

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, or the action you should take, you should consult an independent financial adviser authorised and regulated under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities. If you have sold or transferred any or all of your Ordinary Shares, please send this document together with the Proxy Form to the purchaser or transferee or to the stockbroker or other agent through whom transfer was effected for transmission onto the purchaser or transferee.

This document, which comprises an AIM Admission Document, has been prepared in accordance with the rules of the AIM Market of the London Stock Exchange plc and the Public Offers of Securities Regulations 1995, as amended ("POS Regulations"). A copy of this document has been delivered to the registrar of companies in England and Wales in accordance with regulation 4(2) of the POS Regulations.

The Directors of Judges Capital Plc whose names appear on page 8 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.

Application will be made for the Enlarged Issued Share Capital to be admitted to trading on AIM. The Acquisition is conditional, *inter alia*, on admission of the Enlarged Issued Share Capital to trading on AIM taking place on or before 24 May 2005 (or such later date as Judges Capital Plc and the vendors of the share capital of Fire Testing Technology Limited may agree) but in any event not later than 30 June 2005. It is emphasised that no application is being made for admission of these securities to the Official List of the UK Listing Authority ("UKLA"). Further, the UKLA has not itself examined or approved the contents of this document. It is expected that dealings in the Ordinary Shares will commence on AIM on 24 May 2005.

The rules of AIM are less demanding than those of the Official List of the UKLA. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List. A prospective investor should be aware of the risks in investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

JUDGES CAPITAL PLC

(Incorporated in England and Wales under the Companies Act 1985 registered number 4597315)

Acquisition of Fire Testing Technology Limited

Placing of 956,000 Ordinary Shares of 5p at 100 pence per share

Admission to trading on AIM

Notice of EGM

Nominated Adviser

Shore Capital & Corporate Limited

Broker

Shore Capital Stockbrokers Limited

Share Capital				
Immediately following Admission				
<i>Authorised</i>			<i>Issued and fully paid</i>	
<i>Amount</i>	<i>Number</i>		<i>Amount</i>	<i>Number</i>
£500,000	10,000,000	Ordinary Shares of 5p each	£173,117.80	3,462,356
£50,000	5,000,000	Convertible Redeemable Shares of 1p each (quarter paid)	£50,000	5,000,000

Persons receiving this document should note that Shore Capital & Corporate Limited, which is authorised and regulated by the Financial Services Authority, is acting exclusively for the Company in relation to the matters referred to in this document and will not be responsible to anyone other than the Company for providing advice in relation to such matters or for providing the protections afforded to clients of Shore Capital & Corporate Limited. In particular Shore Capital & Corporate Limited, as nominated adviser to the Company, owes certain responsibilities to the London Stock Exchange plc, which are not owed to the Company, the Directors or any other person. No liability is accepted by Shore Capital & Corporate Limited for the accuracy of any information or opinions contained in, or for the omission of any material information from, this document, for which the Company and the Directors are solely responsible.

Notice of an Extraordinary General Meeting of the Company to be held at Faegre Benson LLP, 7 Pilgrim Street, London EC4V 6LB at 11 a.m. on 23 May 2005 is set out at the end of this document. You will find enclosed a Proxy Form to be used at the EGM. To be valid the enclosed Proxy Form for use at the meeting should be completed in accordance with the instructions thereon, signed and returned to Capita Registrars, Proxy Department, PO Box 25, 34 Beckenham Road, Beckenham, Kent BR3 4BR as soon as possible and, in any event so as to be received no later than 11 a.m. on 21 May 2005. Completion of a Proxy Form will not preclude a Shareholder from attending and voting at the meeting in person.

