or building society in the United Kingdom, the Channel Islands or the Isle of Man and (ii) which is either a settlement member of the Cheque and Credit Clearing Company Limited or CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the clearing facilities provided for members of either of those companies, and must bear the appropriate sort code number in the top right hand corner. Any application that does not comply with these requirements may be treated as invalid.

Cheques or banker's drafts should be made payable to "Capita IRG Plc a/c Mavinwood" and should be crossed "a/c payee only". Any interest earned on payments made before they are due will be retained for the benefit of the Company.

The Company reserves the right to have cheques presented on receipt and to instruct Capita Registrars to seek special clearance of cheques to allow the Company to obtain value for remittances at the earliest opportunity. Any person returning an Application Form with a remittance in the form of a cheque thereby warrants that the cheque will be honoured on first presentation. If cheques or banker's drafts are presented for payment before the conditions of the Placing and Clawback Offer are fulfilled, the monies will be kept in a separate bank account until the conditions are fully met. In the event that the Clawback Offer does not become unconditional by 17 May 2005 all application monies will be returned to applicants as soon as is practicable thereafter and in any event within 7 days. The interest earned on monies held in the separate bank account will be retained for the benefit of the Company. If any cheque is not honoured on first presentation, the relevant application may be deemed to be invalid.

All documents or remittances sent by an applicant (or as he or she may direct) will be sent through the post at his/her own risk.

All enquiries in connection with the procedure for application and completion of the Application Form should be addressed to Capita Registrars, Corporate Actions, P.O. Box 166, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TH. Alternatively, please contact Capita Registrars on 0870 162 3121 (or if calling from outside the UK +44 208 639 2157).

If you do not wish to apply for New Ordinary Shares under the Clawback Offer, you should take no action and should not complete or return the Application Form.

CREST

The Placing and Clawback Offer will be processed outside CREST, for the purposes of calculating entitlements under the Clawback Offer, CREST and non-CREST shareholdings will be treated independently and a separate Application Form will be issued in respect of each. If a Qualifying Shareholder has both an uncertificated and a certificated shareholding in the Company, there will be two separate Application Forms despatched in respect of such holdings.

Qualifying Shareholders holding their Existing Ordinary Shares in certificated form will receive share certificates in respect of the New Ordinary Shares allotted to them. Qualifying Shareholders holding their Existing Ordinary Shares in uncertificated form will be credited with the New Ordinary Shares

allotted to them in uncertificated form to the extent that their entitlement arises as a result of their holding of Existing Ordinary Shares in uncertificated form.

Notwithstanding any other provision of this document or of the Application Form, the Company reserves the right to allot and/or issue any New Ordinary Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST), or on the part of the facilities and/or systems operated by the Company's registrar in connection with CREST. This right may also be exercised if the correct details in respect of *bona fide* market claims (such as the member Account ID and Participation ID details) are not provided as requested on the Application Form.

Qualifying Shareholders who are CREST sponsored members should refer to their CREST sponsor regarding the action to be taken in connection with this document and the Clawback Offer.

For more information as to the procedure for application in each case, Qualifying Shareholders are referred to the Application Form.

Settlement and dealings

The result of the Clawback Offer is expected to be announced on 9 May 2005. Application will then be made to the London Stock Exchange for the New Ordinary Shares for which valid applications are made pursuant to the Clawback Offer to be admitted to AIM. It is expected that Admission will become effective and that dealings in the New Ordinary Shares will commence at 8.00 a.m. on 10 May 2005.

The Existing Ordinary Shares are already admitted to CREST. Accordingly no further application for admission to CREST is required for the New Ordinary Shares, all of which may be held and transferred by means of CREST.

Subject to the conditions of the Placing and Clawback Offer being satisfied or waived, all New Ordinary Shares to be issued in uncertificated form are expected to be credited to the appropriate CREST stock accounts on 11 May 2005, unless the Company exercises the right to issue such shares in certificated form, in which case definitive certificates are expected to be despatched by post on or before 17 May 2005. Subject as aforesaid, definitive certificates for the shares to be issued in certificated form are expected to be despatched by post on or before 17 May 2005. No temporary documents of title will be issued. Pending despatch of definitive share certificates, transfers by non-CREST Qualifying Shareholders will be certified against the share register. All documents or remittances sent by or to an applicant (or his agent as appropriate) will (in the latter case) be sent through the post and will (in both cases) be at the risk of the applicant. Qualifying Shareholders in CREST should note that they will be sent no confirmation of the credit of the shares to their CREST stock account nor any other written communication by the Company in respect of the issue of New Ordinary Shares. Notwithstanding any other provision in this document, the Company reserves the right to issue any shares in certificated form.

Overseas shareholders

(a) General

If you are resident in any jurisdiction other than the United Kingdom you are advised to consult a professional adviser immediately.

The making of the Clawback Offer to persons who are resident in, or citizens of, countries other than the United Kingdom may be affected by the law of the relevant jurisdiction. No person receiving a copy of this document and/or the Application Form in any jurisdiction other than the United Kingdom may treat the same as constituting an invitation or offer to him, nor should he in any event use such Application Form, if, in the relevant jurisdiction, such an invitation or offer cannot lawfully be made to him or such Application Form cannot lawfully be used without contravention of any unfulfilled registration or other legal requirements. In such circumstances this document and/or any Application Form are sent for information only. It is the responsibility of any person receiving a copy of this document and/or Application Form outside the United

Kingdom who wishes to make any application for any New Ordinary Shares pursuant to the Clawback Offer to satisfy himself as to the full observance of the laws of the relevant jurisdiction, including obtaining all necessary governmental or other consents which may be required and observing all other necessary formalities and paying any issue, transfer or other taxes due in such jurisdiction. Such person should consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirements to enable them to apply for New Ordinary Shares pursuant to the Clawback Offer.

Persons (including, without limitation, nominees and trustees) receiving an Application Form should not in connection with the Clawback Offer distribute or send it in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If an Application Form is received by any person in any such jurisdiction, or by the agent or nominee of such a person, he must not seek to take up the New Ordinary Shares except pursuant to an express agreement with the Company. Any person who does forward an Application Form into any such jurisdiction, whether pursuant to a contractual or legal obligation or otherwise should draw the attention of the recipient to the contents of this section. The Company reserves the right to reject a purported application for New Ordinary Shares from Shareholders in any jurisdiction outside the UK, or persons who are acquiring New Ordinary Shares for resale in any such jurisdiction.

The Company reserves the right, in its absolute discretion, to treat the Clawback Offer as having been declined in a particular case if it believes acceptance may violate applicable legal or regulatory requirements.

(b) *US and Canada*

Neither the New Ordinary Shares nor the Application Form have been or will be registered under the US Securities Act of 1933, as amended, or under the securities legislation of any state of the US or any province or territory of Canada and, subject to certain exceptions, may not be offered, sold, delivered, or transferred, directly or indirectly, within the US or Canada or to or for the benefit of a North American Person (as is defined below).

Application Forms will not be sent to Shareholders with registered addresses in the US or Canada nor to Shareholders with registered addresses elsewhere whom the Company knows or reasonably believes to be holding Existing Ordinary Shares for the benefit of a North American Person unless the Company is satisfied that such an allotment is permitted, and this document is therefore sent to any such shareholders for information only.

The Company reserves the right to reject any Application Form that appears to the Company or its agents to have been executed in or despatched from the US or Canada or which provides an address in the US or Canada for delivery of definitive share certificates for New Ordinary Shares or which does not make the warranties relating to Overseas Shareholders on the Application Form.

For the purpose of this document and the Application Forms “North American Person” means any person who is a resident of the US or Canada (including corporations, partnerships or other entities created or organised in or under the laws of the US or Canada or any estate or trust which is subject to US federal or Canadian income taxation regardless of the source of its income) and “Canada” includes its possessions and territories.

(c) *Australia*

No prospectus in relation to the New Ordinary Shares has been or will be lodged with, or registered by, the Australian Securities and Investments Commission. New Ordinary Shares may not be offered for subscription or purchase, sold or delivered, indirectly or directly, nor may any invitation to subscribe for or buy or sell New Ordinary Shares be issued or any draft or definitive document in relation to any such offer, sale or invitation be distributed, in or into the Commonwealth of Australia, its states, territories or possessions (“Australia”) or to or for the account or benefit of any person (including corporations and other entities organised under the laws of Australia but not including a permanent establishment of any such corporation or entity located outside Australia).

Accordingly, no offer of New Ordinary Shares is being made under this document or the Application Form to Shareholders with registered addresses in, or to residents of, Australia and Application Forms will therefore not be sent to Shareholders with registered addresses in Australia. The Company reserves the right to reject any Application Form which appears to the Company or its agents to have been executed in or despatched from Australia or which provides an address in Australia for delivery of definitive share certificates for New Ordinary Shares or which does not make the warranties relating to Overseas Shareholders on the Application Form.

(d) *South Africa*

In order to comply with South African laws, Shareholders with registered addresses in South Africa may also require the approval of the South African exchange control authorities if they wish to take up their entitlement.

It is the responsibility of all persons resident outside the United Kingdom who wish to take up their New Ordinary Shares to satisfy themselves as to full observance of the laws of the relevant territory in connection therewith, including obtaining all necessary governmental and other consents and complying with all formalities to enable them to take up their entitlements.

(e) *Japan*

Shareholders who are resident in Japan should note that the New Ordinary Shares have not been nor will they be registered under the Securities and Exchange Laws of Japan. Accordingly, the New Ordinary Shares may not be offered, sold, transferred, taken-up or delivered in Japan and no application to subscribe for New Ordinary Shares may be made under this document or the Application Form in Japan. Application Forms have not been sent to Shareholders with registered or mailing addresses in Japan.

(f) *Republic of Ireland*

No prospectus in relation to the New Ordinary Shares has been or will be lodged for registration with the Registrar of Companies for the Republic of Ireland. Accordingly, the Clawback Offer is not being made in the Republic of Ireland and no Application Form will be sent directly or indirectly to any address in the Republic of Ireland unless otherwise determined by the Company and the Registrars in their absolute discretion. Similarly, unless so determined otherwise, applications sent from or post-marked in the Republic of Ireland will be deemed to be invalid.

The above comments are intended as a general guide only and do not constitute a definitive statement of the specific laws affecting Overseas Shareholders.

Overseas Shareholders who are in any doubt as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their entitlement to New Ordinary Shares should consult their professional advisers.

The entitlements to New Ordinary Shares of the persons referred to in paragraphs (b) to (f) (inclusive) above will be aggregated and allotted to Geraldton.

Application on an Application Form will constitute a representation and warranty that, *inter alia*, the applicant is not a Shareholder with a registered or mailing address in the United States, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan, nor is the Subscriber applying for New Ordinary Shares for the account of any person, or with a view to re-offering, selling, transferring or delivering such securities in any of those territories or possessions and otherwise that the applicant has fully observed the laws and any regulatory requirements of any relevant jurisdiction.

However, the Company, and on its behalf, Seymour Pierce (in their absolute discretion) reserve the right to make the New Ordinary Shares available to Overseas Shareholders under the Clawback Offer (notwithstanding any statement contained in this document) if they are advised to their satisfaction that any such Shareholder or overseas person can properly and lawfully accept the invitation comprised in the Clawback Offer. The Company and Seymour Pierce reserve, without limitation, the right to treat the application on an Application Form as invalid if they believe the application may violate applicable legal or regulatory requirements.

Taxation

Your attention is drawn to the section headed “Taxation” set out in paragraph 14 of Part VI of this document. Any Qualifying Shareholder who is in any doubt as to his or her taxation position should consult a professional adviser without delay.

Further information

Your attention is drawn to the letter from your Chairman which is set out in Parts I and II of this document and to the further information set out in Parts IV to VI (inclusive) of this document and to the terms and conditions set out in the enclosed Application Form.

PART IV

FINANCIAL INFORMATION ON MAVINWOOD PLC

This Part IV summarises the financial statements of Mavinwood plc for the period ended 31 December 2004. The financial information is extracted without adjustment from the published audited financial statements for that period. The financial information in this Part IV does not constitute Mavinwood plc's statutory accounts within the meaning of section 240 of the Companies Act 1985. Statutory accounts for that period, on which an unqualified audit report (not containing a statement under section 237(2) or 237(3) of the Companies Act 1985) has been given by Mavinwood plc's auditors, has been delivered to the Registrar of Companies.

PROFIT AND LOSS ACCOUNT

for the period from 2 July 2004 to 31 December 2004

		<i>For the period from 2 July 2004 to 31 December 2004 £</i>
Administrative expenses		(94,053)
Operating loss	3	(94,053)
Interest receivable	5	12,611
Loss on ordinary activities before taxation		(81,442)
Tax on loss on ordinary activities	6	–
Loss on ordinary activities after taxation		<u>(81,442)</u>

All results are derived from continuing operations.

There are no recognised gains or losses in the period other than the loss for the period.

There is no difference between the loss on ordinary activities before taxation and the result for the period noted above and the historical cost equivalents.

The basic and diluted loss per share of 1.07p is based on the retained loss for the period of £81,442 and on the average number of ordinary shares in issue during the period of 7,601,099.

