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This document, which is an Admission Document in relation to the Alternative Investment Market of the London Stock Exchange ("AIM"), has been drawn up as a prospectus in accordance with the Public Offers of Securities Regulations 1995 and a copy of this document has been delivered for registration to the Registrar of Companies in England and Wales in accordance with regulation 4(2) of those Regulations. To the best of the knowledge and belief of the directors, who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and there is no omission likely to affect the import of such information. The directors, whose names are set out on page 7 of this document, accept responsibility accordingly.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk than that associated with established companies tends to be attached. 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 consultation with his or her own independent financial adviser. The rules of AIM are less demanding than those of the Official List of the London Stock Exchange. It is emphasised that no application is being made for admission of these securities to the Official List of the London Stock Exchange. Further, the London Stock Exchange has not itself approved the contents of this document.

WORLD CAREERS NETWORK PLC

(Incorporated in England and Wales under the Companies Act 1985)

(Registered No. 3813540)

**Placing of 1,700,000 Ordinary Shares of 0.1p each
at a price of 110p per share**

Admission to the Alternative Investment Market

Nominated adviser and nominated broker

Charles Stanley & Company Limited

<i>Authorised</i>		<i>Issued and fully paid</i>	
<i>Amount</i>	<i>Number</i>	<i>Amount</i>	<i>Number</i>
£56,370	56,370,000	£8,070	8,070,000
£43,630	43,630	nil	nil

The Redeemable Preference Shares will be redeemed immediately upon Admission.

Application has been made for the whole of the ordinary share capital of World Careers Network PLC ("the Company"), issued and to be issued immediately following the Placing, to be admitted to trading on AIM. It is expected that Admission of the Ordinary Shares to trading on AIM will become effective on 20 March 2000.

Charles Stanley & Company Limited, which is regulated by The Securities and Futures Authority Limited, is acting for the Company and for no one else in connection with the Placing and the Admission of the Company's Ordinary Shares to trading on AIM. Accordingly, Charles Stanley & Company Limited will not be responsible to anyone other than the Company for providing the protections afforded to its own clients nor for providing advice in connection with the Placing or the Admission of the Company's Ordinary Shares to trading on AIM. No representation, express or implied, is made by Charles Stanley & Company Limited as to any of the contents of this document (without limiting the statutory rights of any person to whom this document is issued).

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DEFINITIONS

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

“Act”	the Companies Act 1985, as amended
“Admission”	admission of the issued Ordinary Shares and the Placing Shares to trading on AIM
“Admission Rules”	the admission rules of AIM comprised in chapter 16 of the Rules of the London Stock Exchange
“AIM”	the Alternative Investment Market of the London Stock Exchange
“Charles Stanley”	Charles Stanley & Company Limited, regulated by The Securities and Futures Authority Limited and a member of the London Stock Exchange, the Company’s nominated adviser and nominated broker
“certificated” or “in certificated form”	a share which is not in uncertificated form, that is, not in CREST
“Company”	World Careers Network PLC
“CREST”	the relevant system (as defined in the Uncertificated Securities Regulations 1995) in respect of which CRESTCo Limited is the operator
“CRESTCo”	CRESTCo Limited
“directors”	the respective directors of the Company
“Directors” or “Board”	the board of directors of the Company
“Issue Price”	110p per Placing Share
“London Stock Exchange”	London Stock Exchange Limited
“Ordinary Shares”	ordinary shares of 0.1p each in the capital of the Company
“Placing”	the placing of the Placing Shares at the Issue Price, as described in this document
“Placing Agreement”	the agreement relating to the Placing, details of which are set out in paragraph 12.2 of Part 5 of this document
“Placing Shares”	the 1,700,000 new Ordinary Shares which are the subject of the Placing
“Redeemable Preference Shares”	the 43,630 redeemable preference shares of £1 each in the capital of the Company, all of which have been issued to Charles Hips and are paid up as to, in aggregate, £10,907.50
“Regulations”	the Public Offers of Securities Regulations 1995
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“uncertificated” or “in uncertificated form”	a share which is for the time being recorded on the Company’s register of members as being held in uncertificated form in CREST, title to which, by virtue of the Uncertificated Securities Regulations 1995, may be transferred by means of CREST
“VAT”	value added tax
“WCN”	World Careers Network, the business formerly carried on by Charles Hips and, from 8 March 2000, carried on by the Company

GLOSSARY

“applicant tracking and selection software”	software that allows employers to receive and process on-line job applications
“careers service web-site”	a web-site dedicated to providing employment-related content and services to students
“delivering”	at the request of the student, either emailing details of a particular job to that student or displaying that job as a web page
“email job-agent”	a web-site database containing students’ career preferences and email addresses, which emails job details to students based on their preferences
“employer graduate home page”	a web-site maintained by a corporate employer where students can locate information regarding possible career prospects with that employer and through which students can apply for jobs
“intermediary web-site”	a web-site run by a careers fair or careers service
“Internet”	a world-wide network of computers, connected to the telecommunications infrastructure, which exchange data using protocols
“virtual careers fair”	a careers fair for students held on the Internet
“web server”	a powerful computer used as a store of software and data, most frequently accessed from a remote location
“web-site”	a location or presence on the Internet defined by a unique address that provides content or services to users

KEY INFORMATION

The following information should be read in conjunction with the full text of this document from which it is derived:

- WCN was set up by Charles Higgs in 1995 to meet the anticipated demand from employers to recruit graduates via the Internet. The business was acquired from Charles Higgs by the Company for £312,500 on 8 March 2000.
- WCN's revenues are received from employers for web-site design and hosting, job advertising, applicant tracking and selection software, and research and strategic advice.
- WCN's main career service web-site and email job-agent provides personalised advertising to students at over 2,500 universities. It has also designed and run over thirty employer graduate home pages and eighteen virtual careers fairs. A selection of these is set out in Part 2 of this document.
- Its main emphasis to date has been on the UK, but it also operates in France, Sweden and Germany. The Directors estimate that these markets are together worth US\$750 million per annum.
- WCN has already worked for more than 300 employers, predominantly international banks, major professional firms, the Armed Forces, FTSE 100 and Fortune 500 companies and other leading national and multinational organisations. A selection of WCN's clients is set out in Part 2 of this document.
- Marketing of WCN's services to graduates is largely confined to its attendance at careers fairs, its distribution of publicity material and its strong presence on campus to ensure that prospective graduates are aware of the services offered.
- WCN differentiates itself from its competitors in a number of ways, notably in the range of its services and in the manner in which it personalises its web-sites, runs multiple web-sites and builds and jointly runs intermediary sites, both in the UK and continental Europe.
- The planned expansion of WCN will create an infrastructure capable of handling a much larger business. This would enable the Company not only to develop its activities in the United Kingdom but also to expand its operations in Europe, where the Directors believe there are opportunities for significant development.
- With this in mind, the Company is now seeking to raise £1,870,000 million before expenses through a placing of 1,700,000 Placing Shares at 110p per share. This amount will be utilised to strengthen the sales force, launch more intermediary web-sites and improve the content of WCN's own web-sites.
- Following the Placing, the Directors will own approximately 67.34 per cent. of the enlarged share capital of the Company.

MARKET INFORMATION

Issue Price per Placing Share	110p
Number of Ordinary Shares in issue following the Placing	8,070,000
Market capitalisation following the Placing at the Issue Price	£8,877,000
Placing Shares as a percentage of the enlarged issued share capital	21.06 per cent.
Proceeds of the Placing to be received by the Company net of expenses	£1,560,000
Loss before and after tax for WCN for the year ended 31 July 1999	£64,896

EXPECTED TIMETABLE

Dealings in the Ordinary Shares expected to commence	8.00 am, Monday 20 March 2000
Delivery of shares into CREST accounts	Monday 20 March 2000
Definitive share certificates despatched	Monday 27 March 2000

DIRECTORS, SECRETARY AND ADVISERS

Directors:	Ian Oscar Whittingham Moore Charles Edward Henry Hipps David Kenneth Moore	<i>Non-executive chairman</i> <i>Managing director</i> <i>Operations director</i>
	all of Woodman Works, The Crescent, London SW19 8DR	
Company secretary and registered office:	Paul Hipps 8 Baker Street London W1M 1DA	
Nominated adviser and nominated broker:	Charles Stanley & Company Limited 25 Luke Street London EC2A 4AR	
Corporate finance adviser to the Company:	John Mocatta & Company Bridgewater Lodge Ashridge Park Berkhamsted Herts HP4 1LY	
Reporting accountants	HLB Kidsons 20-26 Cursitor Street London EC4A 1HY	
Auditors:	BDO Stoy Hayward Emerald House East Street Epsom Surrey KT17 1HS	
Solicitors to the Company:	Nabarro Nathanson The Anchorage 34 Bridge Street Reading RG1 2LU	
Bankers:	National Westminster plc 21 Hanover Square London W1A 4ZE	
Registrars:	Connaught St Michael's Limited PO Box 30 Cresta House Alma Street Luton LU1 2PU	

PART 1

INFORMATION ON WCN AND THE COMPANY

Background

WCN was set up by Charles Hipps in 1995. The business was acquired from him by the Company for £312,500 on 8 March 2000 on the terms set out in paragraph 12.1 of Part 5 of this document.

