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**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you should immediately consult your stockbroker, solicitor, accountant or other independent financial adviser authorised under the Financial Services Act 1986.**

If you have sold or otherwise transferred all of your Ordinary Shares, please send this document, together with the form of proxy, to the purchaser or transferee or to the stockbroker, bank or other professional adviser through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

Copies of this document, which comprises a prospectus relating to the Company prepared in accordance with the listing rules made under Part IV of the Financial Services Act 1986, have been delivered to the Registrar of Companies for registration as required by Section 149 of that Act.

Application has been made to the London Stock Exchange for the New Ordinary Shares and the Rights Shares to be issued pursuant to the arrangements referred to in this document to be admitted to the Official List. It is expected that Admission will become effective, and that dealings will commence in the New Ordinary Shares (fully paid) and the Rights Shares (nil paid), on 10 December 1996.

Persons receiving this document should note that Ellis & Partners Limited, which is regulated by The Securities and Futures Authority Limited, is acting for the Company and no-one else in relation to the matters described in this document and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Ellis & Partners Limited nor for providing advice on the contents of this document nor any matters referred to herein.

# AUKETT ASSOCIATES PLC

**Proposed 13 for 4 Rights Issue  
of 44,349,324 New Ordinary Shares of 1p each  
at 5p per share**

**Sponsored by Ellis & Partners Limited**

**Proposed Sub-division**

**Preliminary announcement of results  
for the year ended 30 September 1996**

Notice of an extraordinary general meeting of the Company, to be held at 10.00 a.m. on 9 December 1996 at the offices of the Company, 2 Great Eastern Wharf, Parkgate Road, London SW11 4TT, is set out at the end of this document. Forms of proxy for use in connection with the Extraordinary General Meeting should be completed and returned as soon as possible and to be valid must be received not later than 48 hours before the time fixed for the meeting. Completed forms of proxy should be returned to Lloyds Bank Registrars, The Causeway, Worthing, West Sussex BN99 6DA. You should retain this document until the Extraordinary General Meeting has taken place, following which, if the necessary Resolution has been passed, Provisional Allotment Letters in respect of the Rights Shares proposed to be issued pursuant to the Rights Issue will be posted to Qualifying Shareholders.

The latest time for acceptance and payment under the terms of the Rights Issue is expected to be 3.00 p.m. on 3 January 1997. The procedure for acceptance and payment is set out in Part II of this document and will also be set out in full in the Provisional Allotment Letter.

## DEFINITIONS

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

"Act"	the Companies Act 1985, as amended
"Admission"	the admission of the New Ordinary Shares and the Rights Shares to the Official List
"Aukett" or "Company"	Aukett Associates PLC
"Deferred Shares"	the deferred shares of 4p each in the capital of the Company arising from the Sub-division
"Directors" or "Board"	the directors of the Company
"Ellis"	Ellis & Partners Limited, the Company's sponsor and stockbroker
"Enlarged Share Capital"	the issued ordinary share capital of the Company following implementation of the Proposals
"Extraordinary General Meeting"	the extraordinary general meeting of the Company convened for 9 December 1996, or any adjournment thereof, notice of which is set out at the end of this document
"Group"	the Company and the Subsidiary
"London Stock Exchange"	London Stock Exchange Limited
"New Ordinary Shares"	the new ordinary shares of 1p each in the capital of the Company arising from the Sub-division including, where the context requires, the Rights Shares
"Official List"	the Official List of the London Stock Exchange
"Ordinary Shares"	the existing ordinary shares of 5p each in the capital of the Company of which 13,645,946 are in issue
"Proposals"	the Rights Issue and the Sub-division
"Provisional Allotment Letters"	the renounceable provisional allotment letters in respect of the Rights Shares proposed to be issued to Qualifying Shareholders pursuant to the Rights Issue
"Qualifying Shareholders"	holders of Ordinary Shares on the register of members on the Record Date
"Record Date"	close of business on 2 December 1996
"Resolution"	the ordinary resolution to be proposed at the Extraordinary General Meeting
"Rights Issue"	the proposed issue of 44,349,324 Rights Shares by way of rights as described in this document
"Rights Price"	5p per Rights Share
"Rights Shares"	the new ordinary shares of 1p each in the capital of the Company the subject of the Rights Issue
"Share Option Schemes"	the Company's Executive Share Option Scheme and Executive Share Option Scheme (No. 2) each of which was adopted on 22 February 1988
"Sub-division"	the proposed sub-division of each Ordinary Share in issue into one New Ordinary Share and one Deferred Share and of each authorised but unissued Ordinary Share into five New Ordinary Shares
"Subsidiary"	Aukett Limited, the Company's sole subsidiary
"Underwriting Agreement"	the conditional agreement dated 15 November 1996 between the Company and Ellis, details of which are set out in Part V of this document

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## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date for the Rights Issue	close of business on 2 December 1996
Latest time and date for receipt of forms of proxy for the Extraordinary General Meeting	10.00 a.m. on 7 December 1996
Extraordinary General Meeting	10.00 a.m. on 9 December 1996
Posting of Provisional Allotment Letters	9 December 1996
Dealings expected to commence in the New Ordinary Shares (fully paid) and the Rights Shares (nil paid)	10 December 1996
Latest time and date for splitting (nil paid)	3.00 p.m. on 31 December 1996
Latest time and date for acceptance and payment in full	3.00 p.m. on 3 January 1997
Latest time and date for splitting (fully paid)	3.00 p.m. on 22 January 1997
Latest time and date for registration of renunciation	3.00 p.m. on 24 January 1997
Share certificates to be despatched	31 January 1997

**PART I**  
**LETTER FROM THE CHAIRMAN**  
**AUKETT ASSOCIATES PLC**

*(Registered and incorporated in England & Wales under the Companies Act 1985 with No. 2155571)*

*Directors:*

GKT Deighton RIBA FCSD FRSA *Non-executive chairman*  
AA Lett RIBA DipArch (Oxford) *Managing Director*  
JW Thake RIBA DipArch MCSD BNA *Executive*  
GC Harwood BA MSc CEng FCIBSE MinstE MAPM *Executive*  
RH Warner ACA *Finance Director*  
AB Brooker JP DL FCA *Non-executive*

*Head Office and*

*Registered Office:*

2 Great Eastern Wharf  
Parkgate Road  
London SW11 4TT

15 November 1996

*To the holders of Ordinary Shares and, for information only, to participants in the Share Option Schemes*

Dear Sir or Madam,

**INTRODUCTION**

The Company announced today that it proposes to raise approximately £1.76 million (net of expenses) by way of the Rights Issue. Under its terms, Qualifying Shareholders are being invited to apply for 44,349,324 Rights Shares on the basis of 13 Rights Shares for every 4 Ordinary Shares held on the Record Date, at 5p per Rights Share. The Rights Issue has been fully underwritten by Ellis, the Company's sponsor and stockbroker.

To enable the elimination in due course of the deficit on distributable reserves, which at present prohibits Aukett from paying dividends, the Company today announced proposals to sub-divide its share capital and its intention to apply to the High Court for a reduction in its and the Subsidiary's capital. These will enable the Company to pay dividends out of future profits earlier than would otherwise have been the case.

The Company also announced today its preliminary results for the year ended 30 September 1996. These show an operating profit of £236,000 (1995: loss of £166,000) and a profit before taxation of £30,000 (1995: loss of £376,000) on work done of £5.81 million (1995: £5.97 million). The full text of the preliminary announcement is set out in Part III of this document.

The purpose of this letter is to give you full details of these matters. The Rights Issue and the Sub-division are conditional, *inter alia*, on the approval of shareholders. Accordingly, an Extraordinary General Meeting has been convened for 10.00 a.m. on 9 December 1996 at the offices of the Company, 2 Great Eastern Wharf, Parkgate Road, London SW11 4TT, at which the necessary Resolution will be put to shareholders. Notice of the Extraordinary General Meeting is set out at the end of this document.

**BACKGROUND**

*The Business*

The Group provides a wide range of professional design services to the property and construction sectors. These comprise architecture, planning and urban design, building services and structural engineering, interior design, space planning and graphic design.

The Group has an experienced, well qualified and multi-disciplinary team of approximately 90 professional staff with an additional 30 support staff. It is recognised for the quality of its work, as evidenced by the number of awards that continue to be won including, in 1996, the European Office of the Year, awarded by the MIPIM conference in Cannes, and the Delivered Workplace awarded by the British Council for Offices.

The Group has a broad spread of both UK and international clients including Akeler Developments Plc, ASDA Group PLC, British Airways PLC, British Telecommunications PLC, Glaxo Wellcome plc, Hanover Property Unit Trust, London Underground Limited, Procter & Gamble Limited, Royal & Sun Alliance Insurance Holdings PLC and Westdeutsche Landesbank Girozentrale.

In recent years, the Group has sought to diversify the geographical base of its business by developing operations across Europe. The European network now consists of offices in London and Glasgow, joint venture offices in Amsterdam and Berlin and associations with local practices in Brussels, Dublin, Milan and Paris. As a result of this marketing strategy, a significant proportion of the Group's revenues is now sourced either directly or indirectly from overseas.

The Directors believe that the Group's reputation for high quality work, the geographical spread of its business and, in particular, the wide range of services offered make it one of the leading integrated design practices in Europe.