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DEFINITIONS

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

“Acquisition Agreement”	the agreement dated 29 April 2005 between the Company (1) and the Fire Testing Technology Vendors (2) relating to the Acquisition, a summary of the principal terms and conditions of which is set out in the section entitled Fire Testing Technology Acquisition Terms in Part I of this document
“Acquisition”	the proposed acquisition of the whole of the issued share capital of Fire Testing Technology pursuant to the Acquisition Agreement
“Act”	the Companies Act 1985, as amended
“Admission”	the admission of the Enlarged Issued Share Capital to trading on AIM and such admission becoming effective in accordance with the rules of AIM
“AIM”	the AIM Market of the London Stock Exchange
“AIM Rules”	the rules of AIM published by the London Stock Exchange
“Bank Facilities”	the term loan facility and the working capital facility to be made available to the company by Bank of Scotland, further details of which are set out in paragraph 7 of Part VI of this document
“Company” or “Judges”	Judges Capital plc
“Completion”	completion of the Acquisition
“Concert Party”	David Cicurel (Investments) Limited; Dawnay Day Corporate Finance Limited; ForwardIssue Limited; Totalassist Company Limited; Guy Naggar and the Naggar Family Pension Scheme
“Consideration Shares”	the 400,000 Ordinary Shares to be issued as partial consideration for the Acquisition
“CREST”	the computerised settlement system to evidence and facilitate the transfer of title to securities without a written instrument operated by CRESTCo
“CRESTCo”	CRESTCo Limited
“DCI”	David Cicurel (Investments) Limited
“Directors” or “Board”	the directors of the Company as at the date of this document whose names are set out on page 8 of this document
“EGM”	extraordinary general meeting of the Company to be held pursuant to the notice set out on page 61 of this document
“Enlarged Group”	the Judges group following completion of the Proposals
“Enlarged Issued Share Capital”	the issued share capital of the Company immediately following completion of the Proposals, comprising the Existing Ordinary Shares and the New Ordinary Shares
“Existing Ordinary Shares”	the 2,106,356 Ordinary Shares in issue at the date of this document
“Fire Testing Technology”	Fire Testing Technology Limited
“Fire Testing Technology Shares”	the ordinary shares of £1.00 each in the capital of Fire Testing Technology allotted and in issue at the date of this document
“Fire Testing Technology Vendors” or “Fire Testing Technology Shareholders”	the holders of Fire Testing Technology Shares
“FSA”	the Financial Services Authority

“Judges” or “the Company”	Judges Capital plc
“Judges Shareholders”	holders of the Existing Ordinary Shares, including certain of the Directors
“London Stock Exchange”	London Stock Exchange plc
“New Ordinary Shares”	the Consideration Shares and the Placing Shares
“Official List”	the Official List of the UK Listing Authority
“Ordinary Shares”	the ordinary shares of 5p each in the capital of the Company
“Placing”	the conditional placing of the Placing Shares pursuant to the Placing Agreement
“Placing Agreement”	the conditional agreement dated 29 April 2005 between the Directors, the Company, Shore Capital and Shore Capital Stockbroking Limited relating to the Placing, further details of which are set out in paragraph of Part VI of this document
“Placing Price”	100 pence per Placing Share
“Placing Shares”	the 956,000 Ordinary Shares which are the subject of the Placing
“POS Regulations”	the Public Offers of Securities Regulations 1995, as amended
“Preference Shares”	the 5,000,000 convertible redeemable preference shares of 1p each in the capital of the Company
“Proposals”	the Acquisition, entry into the Bank Facilities, the Placing and Admission
“Shore Capital”	Shore Capital & Corporate Limited, authorised and regulated by the FSA
“UK Listing Authority”	the FSA, acting in its capacity as the competent authority for the purposes of the Financial Services and Markets Act 2000

PLACING STATISTICS

Number of Existing Ordinary Shares	2,106,356
Number of Consideration Shares	400,000
Placing Price	100p
Number of Placing Shares	956,000
Gross Proceeds of the Placing	£956,000
Number of Ordinary Shares in issue following the Placing	3,462,356
Proportion of enlarged issued Ordinary Share Capital being placed	27.6%
Market Capitalisation at the Placing Price	£3,462,356

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Despatch of this document	29 April 2005
Latest time and date for receipt of Proxy Forms for the Extraordinary General Meeting	21 May 2005
Extraordinary General Meeting	23 May 2005
Completion of the Acquisition	24 May 2005
Admission effective and dealings commence on AIM	24 May 2005
CREST accounts credited	24 May 2005
Despatch of definitive Share Certificates	1 June 2005

KEY INFORMATION

The following information should be read in conjunction with the full text of this document from which it is derived. Particular attention is drawn to Part II of this document entitled Risk Factors.