WCN is a specialist Internet graduate recruitment business providing the opportunity for students who are about to graduate to view and apply for job opportunities via the Internet. Charles Hipps anticipated that the increasing demand for this facility from students would be matched by awareness from employers that the Internet was an important medium through which to gain access to graduates for recruitment purposes.

The services that WCN provides, details of which are set out later in this document, are available to students totally free of charge, all the costs being paid by prospective employers. WCN's sites, a selection of which are listed in Part 2 of this document, are visited by a large number of university finalists each year. These web-sites are accessible throughout the world, but WCN's main focus to date has been the UK. In the year to 31 July 1999 the UK market accounted for 78 per cent. of WCN's total revenues, with the balance largely coming from the French, Swedish and German markets.

The graduate recruitment market

The Directors estimate that the global graduate recruitment market is worth \$2.8 billion per annum, made up of advertising services, recruitment brochure/web-site design, applications screening and tracking and strategy development and management. They also estimate that the UK, French, Swedish and German markets are together currently worth US\$750 million per annum.

Until recently, employers have continued to rely upon traditional methods of graduate recruitment, using national directories, graduate brochures, careers fairs and newspapers as their principal methods of marketing, whilst spending relatively small amounts on the Internet to test its effectiveness. As a result, the Internet currently accounts for only a small proportion of the total expenditure on graduate recruitment.

Unlike the traditional methods of advertising, the Internet has the potential for cost-effective mass distribution of services, both nationally and internationally, and the ability to personalise those services and direct them at specific segments of the graduate recruitment market. In addition, the ability of students using the Internet to link from recruitment advertisements to employer career homepages and then to apply on-line will result in service providers being able to deliver a broader range of services to the graduate recruitment market.

The Directors believe that, in the light of the above, the Internet is fundamentally changing the recruitment services industry. In their opinion, it is only very recently that employers have started to appreciate the value of the Internet in helping them reach the widest possible market, both nationally and internationally, and they believe that more and more major employers will use this medium as they seek to attract the best possible graduates. As a result, they believe that the market for web-based graduate recruitment will expand rapidly as the Internet becomes a substitute for the traditional recruitment media.

As an example, in the last twelve months WCN has seen one of its blue-chip clients, Corus plc, substantially replace traditional recruitment methods with the Internet. The Financial Times recently reported that Corus plc was looking to fill all of its graduate positions, understood to be in the region of two hundred jobs, through the graduate homepage and on-line application screening and tracking system designed by WCN.

The Directors expect that the increasing use of the Internet for recruitment will result in a more international market and a reduced distinction between recruitment services for graduates and for more senior appointments. They believe that by virtue of the range of services it offers, the size of its graduate database, its European presence and its ability to personalise the contents of its web-sites, WCN should be well placed to benefit from these developments.

The business

As one of the earliest entrants in the field of providing graduate recruitment services via the Internet, the Directors believe that WCN has built up a niche position in the UK graduate recruitment market, where it runs a large number of well-marketed and personalised web-sites on its own account and on behalf of intermediaries. WCN has already worked for more than 300 employers, predominantly international banks, leading professional firms, the UK Armed Forces, FTSE 100 and Fortune 500 companies and other leading national and multinational organisations. A selection of the clients of WCN is set out in Part 2.

WCN has also run sites for intermediaries in France, Sweden, Germany, Italy, Austria, and Spain, in which countries around 200 employers currently use its services. The Directors, therefore, believe that WCN is also well placed to establish a similar niche position in the European market. For example, WCN runs, jointly with Forum des Telecommunications, a site that is probably France's largest graduate telecommunications and information technology on-line forum.

The services that WCN offers to clients are directed at satisfying the demands of students for ready access to the job market and, at the same time, are tailored to the employers' specific requirements and their need to achieve the highest possible level of awareness amongst their target audience. These services, all of which earn fees for WCN, include:

Web-site design and hosting

WCN will discuss with the client the exact nature of its recruitment requirements and will then design a web-site, which is tailor-made to the client's specification and takes advantage of WCN's design skills and knowledge of the market. WCN will then manage the web-site to ensure that it is reaching the right target audience and that it is kept up to date as the client's recruitment needs are met.

Since it commenced operations, WCN has designed and run in excess of thirty employer graduate home pages.

Advertising

As graduates are increasingly browsing the Internet to explore career opportunities, it is becoming more and more important for employers to use this medium to ensure that awareness of their companies and their corporate aims and standing are brought before the widest possible audience.

WCN does not simply sell vacancies or banners, but sells a managed campaign to reach the employer's recruitment goals. Taking full advantage of the feedback provided by the Internet, WCN targets particular profile readers for an employer, measures the response and then adjusts the employer's campaign on WCN's web-sites to ensure pre-agreed recruitment goals are met.

WCN's main career service web-site and its email job-agent provide personalised advertising to students at over 2,500 universities, delivering more than 400,000 individual job entry viewings in November and December 1999. In addition, WCN has delivered and run eighteen virtual careers fairs in partnership with fair organisers and operates Loughborough University's careers service web-site jointly with that university.

As a result of its popularity, WCN currently has details of more than 80,000 students on its database.

Applicant tracking and selection

As graduates react to the relevant client's advertisements, WCN's on-line selection and response handling systems will mark the applicants' CVs against the detailed criteria, which have been pre-agreed with the client, and will then send out interview invitations or rejections as appropriate. WCN's specially designed software enables the client to handle these tasks with ease, thereby cutting administration costs significantly. When requested, WCN will handle this function for the client, thereby generating additional revenues.

Research and strategy

WCN has recognised that it is not sufficient merely to provide an employer with the means to advertise its company and its job requirements. The Directors believe that more and more companies want their suppliers to provide a full-range of intelligent value-added services. WCN's position as an information hub, through which *feedback from universities, employers and students flows, allows it to develop appropriate research and strategy*. Once this is done, WCN's range of capabilities allows it to implement and to manage clients' campaigns to ensure that their recruitment objectives are achieved.

The technology

WCN's main technology costs are staff, with software development and web-site design being carried out by WCN employees and with the capital costs being relatively limited. Web servers run the LINUX operating system and the Apache and SQL databases. The main web server is connected to the Internet via high-speed telecommunications lines situated at the offices of Cerbernet Limited, which is WCN's Internet service provider. In addition, WCN has two reserve servers that can replace the main computer server in the event of a failure.

Marketing

To date, WCN has so far spent relatively little directly marketing its services to employers. This has been due to the financial constraints on the business and the consequent shortage of trained personnel. Given the size of the potential market, there can be no doubt that, if these constraints were removed, it would be possible to develop the business more rapidly and to increase its presence in the market place substantially.

WCN's principal marketing efforts have been to students, the two key features of these activities being physical presence on campus and partnerships with on-campus groups including developing and jointly running web-sites.

Physical presence on campus has been achieved both by the utilisation of WCN's own executives, two of whom are fully engaged in visiting the major universities, and by the use of students on campus as promoters of WCN's web-sites. Both of these activities have proved to be an excellent way of drawing the attention of potential graduates to the merits and advantages of the Internet as a means of obtaining a job on graduation and, more particularly, to the existence and effectiveness of WCN's web-sites. Both WCN's executives and the students they employ attend careers fairs, run stalls on-campus, distribute posters and fliers, and build relationships with careers services and faculties.

WCN has a number of partnerships, both in the UK and across Europe, with career-related student societies and careers services where WCN and its partners jointly run web-sites. The partners are responsible for generating readership on campus.

The Directors believe that further activity in this area and, particularly, in the running of web-sites jointly with the university authorities is likely to prove efficacious in developing WCN's business and strengthening its position amongst the undergraduate population.

Competition

WCN differentiates itself from its competitors in a number of ways, notably in the range of its services and in the manner in which it personalises its web-sites, runs multiple web-sites and builds and jointly runs intermediary sites both in the UK and in continental Europe. As a result, having developed an employer's graduate recruitment strategy, WCN's range of capabilities in advertising, graduate homepage design and applicant tracking enables it to implement and manage the client's campaign to maximum effect.

A review published in the autumn of 1999 in *Real World*, a nationally distributed magazine for students, compared WCN to five of its main UK competitors, Prospects, GET, Gti, Milkround and Gradunet. WCN received the highest marks in four of the six categories reviewed, namely content, information available, search capability and speed.

Financial record

The financial information set out below has been extracted from the accountants' report on WCN set out in Part 3 of this document:

	<i>Year to 31 July</i>		
	<i>1997</i>	<i>1998</i>	<i>1999</i>
	<i>£'000s</i>	<i>£'000s</i>	<i>£'000s</i>
Turnover	79	115	166
Loss for the year	(101)	(61)	(65)

Current trading and prospects

The management accounts for WCN for the six months to 31 January 2000 show turnover of £171,000 and a loss for the period of £3,000.

The Directors believe that the net proceeds of the Placing should be utilised to strengthen the sales force, launch more intermediary web-sites across the UK and Europe and improve the content of the Company's own web-sites. This would result in short-term losses but, in the longer term, should enable the Company to benefit significantly from the opportunities that exist.