BALANCE SHEET*at 31 December 2004*

	<i>Note</i>	<i>31 December 2004 £</i>
Current assets		
Debtors	8	11,037
Cash at bank		<u>1,968,909</u>
		1,979,946
Creditors: amounts falling due within one year	9	<u>(66,870)</u>
Net current assets		<u>1,913,076</u>
Net assets		<u><u>1,913,076</u></u>
Capital and reserves		
Called up share capital	10	73,900
Share premium account	11	1,920,618
Profit and loss account	11	<u>(81,442)</u>
Total equity shareholders' funds		<u><u>1,913,076</u></u>

CASH FLOW STATEMENT

for the period from 2 July 2004 to 31 December 2004

		<i>For the period from 2 July 2004 to 31 December 2004</i>
	<i>Note</i>	<i>2004 £</i>
Net cash outflow from operating activities	12	(38,220)
Returns on investments and servicing of finance		
Interest received		12,611
Net cash outflow before financing		<u>(25,609)</u>
Financing		
Issue of share capital		2,240,000
Expenses paid in connection with share issues		<u>(245,482)</u>
Net cash inflow from financing		<u>1,994,518</u>
Increase in cash		<u><u>1,968,909</u></u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

for the period from 2 July 2004 to 31 December 2004

		<i>For the period from 2 July 2004 to 31 December 2004</i>
		<i>2004 £</i>
Opening equity shareholders' funds		–
Loss for financial period		(81,442)
New share capital subscribed (net of issue costs)		<u>1,994,518</u>
Net addition to equity shareholders' funds		<u>1,913,076</u>
Closing equity shareholders' funds		<u><u>1,913,076</u></u>

NOTES

(forming part of the financial statements)

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below. They have all been applied consistently throughout the period.

Accounting convention

The financial statements are prepared under the historical cost convention.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profit and its results stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as 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 not discounted.

Leases

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

2. Segmental information

The result for the period and net assets all relate to activities in the United Kingdom.

3. OPERATING LOSS

	<i>For the period from 2 July 2004 to 31 December 2004 £</i>
Operating loss is stated after charging	
Auditors' remuneration:	
For audit services	10,000
Non audit services	—
Operating lease rentals:	
Land and buildings	<u>4,879</u>

Other fees paid to auditors totalling £21,436 are included in the share capital issue costs.

4. Information regarding directors and employees

	<i>For the period from 2 July 2004 to 31 December 2004 £</i>
Directors' remuneration	
Salaries:	
Kevin Mahoney	20,000
Mike Vincent	<u>16,667</u>
	<u>36,667</u>
Remuneration of the chairman who is the highest paid director	<u>20,000</u>

Kevin Mahoney entered into a service agreement as Executive Chairman with the company on 1 November 2004 terminable by either party on 12 months' written notice (or payment of salary in lieu of notice). He receives a salary of £120,000 per annum, a car allowance of £9,000 per annum, annual pension contributions of £20,000, private medical insurance, permanent health insurance, death in service benefit equal to four times salary, 30 days paid holiday per annum and a bonus entitlement of up to 75 per cent. of salary. He has agreed to waive the financial benefits (other than his salary) until completion of the first acquisition by the company.

Mike Vincent entered into a service agreement as Finance Director with the Company on 1 November 2004 terminable by either party on 12 months' written notice (or payment of salary in lieu of notice). He receives a salary of £100,000 per annum, a car allowance of £9,000 per annum, annual pension contributions of £20,000, private medical insurance, permanent health insurance, death in service benefit equal to four times salary, 30 days paid holiday per annum and a bonus entitlement of up to 75 per cent. of salary. He has agreed to waive the financial benefits (other than his salary) until completion of the first acquisition by the company.

	<i>Number of employees</i>
Average number of persons employed	
Administration	2
	<u> </u>
	£
Staff costs during the period (including directors)	
Salaries	36,667
Social security costs	4,491
	<u> </u>
	<u>41,158</u>

5. Interest receivable

	<i>For the period from 2 July 2004 to 31 December 2004</i>
	£
Bank interest receivable	12,611
	<u> </u>

6. Tax on loss on ordinary activities

	<i>For the period from 2 July 2004 to 31 December 2004</i>
	£
United Kingdom taxation	
Corporation tax at 30%	
– current year	–
	<u> </u>
	<u> </u>

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	<i>2004</i>
	£
Loss on ordinary activities before tax	(81,442)
	<u> </u>
Tax on loss on ordinary activities at standard UK corporation tax rate of 30%	24,433
<i>Effects of:</i>	
Tax losses not recognised	(24,433)
	<u> </u>
Current tax charge for period	–
	<u> </u>

A deferred tax asset amounting to £24,433 in respect of timing differences relating to losses has not been recognised because of the uncertainty as to the timing of the realisation of the amount.

7. Loss per share

Basic loss per share has been calculated on the loss after tax and the weighted average number of ordinary shares in issue during the year as follows:

	<i>2004</i>	
Loss	£	<u>(81,442)</u>
Weighted average shares in issue		<u>7,601,099</u>
Basic loss per share	(pence)	<u>1.07</u>

The diluted losses per share as defined in FRS 14, have been calculated on the following basis:

	<i>2004</i>	
Diluted losses	£	<u>(81,442)</u>
Weighted average number of shares in issue		<u>7,601,099</u>
Share options		<u>–</u>
Diluted weighted average number of shares in issue		<u>7,601,099</u>
Diluted loss per share	(pence)	<u>1.07</u>

8. Debtors

	<i>2004</i>	
	£	
Prepayments and accrued income		<u>11,037</u>

9. Creditors: amounts falling due within one year

	<i>2004</i>	
	£	
Other creditors		28,572
Taxation and social security		14,363
Accruals and deferred income		<u>23,935</u>
		<u>66,870</u>

10. Called up share capital

	2004 £
Authorised	
9,950,000,000 0.1p ordinary shares	9,950,000
50,000,000 0.1p convertible A shares	50,000
	<u>10,000,000</u>
Allotted, issued and fully paid	
23,900,000 0.1p ordinary shares	23,900
50,000,000 0.1p convertible A shares	50,000
	<u>73,900</u>

The company was incorporated with an authorised share capital of £50,000 divided into 50,000 ordinary shares of £1 each of which two were issued nil paid to the subscribers to the memorandum of association. On 17 July 2004, one subscriber share was transferred to Kevin Mahoney and the other was transferred to Mike Vincent.

On 17 July 2004 the authorised share capital was increased to £10,000,000 by the creation of 9,950,000 ordinary shares of £1 each.

On 18 October 2004, Kevin Mahoney and Mike Vincent subscribed for 29,999 and 19,999 ordinary shares of £1 each respectively, at a subscription price of £1 per share and both subscriber shares were paid up in full.

On 18 October 2004, each of the ordinary shares of £1 each was sub-divided into 1,000 Ordinary shares and each of the 50,000,000 issued Ordinary Shares was converted into an A Share.

The A Shares are non-voting and are entitled to dividends as if they had been converted on the relevant record date.

In aggregate in October and November, 23,900,000 Ordinary Shares were issued for £2,190,000 in cash.

11. Reserves

	<i>Share premium</i> £	<i>Profit and loss</i> £
On incorporation – 2 July 2004	–	–
Premium on shares issued	2,166,100	–
Cost of share issue	(245,482)	–
Loss for the period	–	(81,442)
At 31 December 2004	<u>1,920,618</u>	<u>(81,442)</u>

12. Reconciliation of operating loss to net cash outflow from operating activities

	<i>2004</i> £
Operating loss	(94,053)
Increase in debtors	(11,037)
Increase in creditors	<u>66,870</u>
Net cash outflow from operating activities	<u><u>(38,220)</u></u>

13. Financial commitments

At 31 December 2004 the company was committed to making the following payments during the next year in respect of an office rental agreement.

	<i>2004</i> £
Operating lease commitments which expire: Within one year	<u><u>28,142</u></u>

PART V

ACCOUNTANTS' REPORT ON THE RESTORE GROUP

Grant Thornton UK LLP
Chartered Accountants
UK member of
Grant Thornton International

Grant Thornton 

The Directors
Mavinwood plc
33 St James Square
LONDON
SW1Y 4JS

and

The Directors
Seymour Pierce Limited
Bucklersbury House
3 Queen Victoria Street
LONDON
EC4N 8EL

14 April 2005

RESTORE GROUP HOLDINGS LIMITED AND ITS SUBSIDIARY UNDERTAKING (TOGETHER RESTORE)

1. INTRODUCTION

- 1.1 We report on the financial information set out in paragraphs 2 to 7. This financial information has been prepared for inclusion in the Prospectus dated 14 April 2005 of Mavinwood plc.

Basis of preparation

- 1.2 The financial information set out in paragraphs 2 to 7 below is based on the audited financial statements of ReStore Group Holdings Limited and the audited financial statements of ReStore Limited for the three years ended 31 December 2004 and has been prepared on the basis set out in section 3 after making such adjustments as we considered necessary.

Responsibility

- 1.3 Such financial statements are the responsibility of the directors of ReStore Group Holdings Limited and of ReStore Limited who approved their issue.

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Grant Thornton UK LLP is authorised and regulated by the Financial Services Authority for investment business.

- 1.4 The directors and the proposed director of Mavinwood plc are responsible for the contents of the Prospectus relating to the acquisition of ReStore dated 14 April 2005 in which this report is included.
- 1.5 It is our responsibility to compile the financial information set out in our report from the financial statements, to form an opinion on the financial information and to report our opinion to you.

Basis of opinion

- 1.6 We conducted our work in accordance with the Statements of Investment Circular Reporting Standards issued by the Auditing Practices Board. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. The evidence included that recorded by the auditors who audited the financial statements underlying the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.
- 1.7 We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

- 1.8 In our opinion the financial information gives, for the purposes of the Prospectus dated 14 April 2005, a true and fair view of the results and cash flows of ReStore for the three years ended 31 December 2004 and the state of affairs of ReStore at the end of each of those years.

Consent

- 1.9 We consent to the inclusion in the Prospectus dated 14 April 2005 of this report and accept responsibility for this report for the purposes of paragraph 45(1)(b)(iii) of Schedule 1 to the Public Offers of Securities Regulations 1995.

2. STATUTORY INFORMATION

- 2.1 Expectrapid Limited was incorporated on 13 April 1992.
- 2.2 On 3 June 1992, Expectrapid Limited changed its name to Trans-Parent Limited.
- 2.3 ReStore Limited was incorporated on 20 March 1995, as a 100 per cent. owned subsidiary of Trans-Parent Limited.
- 2.4 On 2 November 1999, Trans-Parent Limited changed its name to ReStore Group Holdings Limited.

3. ACCOUNTING POLICIES

Basis of preparation

The financial information has been prepared under the historical cost convention of accounting and in accordance with applicable accounting standards.

The accounts are prepared on a going concern basis.

Basis of consolidation

The consolidated financial information includes the financial statements of ReStore Group Holdings Limited and its subsidiary undertaking. Acquisitions of subsidiaries are dealt with by the acquisition method of accounting.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts. All turnover is derived from the principal activity of the group being archive management and document storage.

Tangible fixed assets

All tangible fixed assets are initially recorded at cost.

Depreciation

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:

The rates applicable are:

Plant & machinery	–	20% – 33%
Fixtures & fittings	–	12.5% – 33%
Computer equipment	–	20% – 33%
Leasehold improvements	–	over the life of the lease

Stocks

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

Leasing and hire purchase commitments

Assets under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date except as otherwise required by FRS 19.

4. CONSOLIDATED PROFIT AND LOSS ACCOUNTS

		<i>Year ended</i> <i>31 December</i> <i>2002</i> <i>£'000</i>	<i>Year ended</i> <i>31 December</i> <i>2003</i> <i>£'000</i>	<i>Year ended</i> <i>31 December</i> <i>2004</i> <i>£'000</i>
	<i>Note</i>			
Turnover		2,181	2,783	3,188
Cost of sales		(792)	(865)	(841)
Gross Profit		1,389	1,918	2,347
Administrative expenses		(1,291)	(1,381)	(1,624)
Other operating income		79	34	–
Operating profit		177	571	723
Loss on sale of tangible fixed assets in continuing operations		(30)	–	–
		147	571	723
Other interest receivable and similar income		–	1	4
Interest payable and similar charges	7.4	(8)	(13)	(14)
Profit on ordinary activities before tax	7.1	139	559	713
Tax on profit on ordinary activities	7.5	(44)	(169)	(208)
Profit for the financial year		95	390	505
Equity dividends	7.6	(95)	(120)	(200)
Retained profit for the financial year	7.13	–	270	305

All results relate to continuing activities.

There were no recognised gains or losses other than the profit for the financial year.