Introduction

The Board of Judges is pleased to announce the proposed acquisition of Fire Testing Technology, subject to shareholder approval, completion of the Placing and Admission to AIM. Fire Testing Technology designs, manufactures, installs and maintains fire testing equipment which is used to test the effects of fire on a wide variety of materials. The Board believes that the 'instrumentation and testing' market offers significant potential for growth and enhanced shareholder returns. The acquisition of Fire Testing Technology will be financed by a placing of New Ordinary Shares to raise £956,000 before expenses, bank facilities provided by the Bank of Scotland, £400,000 in Consideration Shares and the issue of a loan note to the Vendors of Fire Testing Technology. A Notice convening an Extraordinary General Meeting to approve the Proposals is included within this document. The Board has also, today, announced its preliminary results for the year ended 31 December 2004. A copy of the Annual Report and Accounts will be forwarded to shareholders shortly.

By reason of the size and relative value of Fire Testing Technology, the acquisition will amount to a reverse takeover under the AIM Rules and therefore requires the approval of shareholders pursuant to Rule 14 of the AIM Rules. The purpose of this letter is to explain the background to and the reasons for the Proposals and to recommend that you vote in favour of each of the resolutions to be proposed at the EGM of the Company to be held on 23 May 2005 notice of which is set out at the end of this document.

Area of Proposed Activity

The Board has identified the area of 'instrumentation and testing' and believes it will offer significant potential for growth, acquisition opportunities and enhanced shareholder returns. The UK based instrumentation sector is estimated to be worth approximately £5bn per annum with approaching 2,000 active companies of which some 185 companies have an annual turnover in excess of £5m. The Directors believe that increasing environmental awareness, constantly evolving regulatory regimes and the need to manage risk and reduce the potential for adverse publicity and litigation are all factors which augur well for a business which will concentrate on testing, measuring and checking and the instruments that are required to perform these functions.

Fire Testing Technology

Introduction

Founded in 1989, Fire Testing Technology designs, manufactures, installs and maintains fire testing equipment. This equipment is used to test the effects of fire on a wide variety of materials and thereby enables users of the equipment to monitor compliance with legislation, industry standards and customer requirements. The Directors believe that the underlying business model of Fire Testing Technology focuses upon the exploitation of legislation that requires various industries to test materials to establish their properties in relation to fire and heat. This testing requires the use of particular instruments. Fire Testing Technology has developed a portfolio of instruments developed to test products which attract a wide spectrum of customers. There are legal requirements that utilise national or international standards including ISO (International Standards Organisation), ASTM (American Society for Testing Materials) IEC (International Electrotechnical Commission) and EN (European Norm). In addition there are industry specific regulations and requirements such as those of the FAA (Federal Aviation Administration) and IMO (International Maritime Organisation).

Market

Fire Testing Technology has always been a high export company and over 90 per cent of its sales are to customers outside the UK. These customers are based in USA, Europe and other countries around the world (over 50 in total). The main industries to which Fire Testing Technology sells its products are the construction and building, transport, textile, plastics, electrical industries and educational institutions.

Financial Information on Fire Testing Technology

The following table sets out key financial information relating to Fire Testing Technology, for the 3 year 7 month period to 31 December 2004. The figures for Turnover, Operating Profit and Profit Before Tax have

been extracted without material adjustment from the Accountants' Report on Fire Testing Technology, set out in Part IV of this document. The Adjusted Operating Profit (which for the final period relates to the 6 months ended 30 November 2004) has been adjusted for non-recurring costs principally associated with the previous owners of Fire Testing Technology, but also to take into account the costs of the new Managing Director and the lease being entered into on the manufacturing unit at East Grinstead. In addition the adjusted operating profit for the six months to 30 November 2004 excludes the £96,000 costs of a forgery involving Fire Testing Technology's agent in China.