Directors, key management and employees

The Board consists of two executive directors and one non-executive director.

Directors

Ian Moore (age 64) – Non-executive chairman

Ian Moore is the managing director of Moorepay Group Plc, which floated on AIM in 1995 and was voted "AIM Company of the Year" in 1996. Moorepay Group Plc was acquired earlier this year for £41.1 million by Rebus HR Management Plc. Prior to co-founding Douglas Moore Limited, which developed into Moorepay Group Plc in 1965, Ian Moore studied accountancy with Crane and Partners and trained as a systems analyst with ICT.

Charles Hipps (age 34) – Managing director

Charles Hipps is the founder of WCN and became managing director of the Company on 8 March 2000. After reading Engineering, Economics and Management at Oxford University, he joined Booz, Allen and Hamilton in 1989 as a management consultant and, in the five years he spent with that company, he was engaged in a variety of commercial projects. In 1994 he left to set up his own business – Analysis and Supplies Associates – to recycle printer cartridges. With the cash flow generated from that business he set up WCN in 1995 and has been pivotal in developing it to its present stage.

David Moore (age 25) – Operations director

After studying Electronic Engineering at Imperial College, David Moore joined Proctor & Proctor as a professional telemarketer. In 1996 he joined the WCN sales and campus marketing team and during the last four years has been responsible for developing and designing WCN's database-driven web-site. He is currently responsible for operations, including managing the technical team and delivery of products and solutions to clients and for developing new business with clients.

Company secretary

Paul Hipps FCA (age 65)

Until 30 June 1999 Paul Hipps was a partner in BDO Stoy Hayward, chartered accountants. He was managing partner of that firm from 1984 to 1990 and was senior partner from 1990 to 1997. In addition to acting as company secretary, he will be responsible for overseeing the Company's financial and accounting functions until such time as a full-time financial controller is appointed.

Key management

The Directors are currently supported by a staff of ten including the following key personnel:

- Simon Perriton (age 37), who joined WCN on 1 January 2000, is sales manager. Prior to joining WCN, Simon was managing director of a leading UK supplier of computer consumables. He has also worked at Hoffman La Roche in sales and marketing, as well as at British Telecommunications plc as a business development manager and at Monitor Office Systems Limited, an office equipment company, as sales and marketing manager.
- Bradley Martin (age 26), who has been with WCN for three years, is a web-site designer.
- Heloise Moore (age 24), who has been with WCN for two years, initially as a campus marketing manager and currently as part of the sales team.

The Board recognises that, in order to expand the business, the management team will have to be strengthened and, with that in mind, the Board is now actively looking to recruit a number of key executives in the next few months, including a financial controller, an account manager (who will interface between the sales team and the programmers), a senior campus manager (who will manage high level relationships on university campuses) and a senior programmer.

Historically, WCN has had no difficulties in recruiting new members of staff. Graduate recruitment has usually been carried out through the WCN web-site while, for more senior posts, industry contacts have been used.

In addition, WCN uses the services of undergraduates as campus representatives in order to facilitate the distribution of promotional material on university campuses. Campus representatives are recruited from first and second-year students who have accessed the WCN web-site.

Reasons for the Placing and the use of funds

The Company is raising £1,870,000 before expenses through a placing of 1,700,000 new Ordinary Shares at 110p per share. The net proceeds of the Placing will amount to approximately £1,560,000.

Of the net proceeds of the Placing, £162,500 will be paid to Charles Hipps in settlement of part of the consideration of the sale by him of the goodwill and certain assets of WCN. This will leave outstanding an amount of £150,000, which will bear interest at a rate of two per cent. above LIBOR and which will be repayable to Charles Hipps on 31 March 2001. A further £10,907.50 will be used immediately after Admission to redeem the Redeemable Preference Shares. The balance will be used to provide working capital and to expand the management team.

The Directors will be subscribing in aggregate for a total of 30,000 Ordinary Shares in the Placing. Following the Placing, the Directors will own 67.34 per cent. of the enlarged share capital of the Company.

The Directors have undertaken that they will not dispose of any Ordinary Shares without the consent of Charles Stanley save in accordance with the AIM Rules until one year from the date of Admission and then for a further twelve months will only dispose of any Ordinary Shares through Charles Stanley.

At the Issue Price of 110p per Ordinary Share, the market capitalisation of the Company following the Placing will be £8,877,000.

Details of the Placing

Under the Placing Agreement, Charles Stanley has conditionally agreed, as agent for the Company, to use its reasonable endeavours to procure subscribers for the Placing Shares at the Issue Price. Fees and commissions are payable by the Company to Charles Stanley under the Placing Agreement. The Company has also granted Charles Stanley an option at the Issue Price over one per cent. of the Company's share capital in issue at the time of exercise, such option to be exercisable at any time over a period of three years from Admission.

The Placing Agreement contains warranties and indemnities given by the Company and Charles Hipps to Charles Stanley and also contains provisions entitling Charles Stanley to terminate its obligations in certain circumstances prior to Admission.

Further particulars of the Placing Agreement are set out in paragraph 12.2 of Part 5 of this document.

The Placing Shares will be in registered form and, on Admission, will rank *pari passu* in all respects with the other issued Ordinary Shares.

It is expected that definitive title to the Placing Shares will be delivered either under CREST on the date of Admission, where delivery is requested in uncertificated form, or by posting share certificates by first class post by no later than seven days after Admission where delivery is requested in certificated form. No temporary documents of title will be issued.

Dividend policy

The Directors initially intend to retain the Company's earnings to fund the planned expansion. In the longer term the Directors intend to adopt a dividend policy appropriate to WCN's financial performance. This will take into account its ability to operate and grow and the need to retain a prudent level of cash resources.

Internal controls and corporate governance

The Directors recognise that a system of internal controls and reporting procedures is vital and will focus their efforts in implementing such systems as they consider necessary to control revenues and costs.

So far as is appropriate for a company the size of WCN, the Directors intend to comply with the recommendations of best practice as set out in the Cadbury and Greenbury Reports and in this connection the Board has taken into account the guidance issued by the City Group for Smaller Companies. At present the Company has one non-executive director.

The Directors intend to hold Board Meetings regularly throughout the year. The Board will be responsible for formulating, reviewing and approving strategy, budgets, acquisitions, capital expenditure and senior *personnel appointments*. *The executive directors and senior management will meet regularly to consider operational matters.*

An audit committee and a remuneration committee will be established after Admission. The audit committee will meet at least twice a year and will be responsible for ensuring that the financial performance, position and prospects of the Company are properly monitored and reported on, and for meeting the auditors and reviewing their reports relating to accounts and internal controls. The remuneration committee will review the performance of executive directors and set the scale and structure of their remuneration and the basis of their service agreements with due regard to the interests of shareholders. The remuneration committee will also determine the payment of bonuses to executive directors and the future allocation of share options.

Employee share schemes

The Directors consider that the Company's success will depend to a significant degree on the future performance of the management team. The Directors consider that employees who are given equity-based incentives have a direct interest in the performance of the Company and are in this way encouraged to take a *closer interest in its future success*. *The Company has therefore granted options to Directors and certain other employees, details of which are set out in paragraph 8 of Part 5 of this document. In addition, the Company intends to set up an Inland Revenue approved executive share option scheme, participation in which will be open to employees and full-time directors of the Company who will be selected by the Board's remuneration committee.*

Year 2000

The Directors noted no adverse effects within WCN's computer systems in connection with the recent year change from 1999 to 2000. There is a residual risk that problems connected with the year change may still occur. However, the Directors consider the risk of problems occurring to be low.

Risk factors

The following risks are considered to be the most significant for potential investors. However, it should be noted that there are other matters that might affect the profitable development of the Company.

- WCN has had a short operating history, which makes forecasting its future revenues difficult. It has incurred losses to date and expects to continue to make losses in the near future. As its business strategy is as yet unproven there can be no certainty that it will achieve or sustain profitability.
- The market for graduate recruitment over the Internet is not well developed in the UK and Europe. As a result, demand for WCN's services cannot be predicted with any certainty.
- Demand for WCN's graduate recruitment services may be less than anticipated or may be adversely affected if new or existing competitors enter the market. This may have an adverse effect on WCN's ability to earn revenues and achieve margins.
- The success of the business depends to a large extent on the expertise of Charles Higgs and on his ability to locate, recruit and retain suitable executives in the UK and Europe.
- WCN's Internet platform may at some point be subject to a system failure, which may damage its reputation and result in a loss of business. Despite any precautions that may be taken, the occurrence of a natural disaster or other unanticipated event could result in the interruption of services.
- WCN will be subject to relevant data protection laws (including the UK Data Protection Act 1998) in respect of personal information held on graduates and other individuals could be liable for any misuse of such information, use without the consent of the individuals, unauthorised disclosure, failure to maintain sufficient technical or organisational security of such information, or other breach of data protection law.
- WCN may need to commit greater resources to marketing and promoting its services than has been envisaged. In such circumstances, it is possible that WCN may have resource constraints on its ability to achieve its stated objectives. There can be no certainty that WCN will be able to raise further funds at a future date.
- WCN's trading results and future activities may be restricted by unforeseen future changes to and developments in the law relating to Internet technologies and in the nature and regulation of the markets in which WCN operates.
- WCN's business depends on the continued growth of Internet graduate recruitment in the UK and Europe. WCN cannot be certain that historic growth rates of Internet graduate recruitment will continue. Furthermore, the Internet may fail to be a viable commercial environment for reasons such as security, privacy or cost-effectiveness, thereby restricting WCN's ability to earn revenue.
- WCN's trading results could suffer if there is a downturn in the UK economy in general or in the recruitment market, in particular.
- The Ordinary Shares will not be admitted to the Official List of the London Stock Exchange, but will be traded on AIM. This should not be taken as implying that there will be a liquid market in the Ordinary Shares. An investment in the Ordinary Shares may therefore be difficult to realise. As the market for shares in smaller public companies is less liquid than for larger public companies, share prices may be subject to greater fluctuation.