5. CONSOLIDATED BALANCE SHEETS

		<i>As at</i> <i>31 December</i> <i>2002</i> <i>£'000</i>	<i>As at</i> <i>31 December</i> <i>2003</i> <i>£'000</i>	<i>As at</i> <i>31 December</i> <i>2004</i> <i>£'000</i>
	<i>Note</i>			
Fixed assets				
Tangible assets	7.7	449	510	601
Current assets				
Stocks – finished goods		3	2	6
Debtors	7.8	488	686	853
Cash at bank and in hand		66	121	129
		<u>557</u>	<u>809</u>	<u>988</u>
Creditors: amounts falling due within one year	7.9	<u>(573)</u>	<u>(627)</u>	<u>(649)</u>
Net current (liabilities)/assets		<u>(16)</u>	<u>182</u>	<u>339</u>
Total assets less current liabilities		433	692	940
Creditors: amounts falling due after one year	7.10	(151)	(123)	(61)
Provisions for liabilities and charges	7.12	(50)	(67)	(72)
Net assets		<u>232</u>	<u>502</u>	<u>807</u>
Capital and reserves				
Called up share capital	7.15	10	10	10
Profit and loss reserve	7.13	222	492	797
Equity shareholders' funds	7.14	<u>232</u>	<u>502</u>	<u>807</u>

6. CONSOLIDATED CASH FLOW STATEMENTS

		<i>Year ended</i> <i>31 December</i> <i>2002</i> <i>£'000</i>	<i>Year ended</i> <i>31 December</i> <i>2003</i> <i>£'000</i>	<i>Year ended</i> <i>31 December</i> <i>2004</i> <i>£'000</i>
Cash inflow from operating activities	7.16	260	386	636
Returns on investment and servicing of finance				
Interest received		–	1	4
Interest paid		(8)	(6)	(4)
Interest element of finance leases and hire purchase		–	(7)	(10)
		(8)	(12)	(10)
Taxation		(47)	(31)	(142)
Capital expenditure and financial investment				
Purchase of tangible fixed assets		(85)	(88)	(146)
Sales of tangible fixed assets		11	–	–
		(74)	(88)	(146)
Cash inflow before use of liquid resources and financing		131	255	338
Equity dividends paid		(95)	(120)	(200)
Financing	7.18			
Capital element of hire purchase and finance lease payments		(13)	(55)	(90)
Loans repaid		(45)	(25)	(40)
		(58)	(80)	(130)
(Decrease)/increase in cash in year	7.17	(22)	55	8

7. NOTES TO THE FINANCIAL INFORMATION

7.1 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	<i>Year ended 31 December 2002 £'000</i>	<i>Year ended 31 December 2003 £'000</i>	<i>Year ended 31 December 2004 £'000</i>
Auditors' remuneration:	5	6	6
Operating lease rentals – land and buildings	226	388	687
Operating lease rentals – other	–	–	15
Depreciation of tangible assets – owned	90	84	113
Depreciation of tangible assets – leased	2	15	34
	<u> </u>	<u> </u>	<u> </u>

7.2 Remuneration of directors

	<i>Year ended 31 December 2002 £'000</i>	<i>Year ended 31 December 2003 £'000</i>	<i>Year ended 31 December 2004 £'000</i>
Directors' emoluments	45	60	72
Emoluments of highest paid director	23	30	36
	<u> </u>	<u> </u>	<u> </u>

7.3 Staff numbers and costs

The average number of persons employed (including directors) during the period, analysed by category was as follows:

	<i>Year ended 31 December 2002 Number</i>	<i>Year ended 31 December 2003 Number</i>	<i>Year ended 31 December 2004 Number</i>
Sales and administration	9	10	10
Operations	17	20	23
	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>

The aggregate payroll costs for these persons were as follows:

	<i>Year ended 31 December 2002 £'000</i>	<i>Year ended 31 December 2003 £'000</i>	<i>Year ended 31 December 2004 £'000</i>
Aggregate wages and salaries	438	541	607
Social security costs	45	51	58
	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>

7.4 Interest payable and similar charges

	<i>Year ended 31 December 2002 £'000</i>	<i>Year ended 31 December 2003 £'000</i>	<i>Year ended 31 December 2004 £'000</i>
On bank loans and overdrafts	8	6	4
Finance charges in respect of finance leases	–	7	10
	<u>8</u>	<u>13</u>	<u>14</u>

7.5 Tax on profit on ordinary activities

The tax charge is based on the profit for the year and is made up as follows:

	<i>Year ended 31 December 2002 £'000</i>	<i>Year ended 31 December 2003 £'000</i>	<i>Year ended 31 December 2004 £'000</i>
UK corporation tax at 30%	34	156	216
Deferred taxation	10	17	5
Adjustment in respect of prior years: Corporation tax	–	(4)	(13)
	<u>44</u>	<u>169</u>	<u>208</u>

The tax assessed for the period is lower/higher than the standard rate of corporation tax in the UK of 30%. The differences are explained as follows:

	<i>Year ended 31 December 2002 £'000</i>	<i>Year ended 31 December 2003 £'000</i>	<i>Year ended 31 December 2004 £'000</i>
Current tax reconciliation			
Profit on ordinary activities before taxation	139	559	713
Tax at standard rate of 30% on profit for year	42	168	214
Expenses not deductible for tax purposes	4	5	13
Capital allowances in excess of depreciation	(10)	(17)	(6)
Marginal relief	(2)	–	(5)
Current tax	<u>34</u>	<u>156</u>	<u>216</u>

7.6 Dividends

	<i>Year ended 31 December 2002 £'000</i>	<i>Year ended 31 December 2003 £'000</i>	<i>Year ended 31 December 2004 £'000</i>
Equity dividends paid on ordinary shares of £20 per share (2003: £12; 2002: £9.50)	<u>95</u>	<u>120</u>	<u>200</u>

7.7 Tangible fixed assets

	<i>Plant & Machinery £'000</i>	<i>Fixtures & Fittings £'000</i>	<i>Computer Equipment £'000</i>	<i>Leasehold Improvements £'000</i>	<i>Total £'000</i>
Cost					
At 1 January 2002	52	411	133	–	596
Additions	35	162	28	–	225
Disposals	–	(138)	–	–	(138)
At 31 December 2002	87	435	161	–	683
Additions	24	90	46	–	160
At 31 December 2003	111	525	207	–	843
Additions	47	92	62	37	238
At 31 December 2004	158	617	269	37	1,081
Depreciation					
At 1 January 2002	20	135	84	–	239
Charge for year	14	52	26	–	92
Disposals	–	(97)	–	–	(97)
At 31 December 2002	34	90	110	–	234
Charge for year	16	52	31	–	99
At 31 December 2003	50	142	141	–	333
Charge for year	27	73	43	4	147
At 31 December 2004	77	215	184	4	480
Net book amount					
At 31 December 2004	81	402	85	33	601
At 31 December 2003	61	383	66	–	510
At 31 December 2002	53	345	51	–	449

Included within the net book value of £601,000 is £254,000 (2003: £147,000; 2002: £139,000) relating to assets held under finance leases and hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £34,000 (2003: £15,000; 2002: £2,000).

7.8 Debtors

	<i>As at 31 December 2002 £'000</i>	<i>As at 31 December 2003 £'000</i>	<i>As at 31 December 2004 £'000</i>
Amounts falling due within one year			
Trade debtors	381	526	566
Prepayments and accrued income	107	156	275
Other debtors	–	4	12
	488	686	853

7.9 Creditors: amounts falling due within one year

	<i>As at 31 December 2002 £'000</i>	<i>As at 31 December 2003 £'000</i>	<i>As at 31 December 2004 £'000</i>
Bank loans and overdrafts	45	40	42
Trade creditors	234	232	103
Amounts owed to undertakings in which the company has a participating interest	26	–	–
Corporation tax	35	156	217
Social security and other taxes	57	87	104
Other creditors	4	2	21
Accruals	127	40	70
Amounts due under finance lease and hire purchase	45	70	92
	<u>573</u>	<u>627</u>	<u>649</u>

The amounts due under finance leases are secured on the assets to which they relate.

7.10 Creditors: amounts falling due after one year

	<i>As at 31 December 2002 £'000</i>	<i>As at 31 December 2003 £'000</i>	<i>As at 31 December 2004 £'000</i>
Bank loans	68	48	6
Amounts due under finance lease and hire purchase	83	75	55
	<u>151</u>	<u>123</u>	<u>61</u>

The amounts due under finance leases are secured on the assets to which they relate.

7.11 Analysis of debt

Debt is repayable as follows:

	<i>As at 31 December 2002 £'000</i>	<i>As at 31 December 2003 £'000</i>	<i>As at 31 December 2004 £'000</i>
Within one year			
Bank and other borrowings	45	40	42
Finance leases	45	70	92
After one and within two years			
Bank and other borrowings	45	42	6
Finance leases	47	60	46
After two and within five years			
Bank and other borrowings	23	6	–
Finance leases	36	15	9
	<u>241</u>	<u>233</u>	<u>195</u>

The bank loans are secured by a fixed and floating charge over the company's assets.

7.12 Provisions for liabilities and charges

Deferred taxation has been provided in full, as follows:

	<i>As at 31 December 2002 £'000</i>	<i>As at 31 December 2003 £'000</i>	<i>As at 31 December 2004 £'000</i>
Opening balance	40	50	67
Provided in year	10	17	5
Closing balance	<u>50</u>	<u>67</u>	<u>72</u>
These balances comprise:			
Excess of taxation allowances over depreciation on fixed assets	<u>50</u>	<u>67</u>	<u>72</u>

7.13 Reserves

	<i>Profit and loss account £'000</i>
At 1 January 2002	232
Bonus issue	(10)
Retained profit for the year	<u>–</u>
At 31 December 2002	222
Retained profit for the year	<u>270</u>
At 31 December 2003	492
Retained profit for the year	<u>305</u>
At 31 December 2004	<u>797</u>

7.14 Reconciliation of movement in shareholders' funds

	<i>Year ended 31 December 2002 £'000</i>	<i>Year ended 31 December 2003 £'000</i>	<i>Year ended 31 December 2004 £'000</i>
Profit for the financial year	95	390	505
Dividends	<u>(95)</u>	<u>(120)</u>	<u>(200)</u>
Net addition to shareholders' funds	–	270	305
Opening shareholders' funds	<u>232</u>	<u>232</u>	<u>502</u>
Closing shareholders' funds	<u>232</u>	<u>502</u>	<u>807</u>

7.15 Called up share capital

	<i>At 31 December 2002 £'000</i>	<i>At 31 December 2003 £'000</i>	<i>At 31 December 2004 £'000</i>
Authorised			
20,000 ordinary shares of £1 each	<u>20</u>	<u>20</u>	<u>20</u>
Allotted, called up and fully paid			
10,000 ordinary shares of £1 each	<u>10</u>	<u>10</u>	<u>10</u>

7.16 Reconciliation of operating profit to operating cash flow

	<i>Year ended 31 December 2002 £'000</i>	<i>Year ended 31 December 2003 £'000</i>	<i>Year ended 31 December 2004 £'000</i>
Operating profit	177	571	723
Depreciation	92	99	147
Decrease/(increase) in stocks	1	1	(4)
Increase in debtors	(118)	(198)	(167)
Increase/(decrease) in creditors	108	(87)	(63)
Net cash inflow from continuing activities	<u>260</u>	<u>386</u>	<u>636</u>

7.17 Reconciliation of net cash flow to movement in net debt

	<i>Year to 31 December 2002 £'000</i>	<i>Year to 31 December 2003 £'000</i>	<i>Year to 31 December 2004 £'000</i>
(Decrease)/increase in cash in the year	(22)	55	8
Net cash outflow from bank loans	45	25	40
Cash outflow in respect of finance leases and hire purchase	13	55	90
Change in net debt resulting from cash flows	36	135	138
Inception of finance leases	(140)	(72)	(92)
Movement in net debt in year	(104)	63	46
Net debt at beginning of year	(71)	(175)	(112)
Net debt at end of the year	<u>(175)</u>	<u>(112)</u>	<u>(66)</u>

7.18 Analysis of net debt

	<i>Cash at bank and in hand £'000</i>	<i>Debt £'000</i>	<i>Finance leases and hire purchase £'000</i>	<i>Total £'000</i>
At 1 January 2002	88	(159)	–	(71)
Cash flow	(22)	45	13	36
Non cash item	–	–	(140)	(140)
At 31 December 2002	66	(114)	(127)	(175)
Cash flow during the year	55	25	55	135
Non cash item	–	–	(72)	(72)
At 31 December 2003	121	(89)	(144)	(112)
Cash flow during the year	8	40	90	138
Other changes during the year	–	–	(92)	(92)
At 31 December 2004	129	(49)	(146)	(66)

7.19 Commitments

Amounts contracted for but not provided for as at 31 December 2004 amounted to £50,000 (2003: £nil, 2002: £nil).

7.20 Contingencies

The company had no contingent liabilities at the year end. (2003: £nil; 2002: £nil).

7.21 Leasing commitments

Operating lease payments amounting to £777,000 (2003: £702,000; 2002: £388,000) are due within one year. The leases to which these amounts relate expire as follows:

	2002		2003		2004	
	<i>buildings £'000</i>	<i>Land and Other £'000</i>	<i>buildings £'000</i>	<i>Land and Other £'000</i>	<i>buildings £'000</i>	<i>Land and Other £'000</i>
In one year or less	–	–	–	7	–	1
Between one and five years	62	–	130	8	62	16
In five years or more	326	–	557	–	698	–
	388	–	687	15	760	17

Yours faithfully

GRANT THORNTON UK LLP

PART VI

ADDITIONAL INFORMATION

1. Responsibility

- 1.1 Lord Ashcroft KCMG accepts responsibility for the information contained in this document relating to Geraldton and statements relating to himself, the members of his immediate family and related trusts. To the best of the knowledge and belief of Lord Ashcroft KCMG (who has taken all reasonable care to ensure that such is the case), the information contained in this document for which he is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The Directors and Proposed Director whose names appear on page 3 of this document, accept responsibility for the information contained in this document, other than the information referred to in paragraph 1.1 of this Part VI of this document. To the best of the knowledge and belief of the Directors and Proposed Director (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Incorporation and Status of the Company

- 2.1 The Company was incorporated in England & Wales on 2 July 2004 under the Companies Act 1985 with registered number 5169780 as a public company limited by shares with the name Dyno Group plc. On 17 September 2004, the Company changed its name to Mavinwood plc.
- 2.2 The Company's registered office is Lacon House, 84 Theobald's Road, London WC1X 8RW and its principal place of business is 33 St James's Square, London SW1Y 4JS.
- 2.3 The principal legislation under which the Company operates is the Act and the liability of its members is limited.
- 2.4 As at the date of this document, the Company has no subsidiary or associated undertakings. Following Admission and completion of the Acquisition, the Company will be the holding company of the Group and will have two wholly-owned (directly and indirectly) subsidiaries, ReStore Group Holdings Limited and ReStore Limited, both of which are registered in England and Wales.