## **THE RIGHTS ISSUE**

### ***Reasons***

The recession in the property and construction sectors since the early 1990s has had a severe adverse impact on the Group's trading performance. In particular, during 1992 it was necessary for the Group to write off £1.3 million arising out of the insolvency of a major property developer client. In addition, a total of £1.3 million was written down during 1991 and 1992 against the value of the Group's investment in a property development joint venture.

In response, the Directors instigated a major restructuring of the business, including management changes, a succession of redundancy programmes, the sale of a subsidiary and the relocation of the London head office to cheaper and more efficient premises.

However, the losses incurred by the Group in recent years have eroded the capital base of the business. At 30 September 1996, the Group had a deficit of shareholders' funds of £634,000 and had net debt of £2.59 million. As a consequence, the Group has become excessively dependent on the support of its bankers and working capital constraints are hindering the development of new business with existing and potential clients.

The Directors have considered a number of options designed to improve the financial position of the Group and have concluded that the most appropriate option is a fund-raising by way of the Rights Issue on the terms set out in this document.

The Directors believe that, by restoring the Group's capital base through the Rights Issue, it will be able to capitalise on improved market conditions, as shown by the Group's increased order book, and develop its business in the UK and across Europe.

### ***Use of proceeds***

The net proceeds of the Rights Issue of approximately £1.76 million will be used to reduce amounts due to the Group's bankers, to repay the outstanding £564,000 of a loan from 3i plc (as required by the terms of the loan) and for working capital purposes.

Following the Rights Issue and based on the *pro forma* statement of net assets set out in Part IV of this document, net debt is anticipated to fall to £828,000 (being a loan of £1 million less cash balances of £172,000) and net gearing (as measured by the Group's consolidated net debt and

leasing obligations divided by the Group's consolidated net assets) is anticipated to be approximately 74 per cent.

The Group's bankers have agreed to provide facilities amounting to a total of £1.25 million, of which £1 million is in the form of a loan repayable within six years, and the balance as an overdraft. As a consequence of the reduction in the Group's indebtedness, certain collateral and personal guarantees given by the Directors and two former directors of the Company, in support of the loan from 3i plc and the Group's overdraft, will be released.

It should be noted that, if the Rights Issue were not to proceed, it would be necessary for the Group to renegotiate appropriate banking facilities.

### **Details**

Subject, *inter alia*, to the passing of the Resolution at the Extraordinary General Meeting, the Company is proposing to offer 44,349,324 Rights Shares to Qualifying Shareholders at 5p per Rights Share, representing a discount of 47 per cent to the mid-market price of 9½p per Ordinary Share at the close of business on 14 November 1996, the latest practicable date prior to the printing of this document, payable in full on acceptance, on the basis of:

#### **13 Rights Shares for every 4 Ordinary Shares**

held on the Record Date, and so in proportion to any other number of Ordinary Shares then held.

The Rights Shares will, when issued and fully paid, rank *pari passu* in all respects with the New Ordinary Shares including the right to receive all dividends and other distributions hereafter declared, made or paid.

Provisional allotments of Rights Shares will be rounded down to the nearest whole number. Fractions of Rights Shares will not be allotted to Qualifying Shareholders but will be subscribed for by Ellis pursuant to the underwriting arrangements.

The Rights Issue has been fully underwritten by Ellis. The obligations of Ellis under the Underwriting Agreement are conditional, *inter alia*, on Admission. A summary of the Underwriting Agreement is set out in paragraph 7.1 of Part V of this document.

Ellis will seek to procure, by no later than 3.00 p.m. on 8 January 1997, subscribers for those Rights Shares not taken up. If a premium over the aggregate of the Rights Price and expenses of procuring subscribers (including any value added tax thereon) can be obtained, the net proceeds (after deduction of the subscription price and such expenses) will be distributed (without interest) *pro rata* to the value of their existing shareholdings among the persons originally entitled thereto by cheque at their own risk, except that amounts of less than £3.00 will be aggregated and paid to the Company for its own benefit. Any Rights Shares not taken up and paid for in full by 3.00 p.m. on 8 January 1997 will (subject to the terms of the Underwriting Agreement), if they cannot be re-allotted to achieve a premium over the Rights Price and expenses of sale (including any value added tax thereon), be taken up by Ellis pursuant to the Underwriting Agreement.

**Further details of the Rights Issue and the procedure for acceptance and payment are set out in Part II of this document and will be set out in the Provisional Allotment Letter.**

### **THE SUB-DIVISION**

To enable the elimination in due course of the deficit on distributable reserves which at present prohibits Aukett from paying dividends, the Company is proposing to sub-divide its share capital and intends to apply to the High Court for a reduction in its and the Subsidiary's capital. This will enable the Company to pay dividends out of future profits earlier than would otherwise have been the case.

Under the terms of the Sub-division, each of the existing 13,645,946 Ordinary Shares in issue will be sub-divided into one New Ordinary Share of 1p and one Deferred Share of 4p. Each authorised but unissued Ordinary Share will be sub-divided into five New Ordinary Shares of 1p. Other than

in respect of their nominal value, the New Ordinary Shares resulting from the Sub-division will have the same rights as the Ordinary Shares. The Deferred Shares will have no voting rights, no rights to income, negligible rights to capital and will not be listed or dealt in on any stock exchange and therefore will effectively have no value.

It is intended that shareholders' consent to the reduction of capital, through application to the High Court for the cancellation of the Deferred Shares and all or part of the Company's share premium account, will be sought at the forthcoming Annual General Meeting of the Company. At the same time it is intended to apply to the High Court for the reduction of capital in the Subsidiary.

It is expected that definitive share certificates in respect of the New Ordinary Shares, including the Rights Shares, will be despatched to shareholders on 31 January 1997. Prior to that date, existing certificates will be treated as valid. No certificates will be issued in respect of the Deferred Shares.

### **CURRENT TRADING AND PROSPECTS**

The results for the year ended 30 September 1996 show a return to profitability for the Group. Due to an upturn in market conditions, trading improved in the second half of the financial year and continues to be satisfactory.

The Directors are optimistic that this trend can be sustained in the current financial year. In particular the Directors believe that the upturn in market conditions will enhance the Group's trading prospects. The Group's order book (being confirmed commissions and a proportion of projects under negotiation or discussion) is currently at its highest level for three years, reflecting the general improvement in market conditions and the success of the Group's marketing strategy.

Your attention is drawn to the preliminary statement of results for the year ended 30 September 1996, which is set out in Part III of this document and which gives details of commissions in which the Group is currently engaged.

It is expected that the Company's annual report, which will set out the results in detail, will be posted to shareholders on or around 10 January 1997.

The Company's remuneration committee, which comprises the two non-executive Directors (myself and Alan Brooker), is in the course of considering the Group's incentive arrangements for Directors and it is expected that shareholders' approval, if appropriate, will be sought at the forthcoming Annual General Meeting.

### **EXTRAORDINARY GENERAL MEETING**

Notice of the Extraordinary General Meeting of the Company, to be held at 10.00 a.m. on 9 December 1996 at the offices of the Company, 2 Great Eastern Wharf, Parkgate Road, London SW11 4TT, is set out at the end of this document. At the Extraordinary General Meeting, a Resolution will be proposed to:

- sub-divide each Ordinary Share of 5p in issue into one New Ordinary Share of 1p and one Deferred Share of 4p;
- sub-divide each authorised but unissued Ordinary Share of 5p into five New Ordinary Shares of 1p;
- increase the authorised share capital of the Company from £945,000 to £2,000,000 by the creation of 105,500,000 New Ordinary Shares; and
- authorise the Directors to allot relevant securities up to an aggregate nominal amount of £1,317,702.70.

### **ACTION TO BE TAKEN**

A form of proxy for use at the Extraordinary General Meeting is enclosed. Whether or not you propose to attend the meeting, you are requested to complete the form in accordance with the instructions printed thereon and return it to Lloyds Bank Registrars, The Causeway, Worthing,

West Sussex BN99 6DA, so as to arrive before 10.00 a.m. on 7 December 1996. The return of a form of proxy will not prevent you from attending the Extraordinary General Meeting and voting in person if you so wish.

#### **ADDITIONAL INFORMATION**

Your attention is drawn to the information contained in Parts II to V of this document.

#### **CONCLUSION**

Your Board has received financial advice from KPMG Corporate Finance, its independent financial adviser. On the basis of this financial advice and its own commercial assessment of the Rights Issue (upon which KPMG Corporate Finance has relied in giving its financial advice), your Board considers that the Proposals are fair and reasonable so far as shareholders as a whole and the Company are concerned.

#### **RECOMMENDATION**

Your Board believes that the Proposals are in the best interests of the Company and its shareholders as a whole and recommends that shareholders vote in favour of the Resolution to be proposed at the Extraordinary General Meeting, whether or not they intend to take up their entitlement to Rights Shares. The Directors have irrevocably undertaken to vote in favour of the Resolution in respect of their beneficial shareholdings totalling 2,822,876 Ordinary Shares, representing approximately 20.7 per cent of the existing issued share capital of the Company.

In addition, further irrevocable undertakings to vote in favour of the Resolution have been received from shareholders accounting for 3,117,308 Ordinary Shares, representing approximately 22.8 per cent of the existing issued share capital of the Company.