Tax reliefs available to investors

The Directors have been advised that the Company is a qualifying company for the purposes of the Enterprise Investment Scheme ("EIS") legislation, and assurances have been sought from the Inland Revenue to this effect. Accordingly, provided that the investor and the Company continue to comply with the EIS legislation, which normally includes a requirement that shares are retained for not less than five years, investors who are UK taxpaying individuals should qualify for EIS income tax and capital gains tax relief on an investment in Placing Shares. Individual investors, and certain trustees, may be able to claim EIS capital gains tax deferral relief on an investment in Placing Shares. Further particulars of EIS reliefs are set out in paragraph 9.2 of Part 5.

The Directors have also been advised that the Placing Shares are eligible shares for the purposes of subscription by a Venture Capital Trust, and assurances have been sought from the Inland Revenue to this effect.

Investors considering taking advantage of reinvestment relief should seek individual advice in order that they may fully understand how the capital gains tax rules apply in their individual circumstances.

CREST

The Company's Articles of Association permit its shares to be evidenced in uncertificated form in accordance with the Uncertificated Securities Regulations 1995.

In accordance with the Uncertificated Securities Regulations 1995, the Board resolved on 10 March 2000 to apply to CRESTCo Limited for title to the Ordinary Shares, in issue or to be issued, to be transferred by means of the CREST paperless system. CREST is a voluntary system and, subject to certain limitations, holders of Ordinary Shares may choose to receive share certificates or hold Ordinary Shares in uncertificated form.

It is expected that the definitive title to Placing Shares will be delivered either under CREST on the date of their Admission where delivery is requested in uncertificated form, or by posting share certificates by first class post by no later than a week after Admission where delivery is requested in certificated form. No temporary documents of title will be issued and the Ordinary Shares will be in registered form.

Other information

Your attention is drawn to the following:

- PART 2** WCN's web-sites and a selection of clients
- PART 3** Accountants' reports on WCN and the Company
- PART 4** Pro forma statement of net assets
- PART 5** Additional information

PART 2

WCN's WEB-SITES AND A SELECTION OF CLIENTS

1. Owned by WCN

Career service sites:	http://www.wcn.co.uk or http://www.wcnworld.com
Jobs:	http://Jobs.wcn.co.uk
Placements:	http://Placements.wcn.co.uk
Europe:	http://Europe.wcn.co.uk
Applications:	http://Applications.wcn.co.uk
Agent:	http://Agent.wcn.co.uk
Engineering:	http://Engineering.wcn.co.uk
Accountancy:	http://Accountancy.wcn.co.uk
Marketing:	http://Marketing.wcn.co.uk
Management consultancy:	http://Consulting.wcn.co.uk
IT:	http://IT.wcn.co.uk
Investment banking:	http://Ibanking.wcn.co.uk
Banking & finance:	http://Finance.wcn.co.uk
Sales:	http://Sales.wcn.co.uk

2. Employers' graduate homepages hosted by WCN

Boots plc:	http://www.bootscareers.co.uk
Corus plc:	http://www.corusgroupcareers.co.uk
British American Tobacco:	http://www.bat-recruitment.com
Lloyds TSB plc:	http://www.lloydstsbgraduate.co.uk
Peugeot UK:	http://www.peugeotcareers.co.uk
Unisys Limited:	http://www.unisysukgrads.com
Rover:	http://www.rovergrad.co.uk

3. Examples of web-sites run with intermediaries

Loughborough Careers Service Site:	http://careers.lboro.ac.uk
Enterprise, National Engineering & National Graduate Recruitment Exhibitions:	http://www.gradjobs.co.uk
European Careers Fair:	http://www.dicr.co.uk
Toulouse Technologies Careers Fair:	http://www.wcn.co.uk/toulouse
Telecom Careers Fair:	http://www.wcn.co.uk/telecom

4. A selection of clients for whom WCN has worked

Corus	American Management Systems
Rover Group	Vodafone
HSBC	Mars
Boots	Royal Navy
Peugeot UK	GE Capital
Barclays Capital	Herbert Smith
Unilever	Unisys
Lloyds TSB	The Chase Manhattan Bank
	Powergen

PART 3

ACCOUNTANTS' REPORT ON WCN

The Directors
World Careers Network Plc
Woodman Works
The Crescent
London SW19 8DR

13 March 2000

The Directors
Charles Stanley & Company Limited
25 Luke Street
London EC2A 4AR

Dear Sirs

WORLD CAREERS NETWORK

We report on the financial information set out on pages 18 to 22 of this document.

Basis of preparation

The financial information set out on pages 18 to 22 of this document is based on the unaudited accounts of World Careers Network for the three years ended 31 July 1999. World Careers Network was a business owned by Mr C Hipps.

Responsibility

The accounts are the responsibility of Mr C Hipps, the proprietor of the World Careers Network ("the Business").

The Directors of World Careers Network Plc ("the Company") are responsible for the contents of the Prospectus dated 13 March 2000, in which this report is included.

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

Basis of opinion

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

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

Opinion

In our opinion the financial information gives, for the purpose of the Prospectus dated 13 March 2000, a true and fair view of the state of the affairs of the Business as at the dates stated and of its losses and cash flows for the years then ended.

Consent

We consent to the inclusion in the Prospectus dated 13 March 2000 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.

Profit and loss accounts

	Note	Years ended 31 July		
		1999	1998	1997
		£	£	£
Turnover		166,378	115,342	78,910
Administrative expenses		<u>(231,274)</u>	<u>(175,963)</u>	<u>(179,490)</u>
Loss for the year	1	<u><u>(64,896)</u></u>	<u><u>(60,621)</u></u>	<u><u>(100,580)</u></u>

Continuing operations

None of the operations of the Business was acquired or discontinued during the three years ended 31 July 1999.

Total recognised gains and losses

The Business had no recognised gains and losses during the three years ended 31 July 1999 except for the results shown above.

Balance sheets

	Note	Years ended 31 July		
		1999	1998	1997
		£	£	£
Fixed assets				
Tangible assets	2	<u>6,809</u>	<u>10,635</u>	<u>6,875</u>
Current assets				
Debtors	3	90,613	54,465	14,886
Cash at bank and in hand		<u>—</u>	<u>5,064</u>	<u>9,452</u>
		90,613	59,529	24,338
Creditors: amounts falling due within one year	4	<u>(95,046)</u>	<u>(47,912)</u>	<u>(3,358)</u>
Net current assets/(liabilities)		<u>(4,433)</u>	<u>11,617</u>	<u>20,980</u>
Net assets		<u><u>2,376</u></u>	<u><u>22,252</u></u>	<u><u>27,855</u></u>
C Hipps capital account	5	<u><u>2,376</u></u>	<u><u>22,252</u></u>	<u><u>27,855</u></u>

Cash flow statements

	Note	Years ended 31 July		
		1999 £	1998 £	1997 £
Net cash outflow from operating activities	6	(56,772)	(47,848)	(116,770)
Capital expenditure				
Receipts from disposal of tangible fixed assets		—	4,248	4,985
Payments to acquire tangible fixed assets		(2,017)	(15,806)	(10,343)
		<u>(2,017)</u>	<u>(11,558)</u>	<u>(5,358)</u>
Financing				
Net capital introduced by proprietor		45,020	55,018	135,411
Increase (decrease) in cash		<u>(13,769)</u>	<u>(4,388)</u>	<u>13,283</u>
Reconciliation of net cash flow to movement in net debt	7			
Increase (decrease) in cash		(13,769)	(4,388)	13,283
Opening net cash (debt)		<u>5,064</u>	<u>9,452</u>	<u>(3,831)</u>
Closing net cash (debt)		<u>(8,705)</u>	<u>5,064</u>	<u>9,452</u>

Accounting policies

The financial information set out in this report has been prepared in accordance with applicable Accounting Standards in the United Kingdom. The principal accounting policies, which have been applied for all periods covered by this report to which they are relevant, are as follows:

Basis of accounting

The financial information has been prepared under the historical cost accounting convention.

Turnover

Turnover represents the invoiced amount of services provided, excluding value added tax, adjusted for the prepaid element of amounts invoiced to customers in advance. The turnover relates entirely to customers in the European Union.