3. Information on Lord Ashcroft and Geraldton

- 3.1 Lord Ashcroft KCMG is the ultimate beneficial shareholder of Geraldton Services Inc. He has been Executive Chairman of Carlisle Holdings Limited, an international business company registered in Belize since 2001 and was formerly Chairman and Chief Executive Officer of ADT Limited (1977 to 1997). He is the Chairman of Trustees for a number of charities: Michael A Ashcroft Foundation, Crimestoppers and Prospect Education (Technology) Trust. He is currently Assistant Treasurer of the International Democrat Union. He was Belize's Permanent Representative to the United Nations until April 2000. He was formerly Treasurer of the Conservative and Unionist Party in the United Kingdom from 1998 to 2001. In March 2000, he was appointed as a life peer in the House of Lords and in June 2000 he was awarded a Knighthood (KCMG – Knight Commander of the Order of St. Michael and St. George) for public service to the community and country of Belize. In November 2001, he was invested as Chancellor of Anglia Polytechnic University (APU) in the United Kingdom. Lord Ashcroft is a British and Belize citizen and a Belonger of the Turks and Caicos Islands.
- 3.2 Lord Ashcroft's current and past directorships comprise

<i>Current</i>	<i>Past</i>
Carlisle Holdings Limited	Belize Telecommunications Limited
Mayfair Limited	Blackwood Limited
Prospect Education (Technology) Trust Limited	Carlisle Group plc
	Carlisle Services Limited
	Industry in Education Limited
	Seashell Group Limited
	Tyco International Limited
- 3.3 Geraldton was incorporated in the British Virgin Islands on 1 June 2004. Its directors are Northtown Limited and Southtown Limited and its registered address is Pasea Estate, Road Town, Tortola, British Virgin Islands. Geraldton does not trade, is not required to produce financial accounts and holds no assets other than shares in Mavinwood as set out in paragraph 6.2 of this Part VI of this document.

4. Share capital of the Company

4.1 The Company was incorporated with an authorised share capital of £50,000 divided into 50,000 ordinary shares of £1 each of which two were issued nil paid to the subscribers to the memorandum of association. On 17 July 2004 one subscriber share was transferred to Kevin Mahoney and the other was transferred to Michael Vincent and both subscriber shares were paid up in full.

4.2 By a written resolution passed on 17 July 2004 the authorised share capital was increased to £10,000,000 by the creation of 9,950,000 ordinary shares of £1 each.

4.3 On 18 October 2004, the following persons subscribed for ordinary shares of £1 each in the capital of the Company at a subscription price of £1 per share:

<i>Name</i>	<i>Number of Ordinary Shares of £1 each</i>
Kevin Mahoney	29,999
Michael Vincent	19,999

4.4 By written resolutions passed on 18 October 2004:

4.4.1 each of the ordinary shares of £1 each in the capital of the Company was sub-divided into 1,000 Ordinary Shares;

4.4.2 each of 50,000,000 issued Ordinary Shares was converted into an 'A' Share.

4.5 On 18 October 2004, the following persons subscribed for Ordinary Shares at a subscription price of 2p per share:

<i>Name</i>	<i>Number of Ordinary Shares</i>
Kevin Mahoney	1,500,000
Michael Vincent	1,000,000

4.6 The authorised and issued share capital of the Company, of which all of the issued shares are fully paid up, as at the date of publication of this document is as follows:

<i>Authorised</i>			<i>Issued</i>	
<i>Number</i>	<i>Amount (£)</i>		<i>Number</i>	<i>Amount (£)</i>
9,950,000,000	£9,950,000	Ordinary Shares	23,900,000	£23,900
50,000,000	£50,000	'A' Shares	50,000,000	£50,000

4.7 Following completion of the Placing and Clawback Offer, the authorised and issued share capital of the Company, of which all of the issued shares will be fully paid up on or before Admission, as it is expected to be immediately following Admission is as follows:

<i>Authorised</i>			<i>Issued</i>	
<i>Number</i>	<i>Amount (£)</i>		<i>Number</i>	<i>Amount (£)</i>
9,950,000,000	£9,950,000	Ordinary Shares	59,750,000	£59,750
50,000,000	£50,000	'A' Shares	50,000,000	£50,000

4.8 The balance of the authorised but unissued share capital of the Company immediately following Admission, amounting to 9,890,250,000 Ordinary Shares, will remain unissued and unreserved, save for the 2,987,500 Ordinary Shares over which options are to be granted and the 5,975,000 Ordinary Shares which are to be the subject of awards under the LTIP, both as detailed in the section headed "Share Incentive Schemes" in Part I of this document.

4.9 Pursuant to the Resolutions, the Directors will be generally and unconditionally authorised pursuant to section 80 of the Act, in substitution for any equivalent authorities or powers granted to the Directors prior to the passing of the Resolutions, to allot relevant securities (as defined in that section) up to an aggregate nominal amount of £85,000 such authority to expire upon the date which is 5 years from the date of passing of the Resolutions.

4.10 Pursuant to the Resolutions, the Directors will be empowered pursuant to section 95(1) of the Act, to exercise the authority of the Directors under section 80 of the Act conferred by paragraph 4.9 above as if the provisions of section 89(1) of the Act did not apply to such allotment provided that this power shall be limited to:

4.10.1 the allotment of equity securities up to an aggregate nominal amount of £35,850 in connection with the Placing and Clawback Offer;

4.10.2 the allotment (otherwise than pursuant to paragraph 4.10.1 above) of equity securities in connection with a rights issue or other *pro rata* offer in favour of holders of ordinary shares in the capital of the

- Company where the equity securities respectively attributable to the interests of all the holders of Ordinary Shares are proportionate (as nearly as may be) to the respective numbers of equity securities held by them subject in each case to such exclusions or other arrangements as the directors may consider necessary or expedient to deal with fractional entitlements or legal difficulties under the laws of any territory or the requirements of a regulatory body;
- 4.10.3 the allotment of equity securities up to an aggregate nominal amount of £746.88 to satisfy the award to be granted to Philip Reid under the LTIP; and
- 4.10.4 the allotment (otherwise than pursuant to paragraphs 4.10.1, 4.10.2 and 4.10.3 above) of equity securities up to an aggregate nominal amount of £12,000.
- and shall expire on whichever is the earlier of the date preceding the fifth anniversary of the date of the passing of the Resolutions or the expiry of the authority referred to in paragraph 4.9.
- 4.11 The provisions of section 89(1) of the Act (to the extent not disapplied pursuant to section 95 of the Act) confer on the Shareholders certain rights of pre-emption in respect of the allotment of equity securities (as defined in section 94(2) of the Act) which are, or are to be, paid up in cash and apply to the authorised but unissued equity share capital of the Company. These provisions have been disapplied to the extent referred to in paragraph 4.10 above.
- 4.12 Save as mentioned in this paragraph 4:
- 4.12.1 no unissued share or loan capital of the Company is under option or is agreed conditionally or unconditionally to be put under option;
- 4.12.2 there are no shares in the capital of the Company currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived;
- 4.12.3 there are no outstanding convertible securities issued by the Company; and
- 4.12.4 no share capital or loan capital of the Company is in issue and no such issue is proposed.
- 4.13 Save as disclosed in this document, no commission, discounts, brokerages or other specific terms have been granted by the Company in connection with the issue or sale of any of its share or loan capital.
- 4.14 The Ordinary Shares are in registered form and capable of being held in uncertificated form. Application has been made to CRESTCo Limited for the Ordinary Shares to be enabled for dealings through CREST as a participating security. No temporary documents of title will be issued.

5. Summary of the Memorandum and Articles of Association of the Company

5.1 Memorandum of Association

The objects of the Company are set out in clause 4 of the Company's memorandum of association and its principal objects are, among others, to carry on business as a general commercial company.

5.2 Articles of Association

The Articles which were adopted conditional on Admission by a special resolution of the Company passed on 18 October 2004 contain, *inter alia*, provisions to the following effect:

5.2.1 Share capital

The share capital of the Company is divided into two classes of shares, namely Ordinary Shares and 'A' Shares.

5.2.2 'A' Shares

Each 'A' Share shall be capable of being converted at any time between the third and fifth anniversaries of Admission. In any event, each 'A' Share shall be capable of being converted at any time when any person (and any persons acting in concert with such person) acquires, or acquires the right to exercise, 50 per cent. or more of the voting share capital of the Company, or on a winding-up of the Company. The value of the Ordinary Shares arising on conversion of the 'A' Shares, assuming all the 'A' Shares are converted simultaneously, would be equal to 15 per cent. of the amount calculated by multiplying the number of Ordinary Shares in issue immediately prior to conversion by the difference between the share price of Ordinary Shares at the time of conversion and the weighted average issued price of the New Ordinary Shares and any further issues of Ordinary Shares (but excluding the value of any Ordinary Shares issued to holders of 'A' Shares on their exercise of any share options held) after Admission but prior to conversion. Any 'A' Shares not converted into Ordinary Shares upon exercise of the conversion rights shall be converted into deferred shares of 0.1 pence each ("Deferred Shares").

In the event that a holder of 'A' Shares who is a director or an employee of the Company ceases to be a director or employee within three years of Admission ("Leaver"), then the following applies to

that holder, his spouse, children and any other lineal descendants or ascendants (in all such cases aged 18 or over) of such Leaver:

If the Leaver:

- (a) dies;
- (b) suffers a physical or mental deterioration which, in the reasonable opinion of the Board, is sufficiently serious to prevent the Leaver from following his normal employment or which seriously prejudices his earning capacity;
- (c) retires at normal retirement age in accordance with his terms of employment;
- (d) is declared bankrupt;
- (e) where the Board unanimously agrees (provided that the Leaver shall not be entitled to vote on any such resolution) that the Leaver be deemed a Good Leaver, notwithstanding any circumstances which would otherwise deem him a Bad Leaver; or
- (f) is dismissed where such dismissal is found by a tribunal or court of competent and final (except where any right of appeal is waived) jurisdiction to have been unfair (but provided the Leaver did not materially contribute in any way to his dismissal) or wrongful.

then each 'A' Share shall convert into fully paid Ordinary Shares and fully paid Deferred Shares as described above in this paragraph such that the holder's entitlement to Ordinary Shares on conversion shall be calculated *pro rata* to his length of service up to three years following Admission.

If the holder leaves for any other reason within three years of Admission then the 'A' Shares held by such holder (and permitted transferees, if any) all convert to Deferred Shares.

The 'A' Shares carry the right to be paid a dividend and to participate in a distribution of assets on a winding up as if they had converted into Ordinary Shares as described in this paragraph, but the holders of the 'A' Shares do not have the right to vote at general meetings of the Company.

The Deferred Shares arising on conversion of 'A' Shares do not have the right to be paid a dividend or to receive notice of or to attend or vote at general meetings of the Company. On a winding up the holders of the Deferred Shares have the right to receive the nominal value of the shares held after the distribution of the first £10,000,000,000 of assets. The Company may purchase all the Deferred Shares for an aggregate amount of 1p.

5.2.3 *Voting Rights*

Subject to any special terms as to voting upon which any share may be issued, or may be held, and subject to the provisions of the Articles, on a show of hands every member of the Company ("Member") present in person and entitled to vote shall have one vote and on a poll every Member present in person or by proxy and entitled to vote shall have one vote for every share of which he is the holder.

No Member is entitled to be present or to be counted in the quorum or vote, either in person or by proxy, at any general meeting or at any separate meeting of the holders of a class of shares or on a poll or to exercise other rights conferred by membership in relation to the meeting or poll, unless all calls or other moneys due and payable in respect of the Member's share or shares have been paid.

Where a notice is served by the Company under section 212 of the Act (a "section 212 notice") on a Member, or another person appearing to be interested in shares held by that Member, and the Member or other person has failed in relation to any shares (the "default shares" which expression includes any shares issued after the date of the section 212 notice in respect of those shares) to give the Company the information required within 14 days from the date of service of the section 212 notice then, unless the Board otherwise decides, the Member is not entitled in respect of the default shares to be present or to vote (either in person or by proxy) at a general meeting or at a separate meeting of the holders of a class of shares or on a poll or to exercise other rights conferred by membership in relation to the meeting or poll.

5.2.4 *Dividends*

Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is declared and paid. Dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

Any dividend which has remained unclaimed for a period of 12 years from the date it became due for payment is forfeited and ceases to remain owing by the Company.

Where a section 212 notice is served on a Member, or another person appearing to be interested in shares held by that Member, and the Member or other person has failed in relation to any default shares to give the Company the information required within 14 days of the service of the section 212 notice and the default shares represent at least 0.25 per cent. in nominal value of the issued shares of their class then, unless the directors otherwise decide, any dividend (or any part of a dividend) or other amount payable in respect of the default shares shall be withheld by the Company, which has no obligation to pay interest on it and the Member is not entitled to elect to receive shares instead of a dividend.

5.2.5 *Distribution of assets on a winding up*

If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the Court) the liquidator may, with the authority of an extraordinary resolution and any sanction required by law, divide among the Members (excluding any Member holding shares as treasury shares) in kind the whole or any part of the assets of the Company and whether or not the assets consist of property of one kind or of different kinds and may for this purpose set such value as he deems fair on any class or classes of property and may determine on the basis of that valuation and in accordance with the then existing rights of Members how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the same authority, vest any part of the assets in the trustees upon such trust for the benefit of Members as the liquidator may think fit but so that no member shall be compelled to accept any asset in respect of which there is a liability or potential liability.

5.2.6 *Purchase of own shares*

Subject to the Statutes, the Company may purchase its own shares (including any redeemable shares) or enter into such agreement (contingent or otherwise) in relation to the purchase of its own shares on such terms and in such manner as may be permitted by the Statutes.

5.2.7 *Variation of class rights*

Subject to the Statutes, the rights attached to any class of shares may be modified, varied or abrogated (a) in such manner (if any) as may be provided by those rights or (b) in the absence of provision, either with the consent in writing of the holders of at least three fourths in nominal value of the issued shares of the class (excluding any shares of that class held as treasury shares) or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of that class (excluding any shares of that class held as treasury shares) and then only subject to the provisions of section 127 of the Act.