Accordingly, irrevocable undertakings to vote in favour of the Resolution have been received from shareholders accounting for, in aggregate, 5,940,184 Ordinary Shares (representing 43.5 per cent of the existing issued share capital of the Company)

The executive Directors and I have irrevocably undertaken to take up in aggregate 4,062,010 Rights Shares, representing approximately 44.4 per cent of our entitlements.

Yours faithfully,

Gerry Deighton  
*Chairman*



## PART II

### DETAILS OF THE RIGHTS ISSUE

#### 1. Terms of the Rights Issue

Subject to the fulfilment of the conditions referred to in this paragraph, 44,349,324 Rights Shares will be offered for subscription by way of rights at a price of 5p per share, payable in full on acceptance, to Qualifying Shareholders (save as mentioned in paragraph 9 of this Part II), on the following *pro rata* basis:

#### 13 Rights Shares for every 4 Ordinary Shares

and so in proportion for any other number of Ordinary Shares held on the Record Date.

Provisional allotments of Rights Shares will be rounded down to the nearest whole number. Fractions of Rights Shares will not be allotted to Qualifying Shareholders but will be subscribed for by Ellis pursuant to the underwriting arrangements.

The allotment and issue of the Rights Shares will be made upon, and subject to, the terms and conditions set out in this document and in the Provisional Allotment Letter.

The Rights Shares will, when issued and fully paid, rank *pari passu* in all respects with the New Ordinary Shares, including the right to receive all dividends and other distributions hereafter declared, made or paid.

The Rights Issue is conditional upon the Underwriting Agreement, details of which are set out in Part V, becoming unconditional in all respects. The Underwriting Agreement is conditional, *inter alia*, upon:

- (i) the passing of the Resolution contained in the notice of the Extraordinary General Meeting set out at the end of this document;
- (ii) Admission of the New Ordinary Shares and the Rights Shares to the Official List becoming effective by 10.00 a.m. on 10 December 1996 (or such later time and/or date as the Company and Ellis may agree).

Ellis has the right to terminate the Underwriting Agreement prior to Admission becoming effective upon the occurrence of certain events. If that right is exercised, the Rights Issue will not proceed.

#### 2. Provisional Allotment Letters

Subject to the passing of the Resolution, Provisional Allotment Letters, which will set out the holdings of Ordinary Shares on which Qualifying Shareholders' entitlements under the Rights Issue are based and the number of Rights Shares for which Qualifying Shareholders are entitled to subscribe, are expected to be despatched by first class post to Qualifying Shareholders (save as mentioned in paragraph 9 of this Part II) on 9 December 1996.

The Provisional Allotment Letters will contain full details regarding acceptance and payment, renunciation, consolidation, splitting and registration and the procedure to be followed if a Qualifying Shareholder wishes to transfer (whether before or after payment of the Rights Price) all or part of his entitlement.

If satisfaction of the conditions to the Rights Issue is delayed so that Provisional Allotment Letters cannot be despatched on 9 December 1996, the expected timetable as set out at the front of this document and in this Part II will be adjusted accordingly and the revised dates will be set out in the Provisional Allotment Letter.

#### 3. Dealings in nil paid rights

Dealings on the London Stock Exchange in the provisionally allotted rights to subscribe for the Rights Shares are expected to commence, nil paid, on 10 December 1996. If Admission does not become effective by 10.00 a.m. on that date or such later date as Ellis and the Company may agree, the provisional allotment of Rights Shares will lapse. A transfer of such rights can be made (save as required by the laws of certain foreign jurisdictions) by delivery to the transferee of a Provisional Allotment Letter renounced in accordance with the instructions thereon, without payment of the Rights Price of the Rights Shares provisionally allotted, up to 3.00 p.m. on 31 December 1996.

#### 4. Procedure for acceptance and payment

On the basis that Provisional Allotment Letters are posted on 9 December 1996 and that dealings in the Rights Shares, nil paid, commence on 10 December 1996, the latest time and date for acceptance and payment in full for the Rights Shares will be 3.00 p.m. on 3 January 1997.

To take up your provisional allotment in whole or in part, you should lodge the Provisional Allotment Letter in accordance with the instructions thereon, together with a remittance for the full amount payable, by post or by hand with Lloyds Bank Registrars, The Causeway, Worthing, West Sussex, BN99 6DA or, by hand only, to Lloyds Bank Registrars, Antholin House, 71 Queen Street, London EC4N 1SL, so as to arrive, in each case, not later than 3.00 p.m. on 3 January 1997.

All payments must be in pounds sterling and must be made by cheque or banker's draft, made payable to "Lloyds Bank Registrars A/C Aukett Associates PLC" and crossed "Account Payee only". Cheques and banker's drafts must be drawn on a bank or a building society in the United Kingdom which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Company Limited or which has arranged for its cheques or banker's drafts to be cleared through the facilities provided for members of either of those companies or committees and must bear the appropriate sort code in the top right hand corner.

Interest on payments made before they are due will accrue to the benefit of the Company. Return of the Provisional Allotment Letter with a remittance in the form of a cheque will constitute a warranty that the cheque (which the Company reserves the right to have presented on receipt) will be honoured on first presentation. The Company may elect not to treat as valid any acceptances in respect of which cheques are not so honoured. The Company reserves the right to instruct Lloyds Bank Registrars to seek special clearance of cheques to allow the Company to obtain value for remittances at the earliest opportunity.

To ensure compliance with the Money Laundering Regulations 1993, Lloyds Bank Registrars may require, at its absolute discretion, verification of identity from any person lodging a Provisional Allotment Letter. If the value of your acceptance exceeds £12,000 (or is one of a series of linked acceptances the aggregate value of which exceeds that amount), verification of the identity of the acceptor(s) for Rights Shares will be required if payment is made other than by the acceptor(s). If Lloyds Bank Registrars determines that the verification requirements apply to any acceptance of an allotment, the relevant Rights Shares will be allotted to the relevant person but (notwithstanding any other terms of the Rights Issue) will not be issued to him until the verification requirements have been satisfied. If the verification requirements are not satisfied within such period, being not less than 21 business days after a request for evidence of identity is despatched, as the Company may in its absolute discretion allow, the Company will be entitled to make arrangements (in its absolute discretion as to manner, timing and terms) to sell the relevant Rights Shares and for that purpose the Company will be authorised to act as the agent of the allottee or renouncee (if applicable). Any proceeds from such sale of Rights Shares which shall be issued to and registered in the name of the purchaser(s) or any amount equivalent to the aggregate Rights Issue price, whichever is lower (net of expenses of sale), will be held by the Company on trust for the relevant persons, subject to the requirements of the Money Laundering Regulations.

In order to avoid any problems with verification, you should ideally make payment by your own cheque. If this is not practicable and you use a cheque drawn by a building society or another third party or a banker's draft, you should:

- (i) write your own name and address on the back of the building society cheque, banker's draft or cheque, and record your date of birth against your name; and
- (ii) if a building society or banker's draft is used, ask the building society or bank to endorse on the cheque the name and account of the person whose building society or bank account is being debited.

If you are lodging a Provisional Allotment Letter as agent for one or more persons and you are not a United Kingdom or EC regulated person or institution then, irrespective of the value of the aggregate subscription price for the relevant Rights Shares, Lloyds Bank Registrars is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf the Provisional Allotment Letter is being lodged. Applicants making such an application as agent should specify on the Provisional Allotment Letter if they are a UK or EC regulated person or institution.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity may result in your acceptance being treated as invalid or in delay in the despatch of a share certificate or in your allotted Rights Shares being sold. Neither Lloyds Bank Registrars nor the Company nor any agent of the Company will be liable to any person for any loss suffered or incurred as a result of the above.

The Company may, at its sole discretion, treat the Provisional Allotment Letter as valid and binding on the person(s) by whom or on whose behalf it is lodged even if it is not completed in accordance with the relevant instructions or it is not accompanied by a valid power of attorney where required.

The Company reserves the right, but shall not be obliged, to accept acceptances in respect of which remittances are received:

- (i) prior to 3.00 p.m. on 3 January 1997 from an authorised person (as defined in the Financial Services Act 1986) specifying the Rights Shares concerned and undertaking to lodge the relevant Provisional Allotment Letter duly completed in due course; and
- (ii) through the post not later than 10.00 a.m. on 6 January 1997 (the cover bearing a legible postmark not later than 3.00 p.m. on 3 January 1997).

All queries in connection with the Provisional Allotment Letter should be addressed to Lloyds Bank Registrars, The Causeway, Worthing, West Sussex BN99 6DA (Telephone 01903 702767).

#### **5. Dealings in fully paid rights**

After acceptance of the provisional allotment and payment in full in accordance with the provisions set out in this document and the Provisional Allotment Letter, the fully paid rights to the Rights Shares may be transferred (save as required by the laws of certain foreign jurisdictions) by delivery of a Provisional Allotment Letter to the transferee, in accordance with the provisions of paragraph 6 below.

#### **6. Splitting and renunciation**

Provisional Allotment Letters will be renounceable, subject to the terms and conditions thereof, and (save as required by the laws of certain foreign jurisdictions) by completing the form of renunciation on the Provisional Allotment Letter and handing it intact to the person through or to whom the Rights Shares are being sold or transferred. Once renounced, a Provisional Allotment Letter will become a negotiable document in bearer form. The latest time and date for registration of renunciation (fully paid) is 3.00 p.m. on 22 January 1997.