	<i>Year ended May 2002 £'000</i>	<i>Year ended May 2003 £'000</i>	<i>Year ended May 2004 £'000</i>	<i>7 months to 31 December 2004 £'000</i>
Turnover	2,158	2,284	2,844	1,584
Operating Profit	253	272	622	219
Profit Before Tax	265	289	635	227
Adjusted Operating Profit	441	516	603	284*

* relates to the 6 months period ended 30 November 2004

Current Trading and Future Prospects

In January 2005, Judges sold its holding of shares in ISG plc generating total proceeds of £1,156,000 and a profit on sale of £226,000. £512,000 of the proceeds were used to settle related liabilities under contracts for difference. In addition, Judges has received £208,000, since the year end, from the liquidators of Fortress Holdings Plc which is approximately the amount of Judges' investment.

Fire Testing Technology's trading continues to be strong. Orders on hand or in the course of negotiation augur well for the beginning of the coming year commencing on 1 June.

Fire Testing Technology Acquisition Terms

Judges is proposing to acquire, subject to shareholder approval, completion of the Bank Facilities, the Placing and Admission to AIM of the Enlarged Share Capital, 100 per cent of the issued share capital of Fire Testing Technology for approximately £3.7m (plus an excess working capital adjustment which, as at 31 March 2005, would have been £697,000).

Details of Placing

In total 956,000 New Ordinary Shares are being placed on behalf of the Company to raise £956,000 gross (£716,000 net of expenses of the Placing and Admission). In total the shares being placed represent 27.6 per cent of the Enlarged Issued Share Capital. The Placing is conditional, amongst other things, on Admission.

The net proceeds of the Placing will be used to fund the Acquisition of Fire Testing Technology, and to pay the expenses of the fund raising and Admission.

DIRECTORS, SECRETARY AND ADVISERS

Directors	The Hon. Alexander Robert Hambro (<i>Non-Executive Chairman</i>) David Elie Cicurel (<i>Chief Executive</i>) Ralph Julian Elman (<i>Finance Director</i>) Glynn Carl Reece (<i>Non-Executive Director</i>)
Registered office	1 Bickenhall Mansions Bickenhall Street London W1U 6BP
Secretary	Ralph Julian Elman
Nominated Adviser to the Enlarged Group	Shore Capital & Corporate Limited Bond Street House 14 Clifford Street London W1S 4JU
Stockbroker to the Enlarged Group	Shore Capital Stockbrokers Limited Bond Street House 14 Clifford Street London W1S 4JU
Solicitors to the Enlarged Group	Faegre & Benson LLP 7 Pilgrim Street London EC4V 6LB
Solicitors to the Placing	Rosenblatt Solicitors 9-13 St Andrew Street London EC4A 3AF
Auditors and Reporting Accountant	Grant Thornton UK LLP 8 West Walk Leicester LE1 7NH
Principal Bankers	Bank of Scotland 55 Temple Row Birmingham B2 5LS
Registrars	Capita IRG Plc Bourne House 34 Beckenham Road Beckenham Kent BR3 4TU

PART I

INFORMATION ON THE ENLARGED GROUP

JUDGES CAPITAL PLC

Directors:

The Hon. Alexander Robert Hambro (*Non-Executive Chairman*)
David Elie Cicurel (*Chief Executive*)
Ralph Julian Elman (*Finance Director*)
Glynn Carl Reece (*Non-Executive Director*)

Registered Office:

1 Bickenhall Mansions
Bickenhall Street
London W1U 6BP

29 April 2005

To Shareholders, and for information only, to holders of preference shares.

Dear Shareholder

**PROPOSED ACQUISITION OF FIRE TESTING TECHNOLOGY,
PLACING AND RE-ADMISSION TO AIM**

Introduction

The Board of Judges is pleased to announce the proposed acquisition of Fire Testing Technology, subject to shareholder approval, completion of the Placing and Admission to AIM. Fire Testing Technology designs, manufactures, installs and maintains fire testing equipment which is used to test the effects of fire on a wide variety of materials. The Board believes that the 'instrumentation and testing' market offers significant potential for growth and enhanced shareholder returns. The acquisition of Fire Testing Technology will be financed by a placing of New Ordinary Shares to raise £956,000 before expenses, bank facilities provided by the Bank of Scotland, £400,000 in Consideration Shares and the issue of a loan note to the Vendors of Fire Testing Technology. A Notice convening an Extraordinary General Meeting to approve the Proposals is included within this document. The Board has also, today, announced its preliminary results for the year ended 31 December 2004. A copy of the Annual Report and Accounts will be forwarded to shareholders shortly.