5.2.8 *Transfer of shares*

Subject to the provisions of the Articles, any Member may transfer all or any of his certificated shares by instrument of transfer in any usual form or in such other form as the directors may approve and the instrument must be executed by or on behalf of the transferor and (except in the case of a share which is fully paid up) by or on behalf of the transferee but need not be under seal. The transferor is deemed to remain the holder of the share until the name of the transferee is entered in the register of Members in respect of it.

Subject to the following paragraph, the directors may refuse to register a transfer of a certificated share unless it is (a) in respect of only one class of shares (b) in favour of not more than four joint transferees (c) duly stamped (if required), and (d) delivered for registration to the registered office of the Company from time to time or such other place as the directors may decide accompanied by the certificate for shares to be transferred (save in the case of a transfer by a recognised person to whom no certificate was issued) and such other evidence as the directors may reasonably require to prove the identity of the transferor and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf, the authority of that person to do so. The directors may impose restrictions on the transfer of a certificated share which is not fully paid, provided that the restrictions are not such as to prevent dealings in the shares from taking place on an open and proper basis.

Subject to the CREST Regulations, the directors may permit shares of any class to be held in uncertificated form and to be transferred by means of a relevant system and may determine that any class of shares shall cease to be a participating security.

The Board may refuse to register the transfer of an uncertificated share in any circumstances permitted by the London Stock Exchange, the CREST Regulations and the rules and practices of the operator of the relevant system.

Where a section 212 notice is served on a Member, or another person appearing to be interested in shares held by that Member, and the Member or other person has failed in relation to any default

shares to give the Company the information required within 14 days from the date of service of the section 212 notice and such shares represent at least 0.25 per cent. in nominal value of the issued shares of their class, then, unless the directors otherwise decide, no transfer of any of the default shares shall be registered unless the transfer is an excepted transfer (as defined in the Articles) or the Member is not himself in default in supplying the information required and the Member proves to the satisfaction of the directors that no person in default in supplying the information required is interested in any of the shares the subject of the transfer or the transfer is required by the CREST Regulations.

Other than as set out above, the Articles contain no restrictions as to the free transferability of fully paid shares.

5.2.9 *Alterations to capital*

The Company may by ordinary resolution: (a) increase its authorised share capital by a sum to be divided into shares of an amount prescribed by the resolution; (b) consolidate and divide all or any of its authorised share capital into shares of a larger amount than its existing shares; (c) cancel any authorised 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 authorised share capital by the amount of the shares so cancelled; and (d) subject to the Statutes, sub-divide all or any of its shares into shares of a smaller amount and may by the resolution determine that the shares resulting from such sub-division may have any preferred or other special rights or be subject to any restrictions, as compared with the others.

Subject to the Statutes and to the rights attached to existing shares, the Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner.

5.2.10 *Borrowing powers*

The directors may exercise all the powers of the Company to borrow money. The directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings so as to secure (as regards subsidiary undertakings so far as by such exercise they can secure) that the aggregate principal amount (including any premium payable on final repayment) remaining undischarged of all moneys borrowed by the Group does not at any time without the previous sanction of an ordinary resolution exceed a sum equal to three time(s) the aggregate of (a) the amount paid up on the allotted or issued share capital of the Company; and (b) the amount standing to the credit of the consolidated capital and revenue reserves of the Group (including any share premium account and capital redemption reserve) plus or minus the credit or debit balance, as the case may be, of the consolidated profit and loss account all as shown in the then latest audited consolidated balance sheet of the Group, adjusted as specified in the Articles.

5.2.11 *Directors*

Unless and until otherwise determined by the Company by ordinary resolution the number of directors is not subject to a maximum but must not be fewer than two.

The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an addition to the directors. A director so appointed shall hold office only until the dissolution of the annual general meeting following next after his appointment, unless he is reappointed during the meeting. A director so retiring shall not be taken into account in determining the number of directors who are to retire by rotation at such meeting.

Each director shall retire from office at the third annual general meeting after the annual general meeting at which he was last elected.

The remuneration of a director appointed to hold employment or executive office in accordance with the Articles may be a fixed sum of money or in whole or in part by participation in profits or otherwise as the directors may determine and may be in addition to or instead of a fee payable to him for his services as director pursuant to the Articles.

The directors are entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in the performance of their duties as directors, including their expenses of travelling to and from meetings of the directors or committees of the directors or general meetings or separate meetings of the holders of a class of shares and any expenses incurred by them in obtaining independent professional advice.

The directors may establish, maintain, participate in or contribute to or procure the establishment or maintenance of, participation in or contribution to any pension, superannuation, benevolent or life

assurance fund, scheme or arrangement (whether contributory or otherwise) for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances, benefits and emoluments to, any persons who are or were at any time in the employment or service of or who have at any time been directors of the Company or of any company which is or was a member of the Group or any of their predecessors in business (and for any member of his family, including a spouse or former spouse or a person who is or was dependent on him). Any director or former director shall be entitled to participate in and retain for his own benefit any such donations, gratuities, pensions, allowances, benefits or emoluments. The directors may arrange for this to be done by the Company either alone or in conjunction with any other person.

Without prejudice to the requirements of the Statutes, a director who is in any way, directly or indirectly, interested in a contract, arrangement, transaction or proposal with the Company shall declare the nature of his interest at the meeting of the directors at which the question of entering into the contract, arrangement, transaction or proposal is first taken into consideration, if he knows his interest then exists, or, in any other case, at the next meeting of the directors after he knows that he is or has become interested.

Except as provided in the Articles, a director may not vote in respect of any contract, arrangement, transaction or proposal to which the Company is or is to be a party and in which he is, to his knowledge, materially interested, directly or indirectly otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise in or through the Company. This prohibition does not apply to any resolution concerning any of the following matters namely:

- (a) the giving to him of a guarantee, security or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;
- (b) the giving to a third party of a guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility, in whole or in part, under a guarantee or indemnity or by the giving of security;
- (c) a contract, arrangement, transaction or proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings for subscription or purchase in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the director is to participate;
- (d) a contract, arrangement, transaction or proposal to which the Company is or is to be a party concerning any other company in which he is interested directly or indirectly and whether as an officer or shareholder or otherwise (relevant company) if he is not directly or indirectly the holder of or beneficially interested in one per cent. or more of a class of equity share capital of the relevant company (excluding any shares held as treasury shares) or of the voting rights available to members of the relevant company or able to cause one per cent. or more of those voting rights to be cast at his direction (and for the purposes of this Article, shares held by a director as bare or custodian trustee and in which he has no beneficial interest, shares comprised in a trust and in which the director's interest is in reversion or is in remainder, if and so long as another person is entitled to receive the income from the trust, and shares comprised in an authorised unit trust scheme in which the director is interested only as a unit holder are disregarded);
- (e) a contract, arrangement, transaction or proposal concerning the adoption, modification or operation of a pension, superannuation or similar scheme or retirement, death or disability benefits scheme or personal pension plan or employees' share scheme under which he may benefit and which has been approved by or is subject to and conditional on approval by the Board of Inland Revenue for taxation purposes or which does not accord to any director as such any privilege or benefit not accorded to the employees to whom the scheme or fund relates;
- (f) a contract, arrangement, transaction or proposal for the benefit of employees of the Company or any of its subsidiary undertakings under which the director benefits in a similar manner to the employees and which does not accord to any director as such any privilege or benefit not accorded to the employees to whom it relates; or
- (g) a contract, arrangement, transaction or proposal concerning the maintenance or purchase of any insurance policy for the benefit of directors or for the benefit of persons including directors.

6. Directors' and other Interests

- 6.1 Kevin Mahoney and Michael Vincent intend to subscribe for 2,250,000 and 50,000 New Ordinary Shares respectively pursuant to their entitlements under the Clawback Offer. In addition to the interests of the

Directors set out in the section headed “Share Incentive Schemes” in Part I of this document, the interests of the Directors and the Proposed Director and their immediate families, all of which (unless otherwise stated) are beneficial, and of their connected persons, within the meaning of section 346 of the Act, in the issued share capital of the Company which have been notified to the Company pursuant to Sections 324 and 328 of the Act or are required to be disclosed in the Register of Directors interests pursuant to Section 325 of the Act) as at the date of this document and as expected to be immediately following the Placing and Clawback Offer and Admission are as follows:

<i>Name</i>	<i>Number of 'A' Shares</i>	<i>Percentage of the issued 'A' Share capital</i>	<i>At the date of this document</i>		<i>Immediately following Admission</i>	
			<i>Number of Ordinary Shares</i>	<i>Percentage of issued Ordinary Share capital</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued Ordinary Share capital</i>
Philip Reid	–	–	–	–	–	–
Kevin Mahoney	30,000,000	60%	1,500,000	6.3%	3,750,000	6.3%
Michael Vincent	20,000,000	40%	1,000,000	4.2%	1,050,000	1.8%
John Minton	–	–	–	–	–	–

- 6.2 Save as disclosed in paragraph 6.1 above and this paragraph 6.2 the Directors and the Proposed Director are not aware of any interest (within the meaning of Part VI of the Act) in the Company’s share capital which at the date of this document and immediately following the Placing and Clawback Offer and Admission, would amount to 3 per cent. or more of the Company’s issued share capital or which would enable any person, directly or indirectly, jointly or severally, to exercise control over the Company.

<i>Name</i>	<i>At the date of this document</i>		<i>Immediately following Admission</i>	
	<i>Number of Ordinary Shares</i>	<i>Percentage of issued Ordinary Share capital</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued Ordinary Share capital</i>
Geraldton Services Inc	7,000,000	29.3%	42,850,000*	71.72%*
Nirland Limited	2,000,000	8.4%	2,000,000	3.35%
Rosenoble Limited	2,000,000	8.4%	2,000,000	3.35%
Linley Limited	1,000,000	4.2%	1,000,000	1.67%
Sabretooth Investments Limited	1,000,000	4.2%	1,000,000	1.67%
Tigerhawk Limited	970,000	4.1%	1,000,000	1.67%

* Assuming Geraldton’s maximum take-up under the Placing and Clawback Offer.

- 6.3 Save as set out in paragraphs 6.1 and 6.2 above, following the Placing and Clawback Offer and Admission, no Director or Proposed Director or any person connected with such a Director or Proposed Director (within the meaning of Section 346 of the Act) is expected to have any interest in the share capital of the Company.
- 6.4 There are no outstanding loans granted or guarantees provided by the Company to or for the benefit of any of the Directors or Proposed Director.
- 6.5 No Director or Proposed Director or member of such a Director’s or Proposed Director’s family has a related financial product referenced to Ordinary Shares.
- 6.6 Save as disclosed in this paragraph 6, no Director or Proposed Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company and which was effected by the Company and which remains in any respect outstanding or unperformed.

7. Shareholdings and Dealings

7.1 Definitions

For the purposes of this paragraph:

- (a) “arrangement” includes an indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature relating to relevant securities which may be an inducement to deal or refrain from dealing;
- (b) reference to an “associate” is to:
- (i) parent companies, subsidiaries and associated companies of Geraldton or the Company (as appropriate) and companies with which any such subsidiaries or associated companies are associated;

- (ii) the banks, financial and other professional advisers (including stockbrokers) to Geraldton or the Company (as appropriate) or any company referred to in (i) above, including persons controlling, controlled by or under the same control as such banks, financial or other professional advisers;
 - (iii) the directors of Geraldton or the directors of the Company (as appropriate) together in each case with members of their immediate families or related trusts or their connected persons or the directors of any company referred to in (i) above;
 - (iv) the pension funds of Geraldton or the Company (as appropriate) or any company referred to in (i) above;
 - (v) in relation to Geraldton or the Company, an investment company, unit trust or other person whose investments an associate (as otherwise defined in this sub-paragraph (b) the Company respectively manages on a discretionary basis, in respect of the relevant investment accounts; and
- (c) ownership or control of 20 per cent. or more of the equity share capital is regarded as the test of associated company status and “control” means a holding, or aggregate holdings, of shares carrying 30 per cent. or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether the holding gives, or aggregate holdings give, de facto control;
 - (d) reference to a “bank” does not include a bank whose sole relationship with Geraldton or the Company (as appropriate) or any company referred to in paragraph (a)(i) above is the provision of normal commercial banking services or such activities in connection with the Offer as handling acceptances and other registration work;
 - (e) “relevant securities” means Ordinary Shares and securities convertible into, rights to subscribe for Ordinary Shares, options (including traded options) in respect of and derivatives referenced to, any of the foregoing; and
 - (f) “disclosure period” means the period commencing on 1 April 2004 (being the date 12 months prior to the posting of this document) and ending on 1 April 2005 (being the latest practicable date prior to the posting of this document).

7.2 *Shareholdings in Ordinary Shares*

- (a) As at the last day of the disclosure period, Geraldton held interests in Ordinary Shares as follows:

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued Ordinary Share Capital</i>
Geraldton Services Inc.	7,000,000	29.3%

- (b) Following completion of the Proposals, Geraldton will hold up to 40,550,000 Ordinary Shares representing 67.87 per cent. of the then issued share capital of the Company. These shares will be held as follows:

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued Ordinary Share Capital</i>
Geraldton Services Inc.	42,850,000	71.72%

- (c) As at the last day of the disclosure period, no person advising the Company owned or controlled any relevant securities of the Company.
- (d) As at the last day of the disclosure period, no person acting in concert with Geraldton owned or controlled relevant securities of the Company.

7.3 *Dealings in Ordinary Shares*

Other than the subscriptions for Ordinary Shares referred to in paragraph 4 of this Part VI of this document, there have been no dealings for value in Ordinary Shares by the Directors and Proposed Director, their respective immediate families and related trusts, persons acting in concert with the Company or persons with whom the Company or persons acting in concert with the Company have an arrangement that have taken place during the disclosure period.