Provisional Allotment Letters may be split (in accordance with the instructions printed thereon) if lodged, by post or by hand with Lloyds Bank Registrars, Antholin House, 71 Queen Street, London EC4N 1SL, up to 3.00 p.m. on 31 December 1996 (if nil paid) or up to 3.00 p.m. on 22 January 1997 (if fully paid).

After 3.00 p.m. on 24 January 1997, the Rights Shares will be entered in the share register and will be transferable only by instrument of transfer complying with the Company's Articles of Association. After such date, Provisional Allotment Letters will cease to be valid for any purpose. Pending the issue of definitive certificates, which is expected to be on or before 31 January 1997, transfers of Rights Shares will be certified against the share register by the Company's Registrars, Lloyds Bank Registrars, The Causeway, Worthing, West Sussex BN99 6DA.

#### **7. Procedure in respect of rights not taken up**

If payment in full (whether by the original allottee or any person in whose favour the rights have been renounced) is not received by 3.00 p.m. on 3 January 1997, or such later time as may be permitted under paragraph 4 above, the provisional allotment will be deemed to have been declined and will lapse. Ellis, as agent for the Company, will use its reasonable endeavours to procure subscribers for any Rights Shares not so taken up, by not later than 3.00 p.m. on 8 January 1997, if an amount at least equal to the aggregate of the Rights Price and the expenses of procuring such subscribers (including any value added tax thereon) can be obtained. If subscribers can be procured on such basis, such Rights Shares will be reallocated to such subscribers and any net proceeds (after deduction of the Rights Price and expenses of procuring such subscribers) will be paid by cheque to the provisional allottees originally entitled thereto *pro rata* to their lapsed provisional entitlements, except that entitlements of £3.00 or less will not be paid to such provisional allottees, but will be aggregated and retained for the benefit of the Company.

If at any time after 3.00 p.m. on 8 January 1997, Ellis believes that, in its opinion, there is no reasonable likelihood that subscribers can be procured on the terms described above, Ellis may decide no longer to endeavour to procure subscribers on such terms. Neither the Company, nor Ellis, nor any person procuring or seeking to procure such subscribers shall be responsible or have any liability for any loss or damage (whether actual or alleged) arising from the terms of, or the amount of, or the timing of, any such subscription or the procuring thereof or the decision not to endeavour to procure subscribers.

If subscribers for the Rights Shares not taken up cannot be procured on the basis described above, Ellis will procure subscribers or failing which, will subscribe itself for such Rights Shares at the Rights Price.

#### **8. United Kingdom taxation**

##### **(a) Taxation on capital gains**

The following paragraphs are intended as a general guide for shareholders who are resident or ordinarily resident in the United Kingdom for tax purposes holding their ordinary shares (otherwise than under a Personal Equity Plan) as investments and not as trading stock and are based on current legislation and practice, which may change.

The issue of the Rights Shares by the Company will be regarded as a reorganisation of the Company's share capital for the purposes of the United Kingdom taxation of capital gains. Accordingly, a shareholder will not be treated as making a disposal of all or part of his existing holding of ordinary shares by reason of taking up all or part of his rights to Rights Shares.

To the extent that a shareholder takes up the Rights Shares provisionally allotted to him, the Rights Shares so allotted, together with the shareholder's existing holding of New Ordinary Shares arising out of the Sub-division, will, for the purposes of United Kingdom taxation on capital gains, be treated as the same asset as the existing holding and as having been acquired at the same time as the existing holding was acquired. The amount of subscription monies paid for the Rights Shares will be added to the allowable expenditure for the shareholder's existing holding and the aggregated amount will, on a subsequent disposal of any New Ordinary Shares comprised in the composite holding, be apportioned between the number of New Ordinary Shares disposed of and the number remaining by reference to the market value of New Ordinary Shares at the date of disposal. For the purpose of the indexation allowance, the expenditure incurred in subscribing for Rights Shares will be treated as having been incurred at the time the subscription monies for the Rights Shares are paid or are liable to be paid and not at the date of acquisition of the existing holding.

The disposal by a shareholder of part or all of the Rights Shares provisionally allotted to him or of the rights to subscribe for Rights Shares (or if he does not take up his rights, or is deemed not to have taken them up, the receipt by him of a cash payment under the arrangements referred to in paragraph 7 above) may, depending on his circumstances, render him liable to tax on capital gains.

If, in return for a cash payment, a shareholder disposes of all or part of his rights to subscribe for Rights Shares or does not take up his rights or is deemed not to have taken them up and the cash proceeds are "small" compared with the value of the Ordinary Shares in respect of which the rights arose, the Inland Revenue may direct that the shareholder is not to be treated as making a disposal for the purpose of tax on capital gains. No liability to such tax will then arise as a result of the disposal or lapse of the rights, but the proceeds will be deducted from the base cost of the shareholder's existing holding of ordinary shares. The Inland Revenue interprets "small" as 5 per cent or less of the value of the Ordinary Shares in respect of which the rights arose.

**(b) *Taxation of dividends***

Under current United Kingdom tax legislation, the Company is not required to withhold tax when paying a dividend, but the Company will be required to account to the Inland Revenue for advance corporation tax, subject to certain limits and restrictions. Individual shareholders resident (for tax purposes) in the United Kingdom who receive a dividend paid by the Company will be entitled to a tax credit. At current rates, this credit is an amount equal to one quarter of the dividend. The individual will be taxable on the total of the dividend and the related tax credit, which will be regarded as the top slice of the individual's income. The tax credit will, however, be treated as discharging the individual's liability to income tax in respect of the dividend unless and except to the extent that the dividend and related tax credit fall above the threshold for the higher rate of income tax, in which case the individual will, to that extent, pay tax on the dividend and related tax credit at a rate equal to the excess of the higher rate (currently 40 per cent) over the lower rate (currently 20 per cent). If the tax credit exceeds the individual's liability to income tax on the total of the dividend and the tax credit, he will be able to claim payment of the excess from the Inland Revenue. Subject to certain exceptions for some insurance companies, a United Kingdom resident corporate shareholder will not generally be liable to corporation tax on any dividend received, and the dividend received and related tax credit will normally constitute franked investment income.

Subject to certain exceptions for Commonwealth citizens, citizens of the Republic of Ireland, residents of the Isle of Man or the Channel Islands and certain others, the right of a holder of a New Ordinary Share who is not resident (for tax purposes) in the United Kingdom to a tax credit in respect of a dividend received from the Company and to claim payment from the Inland Revenue of any proportion of the tax credit in respect of a dividend received from the Company will depend on the terms of any applicable double tax convention between the United Kingdom and the country in which the holder is resident. Holders who are not resident in the United Kingdom should consult their own tax advisers concerning their tax liabilities on dividends received, whether they are entitled to claim any part of the tax credit and, if so, the procedure for doing so.

**(c) *Stamp duty and stamp duty reserve tax***

No stamp duty or stamp duty reserve tax will be payable on the issue of Provisional Allotment Letters or split Provisional Allotment Letters.

The transfer of rights to Rights Shares represented by a Provisional Allotment Letter (whether nil paid or fully paid) for money or money's worth on or before the latest time for registration of renunciation will not, if effected by delivery of such letter, be liable to stamp duty but will, except in the case of transfers to charities and certain market makers, brokers and dealers, be liable to stamp duty reserve tax at the rate of 50 pence for every £100 or part of £100 of the consideration paid. Where such a transfer is effected through a stockbroker or other financial intermediary, that person should normally account for the liability to stamp duty reserve tax and should indicate that this has been done in any contract note issued to a transferee. In other cases, the purchaser of rights to the Rights Shares represented by a Provisional Allotment Letter is liable to pay the stamp duty reserve tax and must account for it to the Inland Revenue.

The transfer on sale of Rights Shares after the latest time for registration of renunciation will generally be subject to either *ad valorem* stamp duty or stamp duty reserve tax, generally in each case at the rate of 50 pence for every £100 or part of £100 of the consideration paid.

No stamp duty or stamp duty reserve tax will be payable on the registration of the original holders of Provisional Allotment Letters or their renounees.

The above is only a guide to the general tax position as at the date of this document and is based on current legislation and Inland Revenue practice. If you are in any doubt as to your tax position or are subject to tax in a jurisdiction other than the United Kingdom, you should consult your own professional adviser.

## **9. Overseas shareholders**

### **(a) General**

The making or acceptance of the proposed offer of Rights Shares to or by persons resident in, or who are citizens of, countries other than the United Kingdom may be affected by the laws of the relevant jurisdiction. Such persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their rights. It is the responsibility of all overseas shareholders receiving this document and/or a Provisional Allotment Letter and wishing to accept the offer of Rights Shares to satisfy themselves as to full observance of the laws of the relevant territory, including obtaining all necessary governmental or other consents which may be required, observing all other formalities needing to be observed and paying any issue, transfer or other taxes due in such territory.

No person receiving a copy of this document and/or a Provisional Allotment Letter in any territory other than the United Kingdom may treat the same as constituting an offer or invitation to him, nor should he in any event use such Provisional Allotment Letter, unless in the relevant territory such an invitation or offer could lawfully be made to him and such Provisional Allotment Letter could lawfully be used without contravention of any unfulfilled registration or other legal requirements.