Depreciation

Depreciation is calculated to write off the cost of tangible fixed assets, net of anticipated disposal proceeds, over their useful economic lives at the following rates:

Office furniture	20 per cent. on cost
Computers	33½ per cent. on cost

Notes to the financial information

1. Loss for the year

	Years ended 31 July		
	1999 £	1998 £	1997 £
The loss for the year is stated after charging (crediting):			
Depreciation of tangible fixed assets	5,843	5,295	3,825
Loss on disposal of tangible fixed assets	—	2,503	—
Business interruption insurance claims	<u>(3,396)</u>	<u>—</u>	<u>(10,000)</u>
Staff costs			
Wages and salaries	139,816	98,696	87,667
Social security costs	13,046	9,173	8,145
	<u>152,862</u>	<u>107,869</u>	<u>95,812</u>
Average number of employees	<u>9</u>	<u>7</u>	<u>7</u>

The average number of employees and staff costs exclude the proprietor, Mr C Hipps.

No pension contributions have been paid by the Business for employees.

2. Tangible fixed assets

	Office furniture	Computers	Total
	£	£	£
Cost			
1 August 1996	—	8,004	8,004
Additions	—	10,343	10,343
Disposals	—	(6,870)	(6,870)
31 July 1997	—	11,477	11,477
Additions	713	15,093	15,806
Disposals	—	(11,122)	(11,122)
31 July 1998	713	15,448	16,161
Additions	—	2,017	2,017
31 July 1999	<u>713</u>	<u>17,465</u>	<u>18,178</u>
Depreciation			
1 August 1996	—	2,662	2,662
Charge for the year	—	3,825	3,825
Disposals	—	(1,885)	(1,885)
31 July 1997	—	4,602	4,602
Charge for the year	143	5,152	5,295
Disposals	—	(4,371)	(4,371)
31 July 1998	143	5,383	5,526
Charge for the year	143	5,700	5,843
31 July 1999	<u>286</u>	<u>11,083</u>	<u>11,369</u>
Net book amount			
31 July 1999	<u>427</u>	<u>6,382</u>	<u>6,809</u>
31 July 1998	<u>570</u>	<u>10,065</u>	<u>10,635</u>
31 July 1997	<u>—</u>	<u>6,875</u>	<u>6,875</u>

There were no capital commitments at 31 July 1999.

3. Debtors

	<i>As at 31 July</i>		
	1999	1998	1997
	£	£	£
Trade debtors	89,613	52,969	1,175
Other debtors	1,000	1,496	13,711
	<u>90,613</u>	<u>54,465</u>	<u>14,886</u>

Other debtors at 31 July 1999 include a loan to Mr D Moore, then an employee of the Business and now a director of the Company, of £1,000. The loan is interest free.

4. Creditors – amounts falling due within one year

	<i>As at 31 July</i>		
	1999	1998	1997
	£	£	£
Bank overdraft	8,705	—	—
Trade creditors	9,390	7,667	888
Taxation and social security	16,891	13,518	2,194
Accruals and deferred income	60,060	26,727	276
	<u>95,046</u>	<u>47,912</u>	<u>3,358</u>

5. C Hipps capital account

	<i>Years ended 31 July</i>		
	1999	1998	1997
	£	£	£
Opening balance	22,252	27,855	(6,976)
Loss for the year	(64,896)	(60,621)	(100,580)
Net capital introduced	45,020	55,018	135,411
Closing balance	<u>2,376</u>	<u>22,252</u>	<u>27,855</u>

6. Reconciliation of loss for the year to net cash outflow from operating activities

	<i>Years ended 31 July</i>		
	1999	1998	1997
	£	£	£
Loss for the year	(64,896)	(60,621)	(100,580)
Depreciation charges	5,843	5,295	3,825
Loss on disposal of tangible fixed assets	—	2,503	—
Increase in debtors	(36,148)	(39,579)	(13,952)
Increase (decrease) in creditors	38,429	44,554	(6,063)
Net cash outflow from operating activities	<u>(56,772)</u>	<u>(47,848)</u>	<u>(116,770)</u>

7. Analysis of changes in net debt

	<i>Cast at bank and in hand</i>	<i>Bank overdraft</i>	<i>Net cash/ (debt)</i>
	£	£	£
1 August 1996	490	(4,321)	(3,831)
Cash flows	<u>8,962</u>	<u>4,321</u>	<u>13,283</u>
31 July 1997	9,452	—	9,452
Cash flows	<u>(4,388)</u>	<u>—</u>	<u>(4,388)</u>
31 July 1998	5,064	—	5,064
Cash flows	<u>(5,064)</u>	<u>(8,705)</u>	<u>(13,769)</u>
31 July 1999	<u>—</u>	<u>(8,705)</u>	<u>(8,705)</u>

8. Subsequent events

On 8 March 2000, Charles Hipps sold the goodwill and certain of the assets of WCN to the Company for a total consideration of £312,500, satisfied by a loan account of this amount due by the Company to Charles Hipps, of which £162,500 is payable on Admission and the balance of £150,000 together with interest at two per cent. above LIBOR is payable on 31 March 2001.

Yours faithfully

HLB Kidsons

ACCOUNTANTS' REPORT ON WORLD CAREERS NETWORK PLC

The Directors
World Careers Network Plc
Woodman Works
The Crescent
London SW19 8DR

13 March 2000

The Directors
Charles Stanley & Company Limited
25 Luke Street
London EC2A 4AR

Dear Sirs

World Careers Network Plc

We report in connection with the Prospectus dated 13 March 2000 ('the Prospectus') issued by World Careers Network Plc ('the Company') concerning the proposed issue by the Company of 1,700,000 ordinary shares of 0.1p per share at a subscription price of 110p per share and the admission of the enlarged issued share capital to trading on the Alternative Investment Market of the London Stock Exchange.

The company was incorporated on 26 July 1999 as Secureaction Public Limited Company and changed its name to World Careers Network Plc on 8 March 2000.

The balance sheet of the Company at 31 January 2000 was as follows:

Debtors	£ <u>2</u>
Called up share capital 2 ordinary shares of £1 each	 <u>2</u>

The Company's authorised share capital at 31 January 2000 was £100,000, divided into 100,000 ordinary shares of £1 each.

In our opinion the balance sheet set out above gives a true and fair view of the state of the Company's affairs at 31 January 2000.

The following events have taken place subsequent to 31 January 2000:

- On 3 March 2000 56,370 of the ordinary shares of £1 each were subdivided into 56,370,000 ordinary shares of 0.1p each and the remaining 43,630 ordinary shares of £1 each were redesignated as redeemable preference shares of £1 each.
- On 3 March 2000 the Company issued 6,368,000 ordinary shares of 0.1p each fully paid and 43,630 redeemable preference shares of £1 each paid up as to, in aggregate, £10,907.50.
- On 8 March 2000 the Company acquired the goodwill and certain of the assets of World Careers Network, a business owned by Mr Charles Hipps, for a total consideration of £312,500.

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

Yours faithfully

HLB Kidsons

PART 4

PRO FORMA STATEMENT OF NET ASSETS OF THE COMPANY

Set out below, for illustrative purposes only, is a pro forma statement of the net assets of the Company at 31 January 2000 assuming completion of the Placing. Due to its nature, the statement cannot give a complete picture of the Company's financial position. It is designed to give only an indication of the net assets of the Company and takes no account of trading since 31 January 2000.

	<i>Net assets at 31 January 2000 £</i>	<i>Assets acquired from WCN on 8 March 2000 £</i>	<i>Adjustments £</i>	<i>Pro forma net assets £</i>
Fixed assets				
Intangible assets	—	290,000	—	290,000
Tangible assets	—	22,500	—	22,500
	—	312,500	—	312,500
Current assets				
Debtors	2	—	(2)	—
Cash	—	—	1,403,870	1,403,870
	2	—	1,403,868	1,403,870
Creditors: amounts falling due within one year	—	(162,500)	162,500	—
Net current assets	2	(162,500)	1,566,368	1,403,870
Total assets less current liabilities	2	150,000	1,566,368	1,716,370
Creditors: amounts falling due after more than one year	—	(150,000)	—	(150,000)
Net assets	2	—	1,566,368	1,566,370

Notes:

1. The net assets of the Company at 31 January 2000 are extracted from the Accountants' Report in Part 3.
2. Assets were acquired by the Company from WCN in accordance with the acquisition agreement summarised in paragraph 12.1 of Part 5.
3. The adjustments reflect:
 - The issue by the Company on 3 March 2000 of 6,368,000 ordinary shares of 0.1p each, fully paid, and 43,630 preference shares of £1 each, on which, in aggregate, £10,907.50 has been paid up.
 - The proceeds of the Placing, net of expenses, amounting to £1,560,000 and subsequent repayment of part of Charles Hipps' loan and the redemption of the 43,630 partly paid Redeemable Preference Shares of £1 each for the amount of 25p per share which had previously been paid up.