7.4 *General*

- (a) Save as disclosed in this paragraph 7, neither Geraldton, Lord Ashcroft nor any member of his immediate family or related trusts, nor any of their connected persons, nor either of the directors of Geraldton is interested in and, so far as Lord Ashcroft is aware (having made due and careful enquiry), no person acting in concert with Geraldton owns or controls, in either case directly or indirectly, any relevant securities nor has any such person dealt for value therein during the disclosure period.
- (b) Save as disclosed in paragraph 6 and this paragraph 7, neither the Company, nor any of the Directors or the Proposed Director, nor any member of their immediate families or related trusts, nor any of their connected persons is interested in and no person owns or controls, in either case directly or indirectly, any relevant securities nor has any such person dealt for value therein during the disclosure period.
- (c) Save as disclosed in this paragraph 7, no bank, stockbroker, financial or other professional adviser to Geraldton or to any subsidiary or associated company of Geraldton (other than an exempt market-maker) nor any person controlling, controlled by or under the same control as any such adviser nor any pension fund of Geraldton or any of its subsidiaries nor any person whose investments are managed on a discretionary basis by fund managers (other than exempt fund managers) connected with Geraldton owns or controls, or is interested, directly or indirectly, in any relevant securities neither has any such person dealt therein for value during the disclosure period.
- (d) Save as disclosed in this paragraph 7, no bank, stockbroker, financial or other professional adviser to the Company or to any subsidiary or associated company of the Company (other than an exempt market-maker) nor any person controlling, controlled by or under the same control as any such adviser nor any pension fund of the Company or any of its subsidiaries nor any person whose investments are managed on a discretionary basis by fund managers (other than exempt fund managers) connected with the Company owns, controls, or is interested, directly or indirectly, in any relevant securities nor has any such person dealt therein for value during the disclosure period.
- (e) The acquisition of New Ordinary Shares by Geraldton will be financed from its own resources. There will therefore be no loan facilities, the payment of interest on repayment of, or security for which, will depend on any extent on the business of the Company.
- (f) Neither the Company, nor the Directors or the Proposed Director, nor any member of their immediate families or related trusts, nor any of their connected persons is interested in and no person owns or controls, in either case directly or indirectly, any shares in Geraldton nor has any such person dealt for value therein during the disclosure period.

8. Directors' and Proposed Director's remuneration and service agreements

- 8.1 Kevin Mahoney entered into a service agreement as Chief Executive with the Company on 1 November 2004 terminable by either party on 12 months' written notice (or payment of salary in lieu of notice). Mr. Mahoney receives a salary of £120,000 per annum, a car allowance of £9,000 per annum, annual pension contributions of £20,000, private medical insurance, permanent health insurance, death in service benefit equal to four times salary, 30 days paid holiday per annum and a bonus entitlement of up to 75 per cent. of salary. Mr Mahoney has agreed to waive these benefits (other than his salary) until completion of a second acquisition by Mavinwood.
- 8.2 Michael Vincent entered into a service agreement as Finance Director with the Company on 1 November 2004 terminable by either party on 12 months' written notice (or payment of salary in lieu of notice). Mr. Vincent receives a salary of £100,000 per annum, a car allowance of £9,000 per annum, annual pension contributions of £20,000, private medical insurance, permanent health insurance, death in service benefit equal to four times salary, 30 days paid holiday per annum and a bonus entitlement of up to 75 per cent. of salary. Mr Vincent has agreed to waive these benefits (other than his salary) until completion of a second acquisition by Mavinwood.
- 8.3 Philip Reid entered into a letter of appointment as non-executive Chairman with the Company on 13 April 2005 terminable by either party on three months' written notice. He is expected to spend fifty days a year on the business of the Company and will receive a payment of £15,000 per annum with effect from Admission.
- 8.4 John Minton will enter into a service agreement with ReStore Limited on Completion, terminable by either party on 12 months' written notice (or payment of salary in lieu of notice) expiring no earlier than 30 April 2006. Mr. Minton will receive a salary of £36,000 per annum and will be provided with a motor car.

- 8.5 Save as disclosed in paragraphs 8.1 to 8.4 (inclusive) above, there are no service or consultancy contracts, existing or proposed, between any Director or the Proposed Director and any member of the Group.
- 8.6 The aggregate remuneration and benefits in kind to be paid to the Directors for the financial period ended 31 December 2004 was £36,667. It is estimated that under arrangements currently in force, the aggregate remuneration and benefits in kind to be paid to the Directors and the Proposed Director for the financial period ending 31 December 2005 will be approximately £254,000.
- 8.7 No proposal exists in connection with the Placing and Clawback Offer whereby any payment or other benefit will be made or given to any Director or Proposed Director as compensation for loss of office or as consideration for, or in connection with, his retirement from office.
- 8.8 Save as disclosed above, there have been no amendments made to any Director's or Proposed Director's service contracts with the Company.

9. Additional Information on the Board

- 9.1 In addition to directorships of the Company the Directors and the Proposed Director hold or have held the following directorships and are or have been partners in the following partnerships within the five years prior to the date of this document:

<i>Director</i>	<i>Current Directorships</i>	<i>Past Directorships</i>
Philip Reid	Air Club Limited Next Generation Sports plc Next Generation Sports Events Limited IFEX Innovation Finance & Equity Exchange Limited Douris UK Limited Concierge Property Services Limited Harbinger Capital plc Study Abroad UK Limited Movo plc Multisport Services plc	Visual Corporation Limited Portman Productions Limited Portman Entertainment Group Limited Frictionless Hinges and Joints Limited (dissolved 26 December 2000) Adorian plc Portman Entertainment Limited Portman Media Assets Limited Caplay plc Custom House Investment Partners Limited Custom House Associates (UK) Limited
Kevin Mahoney	Centre for Economics and Business Research Limited Metals Exploration plc	ISS Airport Services Limited ISS Contract Clean (Southern) Limited ISS Care UK Limited SWIRL Industrial Services Limited SWIRL Service Group Limited Joseph Gilman & Son Limited Safe Passage (UK) Limited Morris Plains Limited Chinon Rights Limited Cartridge-Wise (UK) Ltd The Cleaning & Support Services Association ISS Servisystem Limited ISS Transport Services Limited ISS Facility Services Limited ISS Workwear & Washroom Services Limited Ideal Painting Contractors Limited ISS Servisystem North Limited Ideal Service Stations Limited ISS Scotland Limited ISS UK Limited ISS Supplies Limited ISS Finance & Investment (Bishop Auckland) Limited ISS Finance & Investment Limited ISS Servisystem Midlands Limited ISS Payroll Services Limited Blue Ribbon Contract Services Limited Blue Ribbon Group Limited ISS Servisystem Southwest & Wales Limited Raglan House Estates Limited ISS Multiservice Limited

<i>Director</i>	<i>Current Directorships</i>	<i>Past Directorships</i>
Kevin Mahoney (continued)		ISS Support Services Limited SWIRL Holdings Limited ISS Aviation UK Limited ISS Servisystem South Limited ISS Servicelink Limited ISS Mediclean Limited
Michael Vincent		PwC BPO (France) SAS PwC SF0 (Hellas Oil Product Services SA PwC BPO (Portugal) Gestao de Processos SA PWC BPO Ireland Limited Melior SRL Business Process Outsourcing Spain, SL PT BPO Indonesia BPO EA Malaysia Sdn Bhd BPO EA (Thailand) Co Ltd BPO Hong Kong Ltd BPO Admin EA (Singapore) Pte Ltd Global BPO (India) Private Ltd Efdex European Holdings PLC Multi Media Infrastructures Limited TRX TV Limited Food & Drink News Network Limited Efdex Limited
John Minton	First Circle Limited Movedon Limited ReStore Group Holdings Limited ReStore Limited Simian Lemur Productions Limited	Safeunder Services Limited Offshore Express Limited Followlarge Limited Storefile Limited

9.2 Until 25 August 2000, Michael Vincent was a director of internet start-up companies, Efdex Limited, and Efdex European Holdings PLC, which were placed in creditors' voluntary liquidation on 15 September 2000. The total deficit to third party creditors was approximately £17.3 million.

9.3 Mr Reid was a director of the following companies:

- 9.3.1 Buckingham Communications PR Limited ("Buckingham"), which was compulsorily wound up on 3 November 1993;
- 9.3.2 Warringtons plc, which had an administrative receiver appointed on 9 May 1991. The administrative receiver ceased to act on 27 April 1998;
- 9.3.3 Custom House Associates (UK) Limited, which was compulsorily wound up on 13 October 1999;
- 9.3.4 Visual Corporation Limited ("Visual"), which entered into a creditors voluntary liquidation on 9 January 2002.

In the case of Buckingham, Mr Reid believes that he resigned as a director more than twelve months prior to the event referred to above. However, according to records at Companies House, it would appear that his resignation might not have been filed.

In the case of Visual, Mr Reid resigned from the parent company, Adorian PLC on 1 October 2001, and believes that he had also resigned from Visual. However, according to records at Companies House, it would appear that his resignation might not have been filed.

9.4 Save for paragraphs 9.2 and 9.3 above, none of the Directors or Proposed Director has:

- 9.4.1 any unspent convictions in relation to indictable offences;
- 9.4.2 had any bankruptcy order made against him or entered into any voluntary arrangements;
- 9.4.3 been a director of a company which has been placed in receivership, compulsory liquidation, administration, been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;
- 9.4.4 been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;

- 9.4.5 been the owner of any assets or a partner in any partnership which has been placed in receivership whilst he as a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
- 9.4.6 been publicly criticised by any statutory or regulatory authority (including recognised professional bodies); or
- 9.4.7 been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a Company.

10. Share Incentive Schemes

10.1 *Mavinwood Share Option Scheme*

10.1.1 *Administration*

The Company's Remuneration Committee ("the Committee") is responsible for administering the Option Scheme. The Option Scheme is divided into two parts: the approved part, for which it is intended to seek the Inland Revenue's approval, and the non-approved part.

10.1.2 *Grant of options and eligibility*

The Committee may grant options to acquire Ordinary Shares to any employee or full-time or, in the case of non-approved options, part-time director of the Group. Options are granted free of charge and are non-transferable.

10.1.3 *Period for the grant of options*

The first grant of approved options may be made within 42 days following the Inland Revenue's approval of the approved part of the Option Scheme ("the approval date"). The first grant of options under the non-approved part of the Option Scheme may be made within 42 days following the adoption of the Option Scheme by the Company. Thereafter, options may be granted within 42 days following the announcement of the Company's interim and/or final results for any period. In exceptional circumstances, options may be granted at other times.

10.1.4 *Exercise price*

The exercise price per Ordinary Share is determined by the Committee but must be no less than its market value at the date of grant (or its nominal value, if higher).

10.1.5 *Performance test*

The Committee may impose an objective condition ("the performance test") on the exercise of options, requiring a sustained and significant improvement in the Group's financial performance over a continuous period. It is proposed that the first grant of options will vest in full in three tranches if the growth in the Company's earnings per share ("EPS") in the previous financial year is 10 per cent. or more. For this initial grant of options, the base EPS against which the Company's EPS growth will be measured, will be determined by the Committee. In the event that the EPS growth each year is less than 10 per cent. but 6 per cent. or more, the percentage of Ordinary Shares under option which will vest is as follows:

<i>Growth in EPS in previous financial year</i>	<i>Percentage of Ordinary Shares in annual tranche which vest</i>
no less than 6% but less than 7%	20%
no less than 7% but less than 8%	40%
no less than 8% but less than 9%	60%
no less than 9% but less than 10%	80%

Any shortfall in the percentage of Ordinary Shares under option vesting (up to a maximum shortfall of 40 per cent.) will vest in the following year if the performance test is exceeded by an equivalent amount in that year.

10.1.6 *Individual Limits*

An individual's participation under the approved part of the Option Scheme is limited so that the aggregate market value at the date of grant of the Ordinary Shares comprised in subsisting options granted to him under all Inland Revenue approved schemes (except savings-related schemes) cannot exceed £30,000.

An individual's overall participation under the Option Scheme is generally limited so that the aggregate market value of the Ordinary Shares over which options may be granted to him under the Option Scheme cannot exceed 3 per cent. of the Company's issued ordinary share capital at the date of grant.

10.1.7 *Option Scheme limits*

The number of Ordinary Shares issued or issuable (or transferred or transferable from treasury) pursuant to options granted under the Option Scheme when aggregated with the number of Ordinary Shares issued or issuable (or transferred or transferable from treasury) pursuant to all rights granted under the Option Scheme within the previous period of ten years, may not exceed 5 per cent. of the Company's issued ordinary share capital at the date of grant.

The number of Ordinary Shares issued or issuable (or transferred or transferable from treasury) pursuant to options granted under the Option Scheme, when aggregated with the number of Ordinary Shares issued or issuable (or transferred or transferable from treasury) pursuant to all rights granted under all Group share schemes within the previous period of ten years, may not exceed 15 per cent. of the Company's issued ordinary share capital at the date of grant.

10.1.8 *Exercise and lapse of options*

General position

An option is normally exercisable between three and ten years from the date of grant, provided that the performance condition which is set has been satisfied.

Special Circumstances

Options will normally lapse on cessation of employment except in particular situations such as ill health, injury, disability, redundancy or death. Exercise is also permitted in special circumstances such as a takeover and in the event of a takeover options under the unapproved part of the Option Scheme would become exercisable immediately notwithstanding the fact that the option may not have been held for three years and options under the approved part of the Option Scheme would become exercisable in part, dependent upon the length of time which has elapsed from the date the option was granted.

Exchange of options on a takeover

In the event of a takeover, a participant may be permitted to exchange his options for options over shares in the acquiring company.

10.1.9 *Variations of share capital*

On certain variations of the ordinary share capital of the Company the Directors may, subject to the approval of the Company's auditors and the Inland Revenue, adjust the exercise price and the number of Ordinary Shares comprised in existing options.

10.1.10 *Pensionability of benefits*

Benefits derived under the Option Scheme are not pensionable.