In cases where overseas shareholders do not or are unable to take up Rights Shares provisionally allotted to them, or where provisional allotments are treated as having been declined or invalid, the provisions of paragraph 7 above shall apply. The Company reserves the right to treat as invalid any acceptance or purported acceptance of the allotment of Rights Shares comprised in, or renunciation or purported renunciation of, a Provisional Allotment Letter which appears to the Company or its agents to have been executed, effected or despatched in a manner which may involve a breach of the laws of any jurisdiction or if it believes or they believe that the same may violate applicable legal or regulatory requirements or if a Provisional Allotment Letter provides an address for delivery of definitive share certificates for Rights Shares in any jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates.

### **(b) Notice in the London Gazette**

In accordance with Section 90(5) of the Act, the offer by way of rights to Qualifying Shareholders who have no registered address within the United Kingdom and who have not given the Company an address within the United Kingdom for the service of notices will, provided that the Rights Issue becomes unconditional, be made by the Company causing a notice to be published in the London Gazette on 10 December 1996 stating where copies of this document and the Provisional Allotment Letter may be inspected or obtained on personal application by or on behalf of such shareholders. However, in order to facilitate acceptance of the offer by way of rights to such shareholders by virtue of such publication, Provisional Allotment Letters will be posted to such shareholders on 9 December 1996. Accordingly, such shareholders may accept the offer by way of rights either by returning the Provisional Allotment Letters in accordance with the instructions set out therein or (subject to surrendering the original Provisional Allotment Letters so posted to them) by obtaining copies thereof from the place stated in the notice and returning them in accordance with the instructions set out therein.

**(c) *United States and Canada***

The Provisional Allotment Letters and the Rights Shares have not been and will not be registered under the United States Securities Act of 1933, as amended, or under the securities laws of any state of the United States and the relevant exemptions have not been and will not be obtained from the Securities Commission of any province of Canada. Accordingly, subject to certain exceptions, neither the Provisional Allotment Letters nor the Rights Shares may, directly or indirectly, be offered or sold, taken up, renounced or delivered within the United States or Canada or their respective territories or possessions.

Accordingly, unless otherwise determined by the Company, in its sole discretion, no Provisional Allotment Letter will be sent to any Qualifying Shareholder whose registered address is in the United States or Canada or their territories or possessions. The offer by way of rights to any such Qualifying Shareholder will be made by means of the notice in the London Gazette referred to in sub-paragraph (b) above.

Until 40 days after the commencement of the Rights Issue, an offer or sale of Rights Shares or Provisional Allotment Letters in the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the United States Securities Act of 1933.

"United States", as used in Part II of this document, means the United States of America, its territories and possessions, any State of the United States of America and the District of Columbia.

**(d) *Australia***

No prospectus in relation to the Rights Shares has been lodged with, or registered by, the Australian Securities Commission. Accordingly, Provisional Allotment Letters are not being sent to shareholders with registered addresses in Australia. A notice of the offer of Rights Shares to Qualifying Shareholders with registered addresses in Australia who have not given to the Company an address in the United Kingdom for service of notices will be made by means of the notice in the London Gazette referred to in sub-paragraph (b) above.

The Company reserves the right to reject any Provisional Allotment Letter:

- (a) that appears to have been executed in or mailed, faxed or otherwise dispatched from Australia;
- (b) that provides an address in Australia for delivery of share certificates and/or other documents of title for the Rights Shares;
- (c) that does not make the warranty set out in the Provisional Allotment Letter to the effect that the person executing the letter is not in Australia and has not mailed, faxed or otherwise dispatched it from Australia; or
- (d) where the Company is not satisfied that the warranty set out in the Provisional Allotment Letter is true.

**(e) *Republic of Ireland***

No prospectus in relation to the Rights Shares has been or will be lodged with, or registered by, the Registrar of Companies in Ireland. Information concerning the offer by way of rights to Qualifying Shareholders with a registered address in Ireland who have not given to the Company an address in the United Kingdom for the service of notices will be contained in the notice in the London Gazette referred to in sub-paragraph (b) above. Provisional Allotment Letters and this document will not be sent to shareholders with a registered address in Ireland.

The Company reserves the right to treat as invalid any Provisional Allotment Letter which appears to the Company or its agents to have been executed in or despatched from Ireland or which provides an address in Ireland for delivery of definitive certificates for New Ordinary Shares or which does not include the warranty set out in the paragraph in the Provisional Allotment Letter headed "Overseas Shareholders" or if the acceptance of such allotment letter may infringe applicable regulatory requirements.

**(f) *South Africa***

In order to comply with South African law, Provisional Allotment Letters sent to Qualifying Shareholders with registered addresses in South Africa will not be renounceable. Qualifying Shareholders will also require the approval of the South African Exchange Control authorities if they wish to take up their entitlement to Rights Shares pursuant to the Rights Issue.

**(g) *Other overseas territories***

No prospectus in relation to the Rights Shares has been or will be lodged with, or registered by, the Registrar of Companies (or equivalent body), or Securities Commission (or equivalent body) in any other overseas territory. Qualifying Shareholders resident in other overseas territories should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up the Rights Shares provisionally allotted to them pursuant to the Rights Issue.

All payments for Rights Shares must be made in pounds sterling in accordance with paragraph 4 above.

**10. Share Option Schemes**

In accordance with the rules of each of the Share Option Schemes, the Directors propose to make adjustments to the terms of outstanding options granted under the Share Option Schemes and/or to the limits contained in the rules of each of the Share Option Schemes as to the number of New Ordinary Shares that may be issued or be made issuable under such schemes to take account of the terms of the Rights Issue. The adjustments to be proposed will be subject to written confirmation from the auditors of the Company that the adjustments are, in their opinion, fair and reasonable and will be subject to the prior approval of the United Kingdom Inland Revenue. A letter giving details of such adjustments will be sent to option holders.

**11. General**

All documents and remittances in connection with the Rights Issue will be sent to or by the provisional allottees or their renounees (or their agents, as appropriate) at the risk of the person(s) entitled thereto.

### PART III

#### PRELIMINARY ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 1996

*The following is the text of the preliminary announcement of results for the year ended 30 September 1996:*

"This has been a year of significant progress for the Group.

At the start of the last financial year, the Board resolved to:

- redefine the structure of the business to reduce costs further in order to compete more effectively in the current fee market and to return to profitable trading;
- restructure the balance sheet to enable the commencement of the payment of dividends to shareholders as appropriate out of future profits; and
- review operations to ensure the continuation of high quality design services to our clients.

As a result, I am happy to report an operating profit of £236,000 (1995: loss of £166,000) achieved on work done of £5.81 million (1995: £5.97 million). The second half of the year proved to be particularly encouraging showing an operating profit of £280,000 on work done of £3.14 million, which at nearly 9 per cent is the best margin we have achieved since 1991. This reflects both the higher level of business now being secured and the successful reduction in operating costs.

The profit before tax was £30,000 (1995: loss £376,000) and the earnings per share were 0.02p (1995: loss 2.47p). The Directors do not recommend the payment of a dividend.

The Company has announced its intention to raise approximately £1.76 million (net of expenses) by way of the Rights Issue. This will restore strength to the balance sheet and significantly reduce the Group's dependence on bank support. The working capital facilities which the Group's bankers have agreed to provide will enable the Directors properly to consolidate the trading position and look towards taking advantage of the significant opportunities which exist to develop the Group's business both in the UK and abroad.

The circular explaining the Rights Issue also gives details of the intended restructuring of the balance sheet which will take place in various stages. The first stage involves a split of the 5p Ordinary Shares into 1p New Ordinary Shares and 4p Deferred Shares which is the subject of an ordinary resolution at the Extraordinary General Meeting on 9 December 1996. Thereafter, shareholders' consent will be sought at the forthcoming Annual General Meeting for a reduction of capital following which the Directors intend to make application to the High Court to cancel the Deferred Shares and all or part of the share premium account. At the same time it is intended to apply to the High Court for a reduction of capital in the Subsidiary. Following these reductions of capital, dividends will resume as soon as appropriate, having regard to the Group's profitability and cashflow.

Over the past two years of the continuing recession in the property and construction sectors, the profile of the Group has been redefined so that the management, organisation and structure is now better able to service efficiently the levels of income forecast for the United Kingdom and our joint venture offices in Europe.

The quality of design and service offered to clients continues to be of the highest level, and I am pleased to advise shareholders that the following major design awards were received during the year, the first two of which are in respect of the Health & Beauty Care headquarters for Procter & Gamble in Surrey:

- the European Office of the Year – an award by MIPIM, the premier international real estate conference held annually at Cannes for operations throughout Europe;
- Landscape Architecture – a merit award by the British Association of Landscape Industries; and
- the Delivered Workplace – an award by the British Council for Offices for the British Airways Centre for Combined Operations at Heathrow.

In my interim statement in July 1996, I stated that trading since January 1996 had been profitable and it was anticipated that this would continue through the remainder of the financial year. The results demonstrate that this was indeed the case and it does now seem that the recovery in the United Kingdom is being sustained and the Group's order book reflects this, being currently at its highest level for three years.



Intense fee bidding for new projects will continue, but we have been selective in the projects we seek, and have declined to enter into commitments to fee levels where it is clear that the correct service to clients can only be provided at a substantial loss.