PART 5

ADDITIONAL INFORMATION

1. The Company

- 1.1 The Company was incorporated and registered in England and Wales under the Act with registered number 3813540 on 26 July 1999 as a public limited company under the name Secureaction Public Limited Company.
- 1.2 On 8 March 2000 the name of the Company was changed to World Careers Network PLC.
- 1.3 The registered office of the Company is at 8 Baker Street, London W1M 1DA.
- 1.4 The liability of the members of the Company is limited.

2. Share capital

- 2.1 The Company was incorporated with an authorised share capital of £100,000 divided into 100,000 ordinary shares of £1 each of which two were issued, nil paid, to the subscribers to the memorandum of association. On 1 March 2000 one subscriber share was transferred to Charles Hipps and one subscriber share was transferred to David Moore on trust for Charles Hipps.
- 2.2 At an extraordinary general meeting of the Company held on 3 March 2000 resolutions were passed:
- 2.2.1 to subdivide 56,370 of the then existing ordinary shares of £1 each into 56,370,000 Ordinary Shares of 0.1p each and to redesignate the remaining 43,630 ordinary shares into Preference Shares, such shares having the rights contained in the Company's Articles of Association as detailed in paragraph 4 below;
- 2.2.2 to authorise the Directors to allot relevant securities (as defined in section 80 of the Act) in the Company up to an aggregate nominal amount of £100,000, such authority to expire on the date of the first Annual General Meeting of the Company or the date falling 15 months after the date on which the resolution was passed, whichever is the earlier; and
- 2.2.3 to empower the Directors 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, such power to be limited to an aggregate nominal amount of £100,000, such power to expire on the date of the first Annual General Meeting of the Company or the date falling 15 months after the date on which the resolution was passed, whichever is the earlier.
- 2.3 On 6 March 2000, David Moore transferred 1,000 Ordinary Shares to Charles Hipps. These shares were previously held by him in trust for Charles Hipps.
- 2.4 The authorised and issued share capital of the Company at 10 March 2000 (being the latest practicable date prior to publication of this document) is set out below:

<i>Authorised</i>	<i>Issued</i>
£100,000 divided into 56,370,000 Ordinary Shares of 0.1p each and 43,630 Redeemable Preference Shares of £1 each	£50,000 divided into 6,370,000 Ordinary Shares of 0.1p each and 43,630 Redeemable Preference Shares of £1 each.

The Ordinary Shares are fully paid and the Redeemable Preference Shares are paid up as to, in aggregate, £10,907.50.

- 2.5 The authorised and issued share capital of the Company as it will be immediately following the Placing (assuming full take up of the Placing and redemption of the Redeemable Preference Shares) is set out below:

<i>Authorised</i>	<i>Issued and fully paid</i>
£100,000 divided into 56,370,000 Ordinary Shares of 0.1p each and 43,630 Redeemable Preference Shares of £1 each	£8,070 divided into 8,070,000 Ordinary Shares of 0.1p each.

- 2.6 Save in connection with the Placing and as disclosed in paragraphs 8 and 12.3 below no share or loan capital of the Company is proposed to be issued or is under option or agreed, conditionally or unconditionally, to be under option.
- 2.7 The provisions of section 89(1) of the Act (which, to the extent not disapplied pursuant to section 95 of the Act, confer on shareholders rights of pre-emption in respect of allotments of equity securities which are, or are to be, paid up in cash) have been disapplied for a limited period by special resolution of the Company as referred to in paragraph 2.2.3 above.

3. Subsidiary undertakings

The Company has no subsidiaries or holding companies.

4. Memorandum and Articles of Association

In this paragraph 4 of Part 5, "Statutes" means the Act and every other statute or statutory instrument, rule, order or regulation from time to time in force concerning companies so far as they apply to the Company.

4.1 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 all or any of the business of general agents, mortgage brokers, financial agents, advisers, managers and administrators, brokers and agents, commission agents; and to purchase or otherwise acquire and take over any businesses or undertakings which may be deemed expedient, or to become interested in, and to carry on or dispose of, remove or put an end to the same or otherwise deal with any such businesses or undertakings as may be thought desirable.

4.2 Articles of association

The articles of association of the Company ("Articles") which were adopted by special resolution on 3 March 2000 contain provisions, among others, to the following effect:

4.2.1 Redeemable Preference Shares

A Redeemable Preference Share does not entitle the holder to any rights of participation in the profits of the Company.

On a return of capital on a winding up (but not otherwise) the assets of the Company available for distribution to its members shall be applied in paying to each holder a Redeemable Preference Share in priority to any payment to the holders of Ordinary Shares a sum equal to the capital paid up on that Redeemable Preference Share. A Redeemable Preference Share does not entitle the holder to any further rights of participation in the capital of the Company.

If the Company shall receive written notice from a holder of Redeemable Preference Shares specifying a number of Redeemable Preference Shares for immediate redemption, the Company may (subject to the Statutes) redeem all or part of such Redeemable Preference Shares so specified by serving notice (a "Redemption Notice") on the said holder specifying the number of Redeemable Preference Shares to be redeemed at a date between 7 and 14 days later (each a "Redemption Date") on which the redemption is to take place. On each Redeemable Preference Share to be redeemed under this Article the Company shall pay the sum of £1 (or the amount of capital paid up on such share if less).

Each Redeemable Preference Share entitles the holder to receive notice of, but does not entitle the holder to attend and vote at, general meetings of the Company unless the business of the meeting includes the consideration of a resolution for winding-up the Company or for a reduction in the capital of the Company other than a reduction in capital involving a repayment of capital or reduction in liability for capital not yet paid up, or purchase of any shares other than Redeemable Preference Shares or any resolution modifying or varying any of the special rights, privileges or restrictions attached to the Redeemable Preference Shares. If a holder is entitled to vote as a result of the above, he may only vote in respect of a resolution referred to above. On a show of hands, each holder of Redeemable Preference Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy, not being himself a member, shall have one vote and on a poll, each holder of Redeemable Preference Shares who (being an individual) is present in person or by proxy or (being a corporation) by a proxy or a duly authorised representative, not being himself a member, shall be entitled to exercise one vote for every Redeemable Preference Share held by him.

4.2.2 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 share 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 whom the company knows or has reasonable cause to believe 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 right 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.

4.2.3 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 whom the company knows or has reasonable cause to believe 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 Board otherwise decides, 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.

4.2.4 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 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.

4.2.5 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.

4.2.6 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 or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of that class and then only subject to the provisions of section 127 of the Act.

4.2.7 Transfer of shares

Any Member may transfer all or any of his certificated shares by instrument of transfer in writing in any usual form or in such other form as the Board may approve and the instrument must be signed 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 Board may refuse to register a transfer of a certificated share unless the instrument or transfer 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 Board may decide accompanied by the certificate of the 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 board may reasonably require to prove the title 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 Board 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 provisions of the Statutes, the Board 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. Securities which do not have certificates, may allow existing shares, and other securities, to be held without certificates and may allow any shares, or other securities, to be transferred without using a transfer form.

Where a section 212 notice is served on a Member, or another person whom the company knows or has reasonable cause to believe 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 Board otherwise decides, no transfer of any of the default shares shall be registered unless the transfer is an "exceptional 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 Board that no person in default in supplying the information required is interested in any of the shares the subject of the transfer or unless the registration of the transfer is required by the Uncertificated Securities Regulations 1995.

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

4.2.8 Alterations to capital

The Company may by ordinary resolution (a) increase its 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 share capital into shares of a larger amount than its existing shares; (c) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled; 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.

4.2.9 Borrowing powers

The Board may exercise all the powers of the Company to borrow money. The Board shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its 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 payment) 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 two times 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 Company and any company which is a subsidiary undertaking from time to time (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. Directors' and other interests

- 5.1 The interests of the directors and of the persons connected with them (within the meaning of section 346 of the Act) (all of which are beneficial) in the issued share capital of the Company as at the date of this document and immediately following the Placing, such interests being those which are required to

be notified by each director to the Company under the provisions of section 324 or 328 of the Act or which are required to be entered in the register of interests required to be maintained pursuant to section 325 of the Act, the existence of which is known or which could with reasonable diligence be ascertained by a director are and will be as follows:

Director	Existing			Following the Placing and Admission				
	Number of Ordinary Shares	Percentage of issued ordinary share capital	Number of Redeemable Preference Shares	Options	Number of Ordinary Shares	Percentage of issued ordinary share capital	Number of Redeemable Preference Shares	Options
C Higgs	5,404,500	84.8	43,670	Nil	5,404,500	66.97	Nil	Nil
I Moore	Nil	Nil	Nil	20,000	30,000	0.37	Nil	20,000
D Moore	Nil	Nil	Nil	95,550	Nil	Nil	Nil	95,550

5.2 Options have also been granted by the Company to directors and to certain other executives, details of which are set out in paragraph 8 below.

5.3 Save as set out in paragraph 5.1 above, following the Placing no director will, and no person connected with a director is expected to, have any interest in the share capital of the Company.