10.1.11 *Amendment*

The Directors may amend the Option Scheme to obtain and/or maintain Inland Revenue approval in respect of the approved part of the Option Scheme. The Directors may also make any other amendments provided that:

10.1.11.1 any amendment to a key feature of the approved part of the Option Scheme will not take effect until it has been formally approved by the Inland Revenue; and

10.1.11.2 any amendment to certain important rules (including those relating to the overall limit on the Option Scheme, the individual limits and eligibility to participate in the Option Scheme) to the advantage of participants or future participants may only be made with the sanction of the Company in general meeting (except that shareholder approval is not required for minor amendments to obtain or maintain favourable tax, exchange control or regulatory treatment for participants, future participants or companies within the Group).

10.1.12 *Termination*

The Option Scheme will terminate ten years after the approval date or earlier, if the Directors so determine.

10.2 *Mavinwood Long-Term Incentive Plan*

10.2.1 *Administration*

The Company's Remuneration Committee ("the Committee") is responsible for administering the LTIP.

10.2.2 *Grant of awards and eligibility*

The Committee may grant awards to acquire Ordinary Shares in the Company to any employees and full-time or part-time directors of the Group. Awards are granted free of charge and are non-transferable.

10.2.3 *Period for the grant of awards*

The first grant of awards may be made within 42 days following the adoption of the LTIP. Thereafter, awards may be granted within 42 days following the announcement of the Company's interim and/or final results for any period. In exceptional circumstances, awards may be granted at other times.

10.2.4 *Constitution of awards*

Awards under the LTIP comprise options to acquire Ordinary Shares at nominal value which will be subject to performance targets. A participant granted an option under the LTIP will be required to make a payment of 0.1p per Ordinary Share when he exercises his option.

10.2.5 *Performance test*

The Committee shall impose an objective condition or conditions ("the performance test") on the vesting of awards, requiring a sustained and significant improvement in the Group's financial performance over a continuous period. The performance test to be applied to the initial awards made to the executive Directors comprises two limbs. The Ordinary Shares under the initial awards will vest in three equal tranches subject to satisfaction of either of two tests each year in respect of each tranche, the first test being of growth in earnings per share ("EPS") and the second of total shareholder return. The first test is that the average annual compound growth in the Company's EPS exceeds 12 per cent. in the three periods each beginning 1 January 2005 and ending on 31 December 2007, 2008 and 2009 respectively. For this initial grant of awards, the base EPS against which the Company's EPS growth will be measured, will be determined by the Committee. The second test is based on the Company's total shareholder return (that is share price growth plus reinvested dividends) measured over the specified periods commencing with the date of Admission as shown in the table below:

<i>Years following Admission</i>	<i>TSR</i>
3	70%
4	85%
5	100%

TSR shall be measured using the average share price over 20 consecutive dealing days immediately prior to the relevant anniversary following Admission and comparing this with the Issue Price. In the event that the relevant performance target has not been met in relation to each tranche of the LTIP award, that tranche of the award shall lapse.

10.2.6 *Individual Limits*

An individual's overall participation under the LTIP is generally limited so that the aggregate market value at the date of grant of the Ordinary Shares over which awards have been granted to him cannot exceed 5 per cent. of the Company's issued ordinary share capital at the date of grant.

10.2.7 *LTIP limits*

The number of Ordinary Shares issued or issuable (or transferred or transferable from treasury) pursuant to awards granted under the LTIP when aggregated with the number of Ordinary Shares issued or issuable (or transferred or transferable from treasury) pursuant to all rights granted under the LTIP within the previous period of ten years, may not exceed 10 per cent. of the Company's issued ordinary share capital at the date of grant.

The number of Ordinary Shares issued or issuable (or transferred or transferable from treasury) pursuant to awards granted under the LTIP, when aggregated with the number of Ordinary Shares issued or issuable (or transferred or transferable from treasury) pursuant to all rights granted under all Group share schemes within the previous period of ten years, may not exceed 15 per cent. of the Company's issued ordinary share capital at the date of grant.

10.2.8 *Exercise and lapse of awards*

General position

An award normally vests in three tranches:

- as to one-third of the Ordinary Shares subject to the award, on the third anniversary of the date of the award;
- as to one-third of the Ordinary Shares subject to the award, on the fourth anniversary of the date of the award; and
- as to one-third of the Ordinary Shares subject to the award, on the fifth anniversary of the date of the award if and to the extent that the performance test has been satisfied in respect of each tranche. To the extent that an award does not vest because the performance test has not been met it shall lapse.

Special circumstances

Awards will normally lapse on cessation of employment except in particular situations such as death or ill health when awards will vest *pro rata* to the length of time since the date of award (subject to satisfaction of the performance test). Early vesting also arises in special circumstances such as a takeover (subject to satisfaction of the performance test) and, in the event of a takeover, a participant may be permitted to exchange his awards for awards over shares in the acquiring company.

10.2.9 *Variations of share capital*

On certain variations of the ordinary share capital of the Company, the Committee may, subject to the approval of the Company's auditors, adjust the number of Ordinary Shares comprised in existing awards.

10.2.10 *Pensionability of benefits*

Benefits derived under the LTIP are not pensionable.

10.2.11 *Amendment*

The Committee may make any amendment to the LTIP provided that amendments to certain important rules (including those relating to the overall limit on the LTIP, the individual limits and eligibility to participate in the LTIP) to the advantage of participants may only be made with the sanction of the Company in general meeting (except that shareholder approval is not required for minor amendments to benefit the administration of the LTIP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants, future participants or participating companies).

10.2.11 *Termination*

The LTIP will terminate ten years after the date it is adopted or earlier, if the Committee so determines.

11. Material contracts

11.1 The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company within the period from incorporation to the date of this document and are, or may be, material:

11.1.1 A placing agreement dated 1 November 2004 and made between the Company (1) and Seymour Pierce (2) pursuant to which Seymour Pierce agreed to use its reasonable endeavours, as agent for the Company, to procure subscribers for 21,400,000 Ordinary Shares at a price of 10p per share. The agreement contained certain indemnities and warranties from the Company in favour of Seymour Pierce together with provisions which enabled Seymour Pierce to terminate the agreement in certain circumstances prior to the admission to AIM of the Ordinary Shares, including circumstances where any of the warranties were found to be untrue or inaccurate in any material respect. Under the agreement the Company agreed to pay Seymour Pierce a corporate finance advisory fee of £50,000 together with a commission of 4 per cent. of the funds raised by Seymour Pierce.

11.1.2 Lock-in agreements between each of the Initial Directors (1), the Company (2) and Seymour Pierce (3) dated 1 November 2004 pursuant to which the Initial Directors have undertaken to the Company and Seymour Pierce that they will not dispose of any Ordinary Shares (other than with the consent of Seymour Pierce and in certain specified circumstances including in acceptance of a recommended takeover offer for the Company or agreement to accept a takeover offer for the Company by the provision of an irrevocable undertaking or by way of a sale to any offeror or potential offeror in respect of any such offer, in each case provided that such offer is open to all the holders of Ordinary Shares and is otherwise made in accordance with the Code for the entire issued share capital of the Company), for a period of 12 months from 5 November 2004 ("Lock-in Period"). Furthermore, each of the Initial Directors has also undertaken to the Company and Seymour Pierce not to dispose of their Ordinary Shares following the expiry of the Lock-in Period otherwise than through Seymour Pierce for such time as it shall remain broker to the Company.

11.1.3 A nominated adviser agreement dated 1 November 2004 and made between the Company (1) and Seymour Pierce (2) pursuant to which the Company has appointed Seymour Pierce to act as Nominated Adviser to the Company for the purposes of the AIM Rules. The Company has agreed to pay Seymour Pierce a fee of £15,000 (together with any applicable VAT) per annum for its services as Nominated Adviser under this agreement. The agreement contains certain undertakings and indemnities given by the Company and the Initial Directors in respect of, *inter alia*, compliance with all applicable laws and regulations. The nominated adviser agreement continues for a fixed period of one year from the date of the agreement and thereafter is subject to termination on the giving of three months' notice by either party.

11.1.4 A broker agreement dated 1 November 2004 and made between the Company (1) and Seymour Pierce (2) pursuant to which the Company has appointed Seymour Pierce to act as Broker to the Company for the purposes of the AIM Rules. The Company has agreed to pay Seymour Pierce a fee of £15,000 (together with any applicable VAT) per annum for its services as broker under this agreement. The broker agreement continues for a fixed period of one year from the date of the agreement and thereafter is subject to termination on the giving of three months' notice by either party.

11.1.5 An agreement the ("Placing Agreement") dated 13 April 2005 and made between the Company (1), the Initial Directors (2), Seymour Pierce (3) and Geraldton (4) pursuant to which Geraldton has agreed to subscribe for the New Ordinary Shares at the Issue Price, subject to clawback to satisfy valid applications from Qualifying Shareholders under the Clawback Offer.

The Placing Agreement contains certain warranties from the Company and the Initial Directors in favour of Geraldton. The liability of the Initial Directors for breach of warranty is limited. Under the Placing Agreement the Company has agreed to pay Geraldton a commission of 2 per cent. of the funds raised under the Placing and Clawback Offer.

11.1.6 An agreement (the "Facilities Agreement") dated 13 April 2005 between AIB and the Company, pursuant to which the Bank has agreed to provide a secured revolving credit facility of up to £1,600,000 and a secured term loan facility of £1,900,000 to the Company for the purposes of funding the Acquisition and for the Group's working capital requirements. The term loan facility is only to be drawn down to assist in the payment of the Deferred Consideration and related costs. The facilities are to be secured by full fixed and floating charges over the assets of the Company and of the ReStore Group. The facilities will bear interest initially at a margin 1.9 per cent. over LIBOR and associated costs. The margin may decrease to the extent that the Company's net debt cover ratio is in line with targets set out in the Facilities Agreement and may reduce to as low as 1.35 per cent. The term loan facility is to be repaid in tranches commencing on 31 December 2006 of £250,000, of £325,000 on each 31 December 2007 and 2008 and with a final repayment of £1,000,000 on the date falling three years after the date of the Facilities Agreement. The revolving credit facility is for a period of three years of the date of the Facilities Agreement.

11.1.7 An intercreditor deed between the Vendors (as defined below) and the Bank pursuant to which the rights of the Vendors under the Vendors' Debenture (as defined below) will be wholly subordinated to the rights held by the Bank under the security to be granted to it by the Company and the ReStore Group pursuant to the Facilities Agreement.

11.1.8 By the Acquisition Agreement dated 14 April 2005 and made between John Minton and Richard Hunt ("the Warrantors") and, Paul Smith and Neil Clarke (together with the Warrantors "the Vendors") (1) and the Company (2), the Company has agreed to acquire all of the issued shares in ReStore. The agreement is conditional upon:

- (a) the Resolutions being passed without material amendment by 10 May 2005;
- (b) the Placing Agreement not being terminated and becoming unconditional in all respects in accordance with its terms (save for any condition relating to Admission or the allotment of the the New Ordinary Shares or the Acquisition Agreement becoming unconditional or being completed);
- (c) the Facility Agreement not being terminated and becoming unconditional in all respects in accordance with its terms (save for any condition relating to Admission or the Acquisition Agreement becoming unconditional or being completed);
- (d) each of ReStore, and its wholly owned subsidiary ReStore Limited having sufficient net assets to comply with the provisions of sections 155(6) and 156 of the Act to provide financial assistance (as defined in section 152(1)(a) of the Act) to enable the Company to acquire the shares in ReStore; and
- (e) Admission occurring by 8.00 a.m. on 11 May 2005 (or such later date as the Company may agree not being later than 17 May 2005).

The consideration for the Acquisition is an initial cash consideration of £6,000,000 to be paid to the Vendors on Completion. This figure is subject to adjustment on a £1 for £1 basis by the amount by which the cash and certain prepayments exceed or is less than the indebtedness on 31 March 2005. In addition deferred consideration of £8 for every £1 of EBIT of ReStore for the year ending 31 March 2006 in excess of £730,000, up to a maximum of £5,000,000 (less an amount equal to the corporation tax liability of ReStore for the period from 1 January 2005 to 31 March 2005) is payable following the agreement or determination of the EBIT of ReStore for the year ending 31 March 2006. The deferred consideration is payable half in cash and half by the allotment of Ordinary Shares at the Issue Price. The Company's obligation to pay the deferred consideration is guaranteed by

ReStore and secured by a second charge (“Vendors’ Debenture”) over the assets of the ReStore Group.

The Warrantors have given warranties in relation to the business and operations of the ReStore Group. These warranties will be repeated upon completion of the Acquisition. The time limit for the Company to give notice of a claim for breach of the warranties (other than the taxation warranties) expires on the date falling two years after Completion and for the tax warranties and for claims under the Tax Deed, seven years after Completion. Warranty claims are subject to certain limitations. The maximum aggregate amount of any claims that can be made by the Company for any breach of warranty under the Acquisition Agreement and claims under the Tax Deed is the value of the consideration paid to the Warrantors.

The Warrantors have agreed not to compete with the business of ReStore for a period of three years following Completion.

- 11.2 There are no contracts (not being contracts entered into in the ordinary course of business) which are, or may be, material and which have been entered into by any member of the ReStore Group during the two years immediately preceding the date of this document or which contain any provision under which any member of the ReStore Group has any obligation or entitlement which is material to the ReStore Group as at the date of this document.

12. Litigation

Neither the Company, nor any member of the ReStore Group, is involved in any legal or arbitration proceedings which may have or have had a significant effect on the Company’s or the ReStore Group’s financial position and, so far as the Directors and the Proposed Director are aware, there are no such proceedings pending or threatened against the Company or any member of the ReStore Group.