There are significant opportunities to develop new areas of business, and the benefits of the new marketing strategy, now in its second year, are beginning to be seen. In addition, we have continued the strategy of diversifying the geographical base of the business by further development of our operations in the European Union.

The European network now consists of offices in London and Glasgow, with joint venture offices in Amsterdam and Berlin and associations with local firms in Brussels, Dublin, Milan and Paris. The net contribution to the year's results from the overseas operations was significant and our restored financial strength will allow us to allocate further resources to continue this trend.

The Directors believe that this spread of operations, together with the wide range of services offered and its reputation for high quality work, make the Group one of the leading integrated design practices in Europe.

The quality of new business remains high and a wide variety of new instructions have been received including:

- **Amsterdam**

A new 18,000 sq. m. office building including space planning and interior design.

- **Berlin**

Retail design for a new sports and leisure facility of 4,000 sq. m.

- **Birmingham**

The masterplanning and design of a city centre site to provide 55,000 sq. m. of office and other uses.

- **Frankfurt**

The masterplanning of a new office and laboratory complex of 10,000 sq. m.

- **Leeds**

An office development with a first phase of 12,000 sq. m.

- **London**

- A residential development of 3,000 sq. m. at Barnes.
- The refurbishment of a further six stations for London Underground.
- A 50,000 sq. m. headquarters building refurbishment at Newgate in the City.
- A new mixed use development of 6,000 sq. m. in Spitalfields.

- **Manchester**

A new 360 bedroom four star hotel at Manchester Airport.

- **Sunderland**

A new telecommunications switch centre of 3,500 sq. m. at Doxford International Technology Park.

- **Surrey**

The regeneration and landscaping of a five hectare pharmaceutical site at Egham.

It has been a difficult time for those operating in the property and construction sectors and, hopefully with the more settled economy in the United Kingdom and promised improvements in the other major countries of Europe, we can now proceed more confidently.

We are optimistic that the Group can now expand in a careful and controlled way to ensure that its clients continue to receive the best and most economic level of service attainable, profitability is maintained and, when appropriate, dividend payments are resumed to shareholders.

My colleagues have worked extremely hard over the past year and I would like to thank them for their contribution to the progress the Group has made, and to our clients and bankers for their continuing support.

Gerry Deighton  
*Chairman*

**Consolidated profit and loss account for the year ended 30 September 1996**

	1996 £'000	1995 £'000
<b>Turnover</b>	5,540	6,026
Movement in amounts recoverable on contracts	274	(57)
	<u>5,814</u>	<u>5,969</u>
<b>Work done</b>		
	236	(166)
Operating profit/(loss)	45	(6)
Share of results from associated undertakings	(251)	(204)
Interest payable		
	<u>30</u>	<u>(376)</u>
<b>Profit/(loss) on ordinary activities before taxation</b>	(27)	39
Taxation on profit/(loss) on ordinary activities		
	<u>3</u>	<u>(337)</u>
<b>Profit/(loss) attributable to shareholders</b>	—	—
Dividends		
	<u>3</u>	<u>(337)</u>
<b>Retained profit/(loss) for the year</b>		
	<u>0.02p</u>	<u>(2.47p)</u>

**Consolidated balance sheet at 30 September 1996**

	1996 £'000	1995 £'000
<b>Fixed assets</b>		
Tangible assets	480	563
Investments	36	23
	<u>516</u>	<u>586</u>
<b>Current assets</b>		
Debtors	2,806	2,322
Cash at bank and in hand	5	4
	<u>2,811</u>	<u>2,326</u>
Creditors: amounts falling due within one year	(2,758)	(2,146)
<b>Net current assets</b>	<u>53</u>	<u>180</u>
<b>Total assets less current liabilities</b>	<u>569</u>	<u>766</u>
Creditors: amounts falling due after one year	(1,200)	(1,396)
Provisions for liabilities and charges	(3)	(7)
<b>Net liabilities</b>	<u>(634)</u>	<u>(637)</u>
<b>Capital and reserves</b>		
Called up share capital	682	682
Share premium account	775	775
Profit and loss account	(2,091)	(2,094)
<b>Shareholders' funds</b>	<u>(634)</u>	<u>(637)</u>

**Consolidated cash flow statement for the year ended 30 September 1996**

	1996	1995
	£'000	£'000
<b>Net cash (outflow)/inflow from operating activities</b>	(35)	228
<b>Returns on investments and servicing of finance</b>		
Interest paid	(253)	(212)
Hire purchase interest	(1)	6
<b>Net cash outflow from returns on investments and servicing of finance</b>	(254)	(206)
<b>Taxation</b>		
UK corporation tax received	—	11
<b>Investing activities</b>		
Purchase of tangible fixed assets	(140)	(40)
Sale of tangible fixed assets	151	46
Sale of fixed asset investment	—	13
<b>Net cash inflow from investing activities</b>	11	19
<b>Net cash (outflow)/inflow before financing</b>	(278)	52
<b>Financing</b>		
Reclassification of loan as current liability	(190)	(190)
Principal payments under hire purchase commitments	(12)	(58)
<b>Net cash outflow from financing</b>	(202)	(248)
<b>Decrease in cash and cash equivalents</b>	(480)	(196)

**Notes:**

- The Company has entered into underwriting arrangements in connection with the proposed Rights Issue to raise £1.76 million, net of expenses. As a result of the Rights Issue the Group will be able to reduce substantially its bank debt and also create positive net assets and significant additional working capital. The Group's bankers have agreed to provide appropriate facilities until 30 November 1997 having regard to these arrangements.  
The Directors have fully considered the trading projections for the current year and, based on information currently available including the expected receipt of Rights Issue monies, are satisfied that the Group will be able to operate within the facilities agreed with its bankers. In the unlikely event that the Underwriting Agreement is terminated, the Group would need to renegotiate its present facilities with its bankers for a further 12 months.
- The earnings per share has been calculated on the profit attributable to shareholders for the year ended 30 September 1996 and on 13,645,946 (1995: 13,645,946) ordinary shares being the number of shares in issue throughout the year.
- The financial information for the years ended 30 September 1996 and 30 September 1995 does not constitute the Company's statutory accounts for these periods but is based on those accounts. Statutory accounts at those dates have been or, in the case of the accounts for the year ended 30 September 1996, will shortly be, delivered to the Registrar of Companies. The Auditors' reports on such accounts are unqualified.
- The Annual Report and Accounts is expected to be mailed to shareholders on 10 January 1997. Further copies will be available from the offices of the Company, 2 Great Eastern Wharf, Parkgate Road, London SW11 4TT."

## PART IV

### PRO FORMA STATEMENT OF NET ASSETS OF THE GROUP FOLLOWING THE RIGHTS ISSUE

Set out below is the unaudited pro forma statement of consolidated net assets of the Group as adjusted to reflect the Rights Issue. This statement is prepared for illustrative purposes only and because of its nature it cannot give a complete picture of the financial position of the Group following implementation of the Proposals.

	<i>Audited net liabilities at 30 September 1996 £'000</i>	<i>Adjustment £'000</i>	<i>Pro forma £'000</i>
<b>Fixed assets</b>			
Tangible assets	480	—	480
Investments	36	—	36
	<hr/> 516	<hr/> —	<hr/> 516
<b>Current assets</b>			
Debtors	2,806	—	2,806
Cash at bank and in hand	5	167	172
	<hr/> 2,811	<hr/> 167	<hr/> 2,978
Creditors due within one year	(2,758)	1,293	(1,465)
	<hr/> 53	<hr/> 1,460	<hr/> 1,513
<b>Net current assets</b>			
	<hr/> 569	<hr/> 1,460	<hr/> 2,029
<b>Total assets less current liabilities</b>			
Creditors due after one year	(1,200)	300	(900)
Provisions for liabilities and charges	(3)	—	(3)
	<hr/> (634)	<hr/> 1,760	<hr/> 1,126
<b>Net (liabilities)/assets</b>	<hr/> <hr/> (634)	<hr/> <hr/> 1,760	<hr/> <hr/> 1,126

*Notes:*

1. The audited net liabilities at 30 September 1996 as shown above have been extracted from the consolidated audited balance sheet of the Group as at that date which will shortly be filed with the Registrar of Companies.
2. The adjustment reflects the anticipated proceeds of the Rights Issue, net of expenses, of £1.76 million.
3. No adjustments have been made to take into account the Group's trading since 30 September 1996.

## PART V

### STATUTORY AND GENERAL INFORMATION

#### 1. RESPONSIBILITY

The Directors of Aukett Associates PLC, whose full names appear in paragraph 5.7 of this Part V, 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.

#### 2. SHARE CAPITAL

2.1 The Company, whose principal place of business and registered office is at 2 Great Eastern Wharf, Parkgate Road, London SW11 4TT, was incorporated in England and Wales on 19 August 1987 under the Act as a public limited company with the name Bandcross Public Limited Company. The Company changed its name to Aukett Associates PLC on 16 November 1987.

2.2 The following table shows the authorised, issued and fully paid share capital of the Company as at the date of this document and as it will be following implementation of the Proposals.