5.4 As at 10 March 2000 (being the latest practicable date prior to publication of this document) insofar as is known to the Company, and save as set out below, the following persons (other than those referred to in paragraph 5.1 above) were interested, directly or indirectly, in 3 per cent. or more of the issued share capital of the Company:

Name	Number of Ordinary Shares	Percentage of issued ordinary share capital	Percentage of issued ordinary share capital following the Placing
Dr Deborah Sally Higgs	477,750	7.50	5.92
Ms Victoria Jane Higgs	477,750	7.50	5.92

5.5 As at 10 March 2000 (being the latest practicable date prior to publication of this document) and save as disclosed in this paragraph 5, the Directors are not aware of any person or persons who, directly or indirectly, jointly or severally, at the date of this document, or following Admission, exercise or could exercise control over the Company.

6. Additional information on the Directors

6.1 Other than their directorships of the Company, directorships and partnerships currently held by the directors or held at any time during the five years preceding the date of this document are as follows:

Director	Current	Past
C Higgs	None	None
I Moore	Moorepay Group Plc Moorepay Plc Moore Computing Services Limited Kendal Computing (London) Limited Mills Associates Limited Singleton Court Company Limited Mills Associates (Trustees) Limited Omniwise Limited Parsonage Services Limited	Douglas Moore Limited Douglas Moore (Micros) Limited Douglas Moore (Recruitment) Limited Douglas Moore (Software) Limited Harcroft Investments Limited
D Moore	None	None

6.2 No director has:

6.2.1 any unspent convictions in relation to indictable offences;

6.2.2 had a bankruptcy order made against him or been the subject of an individual voluntary arrangement;

- 6.2.3 been a director of a company which has been placed in receivership, entered into administration, company voluntary arrangement, compulsory liquidation creditors voluntary liquidation, made any composition or arrangement with its creditors generally or of any class of its creditors whilst he was director of that company or within twelve months after he ceased to be a director of that company;
 - 6.2.4 been a partner in a partnership which has been placed in compulsory liquidation, entered into administration or made a partnership voluntary arrangement whilst he was a partner in that partnership or within twelve months after he ceased to be a partner in that partnership;
 - 6.2.5 had any asset placed in receivership or any asset of a partnership in which he was a partner placed in receivership whilst he was a partner in that partnership or within twelve months after he ceased to be a partner in that partnership; or
 - 6.2.6 been publicly criticised by any statutory or regulatory authority (including recognised professional bodies) or disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.
- 6.3 No person (other than professional advisers otherwise disclosed in this document and trade suppliers) has:
- 6.3.1 received, directly or indirectly, from any member of the Company within the 12 months preceding the date of this document; or
 - 6.3.2 entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from any member of the Company on or after Admission any of the following:
 - (a) fees totalling £10,000 or more;
 - (b) securities in the issuer with a value of £10,000 or more calculated by reference to the Issue Price; or
 - (c) any other benefit with a value of £10,000 or more at the date of Admission.
- 6.4 No Director has or has had any interest in any transaction which is or was of an unusual nature, contains or contained unusual terms or is or was effected during the current or immediate preceding financial year, or which was effected during any earlier financial year and remains in any respect outstanding or under performed;
- 6.5 No loans or guarantees have been granted or provided to or for the benefit of the directors by the Company.
- 6.6 On 9 March 2000, Charles Hipps gifted 477,750 Ordinary Shares to each of Dr Deborah Hipps and Ms Victoria Hipps and gifted a further 10,000 Ordinary Shares to Mrs Cynthia Hipps.

7. Directors' service and consultancy agreements and emoluments

- 7.1 Charles Hipps entered into a service agreement with the Company on 10 March 2000. Charles Hipps is the managing director of the Company with an annual salary of £65,000 together with a contribution to a stand-alone pension plan of 10 per cent. of salary, private medical benefit and the provision of a company car. The service agreement is for a fixed period until 31 March 2001 and thereafter terminable by three months notice.
- 7.2 David Moore entered into a service agreement with the Company on 10 March 2000. David Moore is the operations director of the Company with an annual salary of £35,000. The service agreement is for a fixed period until 31 March 2001 and subject thereafter to three months notice.
- 7.3 Ian Moore entered into a consultancy agreement with the company and Parsonage Services Limited on 10 March 2000, whereby Parsonage Services Limited agreed to procure the services of Ian Moore as Chairman of the Company at a fee of £15,000 per annum. The agreement is terminable on six months notice and Ian Moore has agreed to spend 10 hours per month on the business of the Company with further time chargeable (with the agreement of the Company) at £125 per hour.
- 7.4 Save as set out in paragraphs 7.1 to 7.3 above, there are no existing or proposed service agreements between any of the Directors and the Company.

7.5 The aggregate amount payable and benefits in kind to be granted to the Directors under the arrangements in force at the date of this document during the financial period ending 31 July 2000 are estimated to amount to £50,625.

8. Share options

8.1 On 10 March 2000, the Company entered into an option agreement with Ian Moore pursuant to which he was granted an option to subscribe for up to 20,000 Ordinary Shares. The principal terms on which the option was granted are as follows:

8.1.1 Exercise price

The exercise price for the Ordinary Shares under option is 110p per Ordinary Share. The number of Ordinary Shares under the option and the exercise price may be adjusted in the event of a rights issue, bonus issue, sub-division of share capital and certain other alterations of share capital subject to written certification by the auditors that such adjustment is fair and reasonable.

8.1.2 Exercise and lapse of the option

The option is exercisable between three and ten years from the date of grant. The option will normally lapse if the optionholder ceases to hold office with the Company except in particular circumstances such as injury or disability or where the Company exercises its discretion, in which case he may exercise the option within the period of 6 months from the date of such cessation. Exercise is also permitted in special circumstances such as a take-over.

8.2 On 10 March 2000, the Company entered into an option agreement with David Moore pursuant to which he was granted an option to subscribe for up to 95,550 Ordinary Shares. The principal terms on which the option was granted are as follows:

8.2.1 Exercise price

The exercise price for the Ordinary Shares under option is 1p per Ordinary Share. The number of Ordinary Shares under the option and the exercise price may be adjusted in the event of a rights issue, bonus issue, sub-division of share capital and certain other alterations of share capital subject to written certification by the auditors that such adjustment is fair and reasonable.

8.2.2 Exercise and lapse of the option

The option is exercisable between three and ten years from the date of grant. The option will normally lapse if the optionholder ceases to be employed by, or hold office with, the Company except in particular circumstances such as injury, disability or redundancy, or where the Company exercises its discretion, in which case he may exercise the option within the period of 6 months from the date of such cessation. Exercise is also permitted in special circumstances such as a take-over.

8.3 On 10 March 2000, the Company entered into an option agreement with Simon Perriton pursuant to which he was granted an option to subscribe for up to 95,550 Ordinary Shares. The principal terms on which the option was granted are as follows:

8.3.1 Exercise price

The exercise price for the Ordinary Shares under option is 55p per Ordinary Share. The number of Ordinary Shares under the option and the exercise price may be adjusted in the event of a rights issue, bonus issue, sub-division of share capital and certain other alterations of share capital subject to written certification by the auditors that such adjustment is fair and reasonable.

8.3.2 Exercise and lapse of the option

The option is exercisable between three and ten years from the date of grant. The option will normally lapse if the optionholder ceases to be employed by, or hold office with, the Company except in particular circumstances such as injury, disability or redundancy, or where the Company exercises its discretion, in which case he may exercise the option within the period of 6 months from the date of such cessation. Exercise is also permitted in special circumstances such as a take-over.

8.4 On 10 March 2000, the Company entered into option agreements with certain executives pursuant to which they were granted options to subscribe for a total of 28,822 Ordinary Shares at 1p and for 8,638 Ordinary Shares at 110p, per Share.

8.4.1 Exercise price

The number of Ordinary Shares under the options and the exercise prices may be adjusted in the event of a rights issue, bonus issue, sub-division of share capital and certain other alterations of share capital subject to written certification by the auditors that such adjustment is fair and reasonable.

8.4.2 Exercise and lapse of the options

The options are exercisable between three and ten years from the date of grant. The options will normally lapse if the optionholders cease to be employed by, or hold office with, the Company except in particular circumstances such as injury, disability or redundancy, or where the Company exercises its discretion, in which case they may exercise the options within the period of 6 months from the date of such cessation. Exercise is also permitted in special circumstances such as a take-over.

9. Taxation

9.1 Under current legislation, no tax will be withheld from any dividends paid by the Company. The Company is not liable to account to the Inland Revenue for advance corporation tax ('ACT') in respect of any dividend paid on or after 6 April 1999 as ACT was abolished as of that date.

A United Kingdom resident individual shareholder who receives a dividend is treated as receiving income of an amount equal to the sum of the dividend and its associated tax credit. Such tax credit for dividends paid from 6 April 1999 is 10 per cent. of the combined amount of the dividend and the tax credit (i.e. the tax credit will be one-ninth of the dividend paid). The tax credit will discharge in full the income tax liability of a lower rate or basic rate tax payer, but a higher rate tax payer will have an additional liability. The special rate of tax set for higher rate tax payers who receive dividends is 32.5 per cent., this rate being applied to the combined amount of the dividend and the tax credit. After taking into account the 10 per cent. tax credit, such a tax payer would have to account for an additional 22.5 per cent. In determining which tax rates apply to a United Kingdom resident individual shareholder, dividend income is treated as the top slice of his income.