13. Working capital

In the opinion of the Directors and the Proposed Director, having made due and careful enquiry, the working capital available to the Company having regard to the proceeds of the Placing and Clawback Offer will be sufficient for its present requirements, that is for at least the next 12 months from the date of Admission.

14. Taxation

The following statements are intended only as a general guide to the current tax position under UK taxation law and practice. An investor who is in any doubt as to his or her tax position or is subject to tax in any jurisdiction other than the UK should consult his or her professional adviser without delay.

14.1 United Kingdom taxation

The statements set out below are general in nature and are intended only as a general guide to certain aspects of current UK law and practice and apply only to certain categories of persons. The summary does not purport to be a complete analysis of all the potential tax consequences of acquiring, holding and disposing of Ordinary Shares and only relates to the position of Shareholders who are the beneficial owners of their Ordinary Shares and who hold their Ordinary Shares as investments; in particular it does not address the position of certain classes of shareholders, such as dealers in securities.

Prospective purchasers of Ordinary Shares who are in any doubt about their tax position, and in particular those who are subject to taxation in any jurisdiction other than the UK, are strongly recommended to consult their own tax advisers concerning the tax consequences of the acquisition, ownership and disposal of Ordinary Shares.

This summary is based upon UK law and practice as of the date of this document. UK law and practice may be subject to change, possibly with retroactive effect.

14.2 Dividends

No tax is withheld on dividends paid by the Company.

In respect of dividends on Ordinary Shares, individual shareholders who are resident in the UK for tax purposes are entitled to a tax credit at the rate of one ninth of the cash dividend or ten per cent, of the aggregate of the cash dividend and the associated tax credit. Dividend income will be treated as the top slice of an individual’s income. Shareholders receiving dividends will be liable to income tax (if at all) on the aggregate of the dividend and the associated tax credit at, in the case of starting and basic rate taxpayers, the Schedule F ordinary rate (10 per cent. in 2005-2006) or, in the case of higher rate taxpayers, the Schedule F upper rate (32.5 per cent. in 2005-2006). The tax credit is offset against the total income tax liability. Taxpayers who, after taking into account dividend income, are liable to UK income tax at only the starting

or basic rate will have no further liability to income tax. Higher rate taxpayers will, after taking into account the tax credit, have an additional tax liability of 25 per cent. of the cash dividend.

No repayment of the tax credit in respect of dividends can be claimed by a UK resident Shareholder.

Subject to certain exceptions for some insurance companies, UK tax resident corporate shareholders are not (unless carrying on a trade of dealing in shares) liable to UK corporation tax or income tax in respect of dividends.

Non-UK resident Shareholders and Shareholders subject to tax in a jurisdiction other than the UK should consult an appropriate professional adviser concerning their liabilities to tax on dividends received and the effect of the above rules for them.

14.3 *Taxation of chargeable gains*

A disposal of all or any part of a holding of Ordinary Shares may, depending on the Shareholder's individual circumstances, give rise to a liability to pay UK taxation on chargeable gains. Individuals, personal representatives and trustees resident or ordinarily resident for tax purposes in the UK may be entitled to business asset taper relief which has the effect of reducing the chargeable gain. Corporate Shareholders are not entitled to taper relief but may receive indexation allowance, which reduces the gain, broadly, by the value of inflation.

The amount of money subscribed for the New Ordinary Shares will constitute the base cost of the relevant shares.

14.4 *UK inheritance tax*

The Ordinary Shares will be assets situated in the UK for the purposes of UK inheritance tax. A gift of such assets by, or on the death of, an individual holder of such assets may (subject to certain exemptions and reliefs, in particular business property relief) give rise to a liability to UK inheritance tax. This is regardless of whether or not the individual holder is domiciled or deemed to be domiciled in the UK and whether or not the holder is resident and/or ordinarily resident in the UK for tax purposes. For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift and particular rules apply where the donor reserves or retains some interest or benefit in the property being transferred. Special rules also apply to close companies and to trustees of settlements who hold Ordinary Shares bringing them within the charge to UK inheritance tax.

14.5 *Stamp duty and stamp duty reserve tax*

The subscription for New Ordinary Shares pursuant to the Clawback Offer will be free of stamp duty and stamp duty reserve tax unless the New Ordinary Shares are acquired for the purposes of an arrangement for the provision of clearance services or the issue of depositary receipts. The Company will not be responsible for the payment of stamp duty or stamp duty reserve tax in any such case.

15. **Market Quotations**

The following table lists the closing middle market quotations for Ordinary Shares on the first dealing day of each of the four months prior to the date of this document since admission of the Ordinary Shares to AIM and on 13 April 2005 (the latest practicable date prior to posting of this document) as derived from the AIM Appendix to the Daily Official List:

<i>Date</i>	<i>Ordinary Shares Price (p)</i>
1 December 2004	11.50p
4 January 2005	10.50p
1 February 2005	10.75p
1 March 2005	10.75p
1 April 2005	9.00p
13 April 2005	10.38p

16. **General**

16.1 The gross proceeds of the Placing and Clawback Offer are expected to be £3,943,500. The total costs and expenses relating to Admission and the Placing and Clawback Offer are payable by the Company and are estimated to amount to approximately £625,000 (excluding VAT).

16.2 Grant Thornton UK LLP has given and not withdrawn its written consent to the issue of this document with the inclusion of its report and the references to its name in the form and context in which they appear and accepts responsibility for their report for the purposes of paragraph 45 (1)(b)(iii) of Schedule 1 of the POS Regulations.

- 16.3 Seymour Pierce has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which it appears.
- 16.4 Other than the current application for Admission, the Ordinary Shares have not been admitted to dealings on any recognised investment exchange nor has any application for such admission been made nor are there intended to be any other arrangements for dealings in the Ordinary Shares.
- 16.5 The accounting reference date of the Company is 31 December.
- 16.6 For the purposes of paragraph 21(a) of Part IV of Schedule I to the POS Regulations, there is no minimum amount which must be raised for the Company pursuant to the Placing and Clawback Offer.
- 16.7 The Issue Price represents a premium of 10.9p over the nominal value of 0.1 pence per Ordinary Share.
- 16.8 It is expected that definitive share certificates will be dispatched by hand or first class post by 17 May 2005. In respect of uncertificated shares it is expected that Shareholders' CREST stock accounts will be credited on 11 May 2005.
- 16.9 The Directors and the Proposed Director are unaware of any exceptional factors which have influenced the Company's activities.
- 16.10 The Directors and the Proposed Director are not aware of any patents or other intellectual property rights, licences or particular contract which are or may be of fundamental importance to the Company's business.
- 16.11 There has been no material change in the trading or financial position of the Company since 31 December 2004, being the date of the last completed financial period of the Company.
- 16.12 Save as disclosed above, no person directly or indirectly (other than the Company's professional advisers and trade suppliers or save as disclosed in this document) since incorporation has received or is contractually entitled to receive, directly or indirectly, from the Company on or after Admission (excluding in either case persons who are professional advisers otherwise than as disclosed in this document and persons who are trade suppliers) any payment or benefit from the Company to the value of £10,000 or more or securities in the Company to such value at the Issue Price or entered into any contractual arrangements to receive the same from the Company at the date of Admission.
- 16.13 The financial information contained in Part IV of this document does not constitute statutory accounts within the meaning of section 240 of the Act.
- 16.14 No agreement, arrangement or undertaking exists between any person and Geraldton or the Company or any person acting in concert with Geraldton or any associate of the Company, for the purposes of the Proposals in relation to relevant securities of Geraldton or the Company, including, in addition to indemnity and option arrangements, any agreement or understanding, formal or informal, or whatever nature, which may be an inducement to deal or refrain from dealing.
- 16.15 There is no agreement, arrangement or understanding whereby the beneficial interest in any Ordinary Shares held by Geraldton will be transferred to any other person.
- 16.16 No agreement, arrangement or understanding (including any compensation agreement) exists between Geraldton or any person acting in concert with Geraldton for the purposes of the Proposals and any of the Directors or recent directors Shareholders or recent Shareholders of the Company having any connection with or dependence on, or which is conditional on the outcome of, the Proposals.
- 16.17 Unless otherwise stated, financial information concerning the Company has been derived from its only published annual report and accounts for the relevant period.

17. Documents on display

Copies of the following documents will be available for inspection during usual business hours on weekdays (Saturdays and public holidays excluded) at the offices of Nabarro Nathanson, Lacon House, 84 Theobald's Road, London WC1X 8RW until the time and date of the Extraordinary General Meeting:

- 17.1 the Memorandum and Articles of Association of the Company;
- 17.2 the Memorandum and Articles of Association of Geraldton;
- 17.3 the audited accounts of the Company for the financial period ended 31 December 2004;
- 17.4 the service agreements of the Directors and the Proposed Director referred to in paragraph 8 of this Part VI;
- 17.5 the accountants' report set out in Part V of this document;

17.6 the written consents referred to in paragraph 16.2 and 16.3 of this Part VI; and

17.7 the material contracts referred to in paragraph 11 of this Part VI.

18. Availability of this Document

Copies of this document are available free of charge from the Company's registered office and at the offices of Seymour Pierce, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) and shall remain available for at least one month after Admission.

Dated: 14 April 2005

NOTICE OF EXTRAORDINARY GENERAL MEETING

MAVINWOOD PLC

(Incorporated in England and Wales under the Companies Act 1985, with registered number 5169780)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Mavinwood plc (“the Company”) will be held at 11.00 a.m. on Tuesday 10 May 2005 at 33 St James’s Square, London SW1Y 4JS to consider and, if thought fit, pass the following resolutions of which resolutions 1, 2 and 3 will be proposed as ordinary resolutions and resolution 4 will be proposed as a special resolution. Resolution 2 will be voted on a poll of independent Shareholders, regardless of whether or not a request is received from Shareholders that such a poll be held, and accordingly Geraldton will not vote on that resolution.

RESOLUTIONS

1. THAT, the acquisition by the Company of the entire issued share capital of ReStore Group Holdings Limited in accordance with the terms of the agreement as summarised in Part VI of the circular of the Company to its shareholders dated 14 April 2005 (“Circular”) and copies of which are produced to the Meeting and initialled by the Chairman for the purposes of identification only be and they are hereby approved and that the Directors be and are hereby authorised to complete such agreement, subject to such immaterial modifications as the Directors may deem appropriate, and to execute, sign and do all such other documents, deeds, acts and things as may be necessary or desirable to complete the aforesaid transaction.
2. THAT, the waiver by the Panel on Takeovers and Mergers of the obligation that would otherwise fall on Geraldton (as defined in the Circular) to make a general offer pursuant to Rule 9 of the City Code on Takeovers and Mergers (“Code”) as a result of the allotment and issue of up to 35,850,000 new ordinary shares of 0.1 pence each in the capital of the Company pursuant to the Placing and Clawback Offer (as defined in the Circular) which, when aggregated with the shares already held by Geraldton, would result in Geraldton controlling up to 71.72 per cent. of the voting rights in the Company be and is hereby approved.
3. THAT, subject to and conditional upon the passing of resolution 1 above the Directors be generally and unconditionally authorised to exercise all the powers of the Company to allot relevant securities (as defined in section 80 of the Companies Act 1985 (“the Act”)) up to an aggregate nominal amount of £85,000 provided that this authority shall expire on the date preceding the fifth anniversary of the date of the passing of this resolution, except 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 any such offer or agreement as if the authority conferred by this resolution had not expired and that this authority shall be in substitution for all previous authorities conferred upon the directors pursuant to section 80 of the Act but without prejudice to the allotment of any relevant securities already made or to be made pursuant to such authorities.
4. THAT, subject to and conditional upon the passing of resolution 3 above, the directors be and hereby empowered, pursuant to the authority conferred upon them by the passing of resolution 3 above, to allot equity securities (as defined in section 94 of the Act) for cash as if section 89(1) of the Act did not apply to any such allotment provided that this power shall be limited to:
 - (a) the allotment of equity securities up to an aggregate nominal amount of £35,850 in connection with the Placing and Clawback Offer as defined in the Circular;
 - (b) the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities in connection with a rights issue or other pro rata offer in favour of holders of ordinary shares in the capital of the Company where the equity securities respectively attributable to the interests of all the ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of equity securities held by them subject in each case to such exclusions or other arrangements as the directors may consider necessary or expedient to deal with fractional entitlements or legal difficulties under the laws of any territory or the requirements of a regulatory body;

- (c) the allotment of equity securities up to an aggregate nominal amount of £746.88 to satisfy the award granted to Philip Reid under the Mavinwood Long Term Incentive Plan; and
- (d) the allotment (otherwise than pursuant to sub-paragraphs (a), (b) and (c) above) of equity securities up to an aggregate nominal amount of £12,000.

and shall expire on whichever is the earlier of the date preceding the fifth anniversary of the date of the passing of this resolution or the expiry of the authority contained in resolution number 3 above except 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 by this resolution had not expired.

By order of the Board
Mike Vincent
Company Secretary

Registered Office:
Lacon House
84 Theobald's Road
London WC1X 8RW

14 April 2005

Notes:

1. Resolution 2 will be proposed as an ordinary resolution and, in accordance with the requirements of the Code, will be taken on a poll.
2. Any member of the Company entitled to attend and vote at the extraordinary general meeting may appoint one or more proxies to attend and, on a poll, vote on his or her behalf. A proxy need not be a member of the Company. To be valid, a form of proxy, and any power of attorney under which it is signed, must be lodged with the Company's registrars at Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, no later than 48 hours before the time of the extraordinary general meeting. A form of proxy is enclosed. The completion and return of a form of proxy will not preclude a member from attending and voting at the meeting in person.
3. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only those persons whose names are entered on the register of members of the Company at the close of business on 8 May 2005 shall be entitled to attend the meeting and to vote in respect of the number of shares registered in their name at that time. Changes to the register of members after that time shall be disregarded in determining the right of any person to attend and/or vote at that meeting.