<i>As at the date of this document</i>	<i>Authorised</i>		<i>Issued and Fully Paid</i>	
	<i>Number</i>	<i>£</i>	<i>Number</i>	<i>£</i>
Ordinary Shares	18,900,000	945,000.00	13,645,946	682,297.30
<i>Following implementation of the Proposals</i>	<i>Authorised</i>		<i>Issued and Fully Paid</i>	
	<i>Number</i>	<i>£</i>	<i>Number</i>	<i>£</i>
New Ordinary Shares	145,416,216	1,454,162.16	57,995,270	579,952.70
Deferred Shares	13,645,946	545,837.84	13,645,946	545,837.84

- 2.3 Subject to the passing of the Resolution at the Extraordinary General Meeting it is proposed to:
- (i) sub-divide each issued Ordinary Share of 5p into one New Ordinary Share of 1p and one Deferred Share of 4p;
  - (ii) sub-divide each authorised unissued Ordinary Share of 5p into five New Ordinary Shares of 1p;
  - (iii) increase the authorised share capital of the Company from £945,000 to £2,000,000 (an increase of approximately 112 per cent) by the creation of 105,500,000 New Ordinary Shares of 1p each in the capital of the Company, in order to enable the Rights Issue to proceed; and
  - (iv) authorise the Directors under Section 80 of the Act to allot relevant securities for the purpose of the Rights Issue and generally up to an aggregate nominal amount of £1,317,702.70 (representing approximately 193 per cent of the ordinary share capital of the Company in issue as at the date of this document), such authority to expire at the end of the Annual General Meeting of the Company in 1997.

Other than in connection with the Rights Issue the Directors have no present intention to issue any New Ordinary Shares. Pre-emption rights, as set out in Section 89 of the Act, apply to the authorised but unissued share capital of the Company.

2.4 At the date of this document options have been granted to certain employees under the Share Option Schemes to subscribe for an aggregate of 400,000 Ordinary Shares at a price of 8p per share exercisable between 15 December 1996 and 14 December 2003 and 400,000 Ordinary Shares at a price of 8p per share exercisable between 15 December 1998 and 14 December 2003.

2.5 The following table shows the middle market quotations of the Ordinary Shares on the dates shown, as derived from the Daily Official List of the London Stock Exchange.

<i>Date</i>	<i>Price(p)</i>
Monday, 3 June 1996	12
Monday, 1 July 1996	12
Thursday, 1 August 1996	11
Monday, 2 September 1996	10½
Tuesday, 1 October 1996	10½
Friday, 1 November 1996	10
Thursday, 14 November 1996 (the latest practicable date prior to the publication of this document).	9½

### **3. SUBSIDIARY**

The Company is the holding company of the Subsidiary. The Subsidiary is a private company limited by shares, incorporated in England and Wales under the Act on 31 July 1987. It is wholly owned by the Company and has an issued and paid up share capital of £100. Its registered number is 2152069 and its registered office is the same as that of the Company.

### **4. THE ARTICLES OF ASSOCIATION**

The following is a summary of certain provisions of the articles of association of the Company ("the Articles") which were adopted by a resolution of the shareholders on 24 February 1988.

#### **4.1 Shares and rights attaching thereto**

Subject to disenfranchisement of a member in the event of non-payment of any calls or other monies due and payable in respect of any shares, or non-compliance with a statutory notice requiring disclosure as to beneficial ownership, every member present in person or a corporation present by a duly authorised representative has one vote on a show of hands and on a poll every member present in person or by proxy has one vote for each New Ordinary Share of which he is the holder on a poll at any general meeting.

#### **4.2 Dividends**

Subject to any special rights attached to any shares issued by the Company in the future, shares rank for dividends according to the amounts paid up on them during the period in respect of which the dividend is paid but otherwise *pari passu*. Any dividend which is not claimed within twelve years of its declaration is forfeited in favour of the Company.

#### **4.3 Distribution on liquidation**

The New Ordinary Shares rank *pari passu* as regards the entitlement to any surplus assets remaining after the repayment of the liabilities of the Company and repayment of share capital.

#### **4.4 Variation of class rights**

The rights attached to any class of shares may be varied or abrogated with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of that class.

#### **4.5 Transfer**

All shares in the Company are in registered form and may be transferred by a transfer in any usual form or any form approved by the Directors. The Directors may decline to register a transfer of a share which is:

- (a) not fully paid or on which the Company has a lien; or
- (b) not duly stamped; or
- (c) not accompanied by documents reasonably required by the Directors to show the right of the transferor to make the transfer; or
- (d) in respect of more than one class of share; or
- (e) in favour of more than four transferees.

#### **4.6 Capital variations**

The Company may by ordinary resolution increase its share capital, consolidate all or any of its share capital into shares of larger amount, sub-divide its existing shares or any of them into shares of smaller amount and cancel any shares not taken up or agreed to be taken up. Subject to the provisions of the Act, the Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account and may redeem or purchase any of its own shares.

### **5. DIRECTORS' AND OTHER INTERESTS**

- 5.1 The interests (all of which are beneficial) of the Directors and their immediate families in the issued share capital of the Company which have been notified to the Company pursuant to sections 324 or 328 of the Act, or which are required to be entered in the register maintained pursuant to section 325

of the Act, or are the interests of persons connected with a Director (within the meaning of section 346 of the Act) which would, if the connected person were a director, be required to be disclosed pursuant to sections 324 or 328 of the Act or are required to be entered in the register maintained pursuant to section 325 of the Act and the existence of which is known or could with reasonable diligence be ascertained by that Director, at the date of this document, and as they will be immediately following the Proposals, are as follows:

<i>Name</i>	<i>At the date of this document</i>		<i>Following the Proposals</i>		<i>Number of Deferred Shares</i>
	<i>Number of Ordinary Shares</i>	<i>Percentage of issued share capital</i>	<i>Number of New Ordinary Shares</i>	<i>Percentage of Enlarged Share Capital</i>	
GKT Deighton*	1,387,990	10.2	2,250,000	3.9	1,387,990
AA Lett	473,049	3.5	1,273,049	2.2	473,049
JW Thake	363,199	2.7	963,199	1.7	363,199
GC Harwood	473,049	3.5	1,273,049	2.2	473,049
RH Warner*	120,589	0.9	1,120,589	1.9	120,589
AB Brooker	5,000	0.04	5,000	0.01	5,000

\*Mr Deighton has agreed to renounce his entitlement to 608,086 Rights Shares in favour of Mr Warner.

- 5.2 At the date of this document, options to subscribe for a total of 200,000 Ordinary Shares at 8p per share, of which half are exercisable on or after 15 December 1996 and half on or after 15 December 1998, had been granted under the Share Option Schemes to the following Directors:

<i>Name</i>	<i>Number of options</i>	<i>Price</i>
GKT Deighton	40,000	8p
AA Lett	40,000	8p
JW Thake	40,000	8p
GC Harwood	40,000	8p
RH Warner	40,000	8p

- 5.3 The Company is not aware of any person who, directly or indirectly, jointly or severally could exercise control over the Company.
- 5.4 So far as is known to the Company the following persons are or will be, directly or indirectly, interested in 3 per cent or more of the issued share capital of the Company as at 14 November 1996 and immediately following the Proposals assuming they do not take up any Rights Shares:

<i>Holder</i>	<i>At the date of this document</i>		<i>Following the Proposals</i>		<i>Number of Deferred Shares</i>
	<i>Number of Ordinary Shares</i>	<i>Percentage of issued share capital</i>	<i>Number of New Ordinary Shares</i>	<i>Percentage of Enlarged Share Capital</i>	
MC Aukett	2,274,929	16.7	2,274,929	3.9	2,274,929
Hermes Investment Management Limited	1,470,000	10.8	1,470,000	2.5	1,470,000
PA Tompson	812,308	6.0	812,308	1.4	812,308
Nisshen Electric International Limited SA	680,000	5.0	680,000	1.2	680,000
Mars UK Pension Fund	652,000	4.8	652,000	1.1	652,000

- 5.5 The aggregate remuneration and benefits in kind (inclusive of pension contributions and bonuses) of the Directors received from any member of the Group in respect of the year ended 30 September 1996 were £498,000.
- 5.6 No Director has or has had any interest in any transactions which are or were unusual in their nature or conditions or significant to the business of the Group and which were effected during the current or immediately preceding financial year or were effected during any earlier financial year and which remain in any respect outstanding or unperformed.

5.7 The full names of the Directors are as follows:

Gerald Kenneth Thomas Deighton  
Andrew Alexander Lett  
John William Thake  
Geoffrey Colin Harwood  
Robert Henry Warner  
Alan Bernard Brooker

The business address of the Directors is the registered office of the Company.

6. SERVICE AGREEMENTS

- 6.1 The following are particulars of the term of and remuneration payable under the service agreements (other than those previously made available for inspection and not subsequently varied) between the Company and the Directors, all of which are dated 11 July 1995:

<i>Director</i>	<i>Expiry Date</i>	<i>Notice</i>	<i>Basic Annual Salary £</i>
AA Lett	65th birthday	24 months	62,829
JW Thake	65th birthday	24 months	62,829
GC Harwood	65th birthday	24 months	62,829
RH Warner	65th birthday	24 months	58,422

In addition to the basic annual salary the service agreements entitle each of the Directors to a bonus which shall not in any case in respect of any financial year exceed 40 per cent of his basic annual salary. Each of the above Directors is also entitled to participate in the Share Option Schemes and is entitled to participate in any other benefit plan of the Company as may be introduced.