United Kingdom resident trustees of most discretionary trusts are liable to account for income tax at the rate of 25 per cent. on the combined amount of the dividend and the tax credit. After taking into account the tax credit, such trustees would have to account for an additional 15 per cent.

From 6 April 1999 tax credits are not repayable to UK resident taxpayers except, under transitional arrangements for dividends paid by 5 April 2004, to certain charities and in respect of shares held in PEPs or ISAs.

A United Kingdom resident (for tax purposes) corporate shareholder (other than certain insurance companies and others holding the shares as trading assets) holding its shares as an investment will not normally be liable to United Kingdom corporation tax on dividends received from the Company.

The above comments are intended only as a general guide to the current position under United Kingdom law and Inland Revenue practice and may not apply to certain classes of person (such as dealers in securities). Any person who is in any doubt as to his tax position, or who is subject to tax in a jurisdiction outside the United Kingdom, should consult his professional advisers.

9.2 The Inland Revenue has been asked to provide assurances that the Placing Shares will, depending upon the status of the investor, be eligible shares that qualify for EIS relief. Assurances have also been sought from the Inland Revenue that the Placing Shares will be eligible shares if subscribed for by a VCT. The EIS and VCT legislation is complex, and the Company cannot undertake that its shares will always continue to qualify although there is no present intention to take any action which would result in relief being withdrawn.

Income tax relief, capital gains tax exemption, loss relief and capital gains tax deferral together comprise tax reliefs under the EIS legislation. Reliefs can only be claimed by a qualifying individual who subscribes for eligible shares in a qualifying company, save that capital gains tax deferral may also be claimed by certain trustees. An investor cannot claim relief in respect of any amount subscribed in excess of £150,000 in any tax year (this limit applying to the aggregate of all potentially eligible shares and not to each share issue), save that capital gains tax deferral may be claimed without limit.

- (a) **Income tax relief.** Qualifying individuals can credit an amount equal to tax at the lower rate on the amount subscribed for eligible shares against their total liability to income tax for the tax year in which the shares are issued. For the 1999/2000 tax year the relief is obtained at the lower rate of 20 per cent. The relief is available against UK tax liability irrespective of whether or not the investor is resident in the UK. The amount of relief given cannot exceed an individual's tax liability before other reliefs given by way of discharge of tax.

A qualifying individual can claim to carry back part of his subscription to the previous tax year where eligible shares are issued between 6 April and 5 October. The maximum amount which may be carried back is the lesser of £25,000 and 50 per cent. of the amount subscribed by the individual.

- (b) **Capital gains tax relief.** To the extent EIS income tax relief is available and not liable to be withdrawn, any capital gain accruing to the original investor on the disposal of his shares shall be exempt from capital gains tax, provided that the shares have been held for at least five years.
- (c) **Loss relief.** If the original investor disposes of his shares at a loss, the net loss (after EIS income tax relief) may be set against other taxable income or chargeable gains, at the election of the investor, and at the then applicable marginal rate of tax.
- (d) **Capital gains tax deferral.** The liability to capital gains tax arising on the disposal of any asset may be deferred by investing the gain in eligible shares. The investment must be made within the period beginning one year before and ending three years after the event which gives rise to the gain being deferred.

10. Working capital

The Company is of the opinion that, having made due and careful enquiry and after taking into account existing bank and other facilities available and the net proceeds of the Placing, the working capital available to the Company will, from Admission, be sufficient for its present requirements, that is for at least the next 12 months from Admission.

11. Litigation

There are no litigation or arbitration proceedings, active, pending or threatened against, or being brought by, the Company which have or may have a significant effect on the Company's financial position.

12. Material contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company within the period of 2 years preceding the date of this document which are or may be material:

- 12.1 By an agreement dated 8 March 2000 between (1) Charles Hipps and (2) the Company, the Company agreed to acquire the goodwill of WCN and certain assets from Charles Hipps for a consideration of £312,500 of which £162,500 is payable on Admission and the balance of £150,000 together with interest at 2 per cent. over LIBOR is payable on 31 March 2001. The agreement contains warranties given by Charles Hipps to the Company relating to title to the assets transferred.

12.2 By a Placing Agreement dated 10 March 2000 between (1) the Company, (2) the Directors and (3) Charles Stanley, Charles Stanley has agreed, conditional upon the Admission taking place not later than 20 March 2000 (or such later date as the parties may agree), that it will procure subscribers for the Ordinary Shares at the Issue Price. The Company has agreed, subject to Admission, to pay Charles Stanley a fee of £65,000 plus commission plus VAT as applicable. The Placing Agreement contains warranties and indemnities given by the Company and Charles Higgs as to the accuracy of information contained in the Prospectus and other matters relating to the Company. The liability of the Company and Charles Higgs for breach of warranty is limited. In certain circumstances Charles Stanley may terminate the agreement prior to Admission, including becoming aware of any matter giving rise to a breach of the warranties.

The Directors have undertaken that they will not dispose of any Ordinary Shares without the consent of Charles Stanley save in accordance with the AIM Rules until one year from the date of Admission and then for a further 12 months will only dispose of any Ordinary Shares through Charles Stanley.

12.3 By an agreement dated 10 March 2000 between (1) the Company and (2) Charles Stanley, the Company has granted Charles Stanley the option to subscribe for such number of Ordinary Shares as shall constitute one per cent. of the total number of Ordinary Shares in issue from time to time. The option may be exercised at any time during the period commencing on the date of the agreement and expiring three years from such date. The exercise price for any such shares under the option will be the Issue Price.

12.4 A nominated adviser and nominated broker agreement dated 10 March 2000 between (1) the Company, (2) the Directors and (3) Charles Stanley pursuant to which the Company has appointed Charles Stanley to act as nominated adviser and nominated broker to the Company. The Company has agreed to pay Charles Stanley a fee of £15,000 per annum for its services as nominated adviser and nominated broker under this agreement. The agreement contains certain undertakings and indemnities given by the Company and the Directors in respect of, *inter alia*, compliance with all applicable laws and regulations. The agreement is subject to termination on the giving of one month's notice.

12.5 By an agreement between (1) the Company and (2) John Mocatta & Company, dated 10 March 2000 the Company has appointed John Mocatta & Company as corporate finance adviser to the Company for the purpose of the Admission. The Company has agreed to pay John Mocatta & Company a fee of £50,000, conditional upon Admission.

13. General

13.1 The nominated adviser and nominated broker to the Company is Charles Stanley of 25 Luke Street, London EC2A 4AR, a member of the London Stock Exchange and regulated by The Securities and Futures Authority Limited.

13.2 There are no significant investments under active consideration or in progress.

13.3 The expenses of or incidental to the Placing and Admission are payable by the Company and are estimated to amount to £310,000 (excluding value added tax).

13.4 The total proceeds of the Placing expected to be raised by the Company are £1,870,000 and the net proceeds, after deduction of the expenses, are estimated at £1,560,000.

13.5 The Issue Price represents a premium over nominal value of 109.9p per Ordinary Share.

13.6 Other than the intended 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, except as stated below, are there intended to be any other arrangements for dealings in the Ordinary Shares.

13.7 HLB Kidsons accepts responsibility for its reports set out in Part 3 of this document and has given and not withdrawn its written consent to the inclusion of them in this document and the references to them and to its name in the form and context in which they appear.

- 13.8 The financial information set out in Part 3 of this document is based on the balance sheets of WCN at 31 July 1999 and of the Company as at 31 January 2000 (being the latest practicable date prior to that report). This does not comprise statutory accounts within the meaning of section 240 of the Act and has been prepared under the historical cost convention.
- 13.9 There are no exceptional factors which have influenced the Company's activities.
- 13.10 There are no patents or other intellectual property rights, licenses or particular contracts which are or may be of fundamental importance to the Company's business.
- 13.11 Save as disclosed in this document, there have been no significant recent trends concerning the development of the Company's business nor any significant acquisitions or disposals of assets since the date of its incorporation.
- 13.12 The minimum amount which, in the opinion of the Directors, must be raised for the purposes set out in paragraph 21 of schedule 1 to the Regulations is as follows:
- 13.12.1 purchase of property – nil;
 - 13.12.2 preliminary expenses and commissions – £310,000;
 - 13.12.3 repayment of monies borrowed – nil;
 - 13.12.4 payment of the consideration for the goodwill and certain assets of WCN – £312,500;
 - 13.12.5 redemption of Redeemable Preference Shares – £10,907.50;
 - 13.12.6 working capital – £1,236,592.50.
- 13.13 Share certificates in respect of the Placing Shares are expected to be dispatched to Shareholders by post, at their risk, by 27 March 2000.
- 13.14 Charles Stanley has given and not withdrawn its written consent to the issue of this document with the references to its name in the form and context in which the references appear.

14. Responsibility

The Directors, whose names are set out on page 7 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

15. Availability of admission document

Copies of this admission document are available during normal business hours on any weekday (except Saturdays and public holidays) free of charge from the Company's registered office and at the offices of Charles Stanley and shall remain available for at least 14 days after Admission.

Dated: 13 March 2000