By reason of the size and relative value of Fire Testing Technology, the acquisition will amount to a reverse takeover under the AIM Rules and therefore requires the approval of shareholders pursuant to Rule 14 of the AIM Rules. The purpose of this letter is to explain the background to and the reasons for the Proposals and to recommend that you vote in favour of each of the resolutions to be proposed at the EGM of the Company to be held on 23 May 2005 notice of which is set out at the end of this document.

Background

Judges began trading in January 2003 as an investment vehicle aimed at the promotion of public to private transactions, to take advantage of what the Directors believed was an opportunity to capitalise on the disaffection of the investment community for small mature quoted companies juxtaposed to the perceived strong appetite for acquisitions then displayed by private equity funds. However, shortly after the Company began trading the market's interest in small companies experienced a revival which has continued. This sustained recovery in the value of small company shares has reduced the availability of suitable opportunities for the Company to take small companies private.

New Corporate Strategy

Your Board is proposing that the Company changes direction from that of an investment group to a trading group, through acquisition. It is intended that the companies acquired will be established, cash-generative businesses, bought on what the Directors believe to be reasonable multiples of profit. The Directors also intend to use borrowings to finance acquisitions in order to enhance shareholder value. Your Directors believe that, while the general recovery in small company share values was detrimental to the Company's former business strategy, it will enhance this new direction.

Area of Proposed Activity

The Board has identified the area of 'instrumentation and testing' and believes it will offer significant potential for growth and enhanced shareholder returns. The UK based instrumentation sector is estimated to be worth approximately £5bn per annum with approaching 2,000 active companies of which some 185 companies have an annual turnover in excess of £5m. The Directors believe that increasing environmental awareness, constantly evolving regulatory regimes and the need to manage risk and reduce the potential for adverse publicity and litigation are all factors which augur well for a business which will concentrate on testing, measuring and checking and the instruments that are required to perform these functions.

Fire Testing Technology

Introduction

Founded in 1989, Fire Testing Technology designs, manufactures, installs and maintains fire testing equipment. This equipment is used to test the effects of fire on a wide variety of materials and thereby enables users of the equipment to monitor compliance with legislation, industry standards and customer requirements. The Directors believe that the underlying business model of Fire Testing technology focuses upon the exploitation of legislation that requires various industries to test materials to establish their properties in relation to fire and heat. This testing requires the use of particular instruments. Fire Testing Technology has developed a portfolio of instruments developed to test products which attract a wide spectrum of customers. There are legal requirements that utilise national or international standards including ISO (International Standards Organisation), ASTM (American Society for Testing Materials) IEC (International Electrotechnical Commission) and EN (European Norm). In addition there are industry specific regulations and requirements such as those of the FAA (Federal Aviation Administration) and IMO (International Maritime Organisation).

Directors of Fire Testing Technology

The two current directors of Fire Testing Technology are Stephen Upton and Stephen Grayson each of whom will remain with Fire Testing Technology following the completion of the Acquisition until 31 May 2005 in an executive capacity. Thereafter both will remain on the Board of Fire Testing Technology as non-executive directors. It is proposed that David Barnbrook will be appointed as Managing Director of Fire Testing Technology to be effective on 9 May 2005.

David Barnbrook (General Manager from 9 May 2005) aged 51 is a graduate Chartered Engineer and experienced senior manager and director, with over 20 years' management experience across various disciplines including manufacturing, sales, service, project management, engineering and product development.

Senior Management and Staff

Other than the two directors and the proposed Managing Director Fire Testing Technology employs 5 line managers and 14 other staff in production, engineering, design, stores and administration.