- 6.2 Save as disclosed in paragraph 6.1, there are no existing or proposed service agreements between any of the Directors and the Company or the Subsidiary which cannot be determined by the employing company without payment of compensation (other than statutory compensation) within one year.

7. MATERIAL CONTRACTS

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

- 7.1 The Underwriting Agreement dated 15 November 1996 between Ellis and the Company, pursuant to which Ellis has agreed to underwrite the issue of the Rights Shares on the terms and subject to the conditions thereof. The Underwriting Agreement is conditional, *inter alia*, upon the passing of the Resolution at the Extraordinary General Meeting and Admission becoming effective on or before 10 December 1996, or such later date as Ellis and the Company may agree.

Under the terms of the Underwriting Agreement, the Company has given certain warranties and an indemnity to Ellis. In certain circumstances, including breach of warranty, Ellis has the right to terminate the Underwriting Agreement prior to Admission.

Under the Underwriting Agreement, the Company has agreed to pay Ellis:

- (i) a fee of £50,000 in connection with corporate finance advice to the Company;
  - (ii) a commission of 3½ per cent on the aggregate value of the Rights Shares, other than those for which the Directors have irrevocably undertaken to subscribe, at the Rights Price in respect of the first 30 days of Ellis's commitment, commencing on the date of posting of the Provisional Allotment Letters; and
  - (iii) a further commission of ¼ per cent on such aggregate value for each period of 7 days or part thereof after the first 30 days up to the earlier of the date on which Ellis's obligations under the Underwriting Agreement cease or the second business day after the latest acceptance date under the terms of the Provisional Allotment Letters. Out of the commissions payable Ellis will pay all commissions of sub-underwriters.
- 7.2 A sponsorship agreement dated 15 November 1996 between the Company (1), Ellis (2) and the Directors (3), pursuant to which the Company appointed Ellis as Sponsor in respect of the application to the London Stock Exchange for Admission and as brokers to the Company for an initial period of



twelve months and thereafter subject to termination by either the Company or Ellis on three months' notice, at a basic fee of £7,500 per annum.

- 7.3 Irrevocable undertakings have been received from Hermes Administration Services Limited (on behalf of Britel Fund Nominees Limited, Possfund Nominees Limited and POPS Nominees Limited), Guinness Flight Unit Trust Managers Limited and PA Tompson, dated 13 November 1996, pursuant to which they have each undertaken to the Company to vote in favour of the Resolution in respect of 1,470,000, 835,000 and 812,308 Ordinary Shares respectively held by them.

## **8. LITIGATION**

No member of the Group is engaged in any legal or arbitration proceedings nor, so far as the Company is aware, are any such proceedings pending or threatened, which may have or have had during the period of 12 months preceding the date of this document a significant effect on the Group's financial position.

## **9. INDEBTEDNESS**

At the close of business on 25 October 1996 the Group has secured bank overdrafts of £848,000 and secured loans of £1,580,000.

Save as aforesaid and apart from intra-group indebtedness, the Group did not have at that date any loan capital (including term loans) outstanding or created but unissued, or any borrowings or indebtedness in the nature of borrowings including overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits, mortgages, charges, obligations under finance leases, hire purchase commitments or guarantees or other material contingent liabilities.

At 25 October 1996, the Group had cash and bank balances of £6,000.

## **10. WORKING CAPITAL**

The Company is of the opinion that, taking into account the net proceeds of the Rights Issue and bank facilities available to it, the Group has sufficient working capital for its present requirements.

## **11. MATERIAL CHANGE**

There has been no significant change in the financial or trading position of the Group since 30 September 1996, being the date to which the last published consolidated audited accounts of the Group were made up.

## **12. GENERAL**

- 12.1 The Company will pay the costs and expenses of and incidental to the Rights Issue, including the fees and commissions of Ellis payable under the Underwriting Agreement, which are estimated to amount to £457,000 (inclusive of irrecoverable VAT).
- 12.2 KPMG Corporate Finance, a division of KPMG, which is authorised to carry on investment business by the Institute of Chartered Accountants in England and Wales, has given and not withdrawn its written consent to the inclusion in this document of its name in the form and context in which it appears and has authorised the contents of that part of the document for the purposes of Section 152(1)(e) of the Financial Services Act 1986.
- 12.3 The Rights Shares will have a nominal value of 1p each and are being issued at 5p each, a premium on issue of 4p per share.
- 12.4 The financial information included in this document does not constitute statutory accounts within the meaning of Section 240(5) of the Act. Statutory accounts for the financial year ended 30 September 1995 have been delivered to the Registrar of Companies and will be delivered for the financial year ended 30 September 1996. The Company's auditors have made a report under Section 235 of the Act in respect of statutory accounts for the financial years ended 30 September 1993, 1994 and 1995 and each such report was an unqualified report. KPMG, Chartered Accountants and Registered Auditors, of 8 Salisbury Square, London EC4Y 8BB were the auditors of the Company for each of those periods and KPMG Audit Plc, Chartered Accountants and Registered Auditors, at the same address, were appointed auditors on 19 March 1996 and are currently the auditors of the Company.

- 12.5 None of the Rights Shares have been marketed or are available in whole or in part to the public.
- 12.6 The Company's registrars and paying agents are Lloyds Bank Registrars, The Causeway, Worthing, West Sussex BN99 6DA.
- 12.7 The registered address of Ellis, the Company's sponsor and stockbroker, is Talisman House, 16 The Courtyard, East Park, Crawley, West Sussex RH10 6AS.

### **13. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents may be inspected at the offices of Rowe & Maw, 20 Black Friars Lane, London EC4V 6HD during usual business hours on any weekday (Saturdays and public holidays excepted) up to and including 9 December 1996:

- 13.1 the Memorandum and Articles of Association of the Company;
- 13.2 the consolidated audited accounts of the Group for the two financial years ended 30 September 1994 and 30 September 1995 and the preliminary announcement of results for the year ended 30 September 1996;
- 13.3 the Directors' service agreements referred to in paragraph 6 above;
- 13.4 the material contracts referred to in paragraph 7 above;
- 13.5 the written consent referred to in paragraph 12 above.

Dated 15 November 1996 ✓

## AUKETT ASSOCIATES PLC

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Company will be held at 2 Great Eastern Wharf, Parkgate Road, London SW11 4TT on Monday, 9 December 1996 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the Ordinary Resolution set out below.

### ORDINARY RESOLUTION

THAT:

- (1) Subject to and with effect immediately before the admission to the Official List of the London Stock Exchange Limited of the New Ordinary Shares and the Rights Shares (as defined in the prospectus of the Company dated 15 November 1996 ("Prospectus")):
  - (a) every issued Ordinary Share of 5p be and the same is hereby sub-divided into and reclassified as one New Ordinary Share of 1p and one Deferred Share of 4p. Other than in respect of their nominal value, the New Ordinary Shares resulting from the Sub-division will have the same rights as the Ordinary Shares. The rights and restrictions attaching to the Deferred Shares shall be as follows:
    - (i) the holders of Deferred Shares shall have no right to receive notice of or to attend or vote at any general meeting of the Company;
    - (ii) the holders of Deferred Shares shall have no right to receive any dividend or other distribution whether of capital or income;
    - (iii) the holders of Deferred Shares shall on a return of capital in a liquidation, but not otherwise, be entitled to receive the nominal amount of each such share but only after the holder of each such New Ordinary Share (as defined in the Prospectus) shall have received the amount paid up or credited as paid up on such share together with a payment of £10,000,000 per New Ordinary Share and the holders of Deferred Shares shall not be entitled to any further participation in the assets or profits of the Company;
  - (b) every authorised but unissued Ordinary Share of 5p be and the same is hereby sub-divided into five New Ordinary Shares of 1p;
  - (c) the authorised share capital of the Company be and is hereby increased from £945,000 to £2,000,000 by the creation of 105,500,000 New Ordinary Shares of 1p each in the capital of the Company each to rank *pari passu* in all respects with the issued New Ordinary Shares resulting from the sub-division referred to in paragraphs (a) and (b) above; and
  - (d) the Directors of the Company be and they are hereby generally and unconditionally authorised in accordance with Section 80 of the Companies Act 1985 (the "Act") (in addition to any other such authority previously conferred upon them) to exercise all the powers of the Company to allot relevant securities (as defined in Section 80(2) of the Act) of the Company up to an aggregate nominal amount of £1,317,702.70 provided that this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 1997 but so that this authority shall allow the Company to make offers or agreements before the expiry of this authority which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

DATED 15 November 1996

BY ORDER OF THE BOARD

RH WARNER  
Secretary

2 Great Eastern Wharf  
Parkgate Road  
London SW11 4TT

Notes:

1. A member entitled to attend and vote at the Extraordinary General Meeting may appoint one or more persons to attend and, on a poll, to vote instead of him or her.
2. A proxy need not be a member of the Company.
3. A form of proxy is enclosed. To be valid the form of proxy, together with the authority (if any) under which it is executed or a notarially certified copy of such authority, must be returned to Lloyds Bank Registrars, The Causeway, Worthing, West Sussex BN99 6DA by 10.00 a.m. on 7 December 1996.
4. The completion and return of the form of proxy will not preclude a member from attending and voting in person at the meeting.