Portfolio of Products

Fire Testing Technology manufactures the products listed below, for use in assessing the fire properties of plastic, construction products and materials used for electro-technical, transport and other applications:

Cone Calorimeter	Flooring Radiant Panel	NBS Smoke Density Chamber	Fire Propagation Apparatus
ISO9705 Room Corner Test	Single Burning Item	IMO Spread of Flame	3m ³ Smoke Apparatus
UL94 Plastic Flammability Test	ISO 1182 Non-Combustibility Test	ISO 5657 Ignitability Apparatus	IEC 60332-3 + Fire Testing Technology Release Test
Mass Loss Calorimeter Oxygen Index	ISO 11925 Small Ignition	White Light Smoke Measurement System Ohio State University Apparatus	ASTM E1678 Toxicity Apparatus
Elevated Temperature Oxygen Index	ISO 1617 Bomb Calorimeter	ASTM E162 Radiant Panel Test	ICD 60754 Corrosivity Test Apparatus

Of these products the following are considered by the Directors to be of key importance to the ongoing business of Fire Testing Technology:

The Cone Calorimeter – This is a significant bench scale instrument in the field of fire testing. Release of heat is the key measurement required to assess the fire development of materials and products. Traditionally heat release has been very difficult to measure and more recently full scale testing of items (e.g. furniture) has been possible by burning these articles and measuring the evolved heat using a technique called oxygen depletion calorimetry.

The Flooring Radiant Panel – This test method is used to measure the critical radiant flux of horizontally-mounted floor covering systems exposed to a flaming ignition source in a graded radiant heat environment, within a test chamber. It can also be used to measure this same critical radiant flux for exposed attic floor cellulose insulation.

NBS Smoke Density Chamber – This widely-used test instrument measures the specific optical density of smoke generated by materials when an essentially flat specimen, up to 25 mm thick, is exposed vertically to a radiant heat source of 25 kW/m², in a closed chamber, with or without the use of a pilot flame.

Fire Propagation Apparatus – Fire Testing Technology manufactures the FM Global Fire Propagation Apparatus (FPA), a heat release calorimeter. The Fire Testing Technology FPA can be used to determine:

- Critical heat flux
- Thermal Response Parameter (TRP)
- Effective heat of combustion
- Chemical and convective heat release rates
- Fire Propagation Index (FPI)

Software

Fire Testing Technology has a range of proprietary software for its instruments and can also supply software for existing users of instruments supplied by other manufacturers. These are:

- ConeCalc – for the Cone Calorimeter
- SmokeBox – for the Smoke Density Chamber (with full support for the ISO 5659)
- SBICalc – for the Single Burning Item
- IMOSoft – for the IMO/ISO 5658/LIFT Spread Of Flame
- NonComb – for the ISO 1182 Non-combustibility
- CubeCalc – for the 3 metre cube
- FRPSOft – for the Flooring Radiant Panel
- 162Soft – for the ASTM E 162 Radiant Panel Flame Spread Apparatus
- FPACalc – for the Fire Propagation Apparatus
- OSUCalc – for the Ohio State University Heat Release Apparatus
- CableSoft – for the FIPEC cable test

Market

Fire Testing Technology has always been a high export company and turnover attributable to geographical markets outside the UK amounted to over 90 per cent. for the period ending 31 December 2004. These customers are based in USA, Europe and other countries around the world. The main industries to which Fire Testing Technology sells its products are the construction and building, transport, textile, plastics, electrical industries and educational institutions.

The table below shows the geographical spread of Fire Testing Technology's business over the last 3 years 7 months divided between the UK, EU, USA and the rest of the world.

	<i>Year ended May 2002</i>	<i>Year ended May 2003</i>	<i>Year ended May 2004</i>	<i>7 months to 31 December 2004</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
UK	2%	5%	4%	6%
EU	35%	25%	23%	29%
USA	20%	22%	22%	9%
The rest of world	43%	48%	51%	56%

The largest growth area is outside of the UK, EU and USA as Fire Testing Technology continues to extend into new markets. The substantial drop in USA sales in the period to December 2004 was attributed in the belief of management of Fire Testing Technology to the phasing of sales orders. The Directors believe that US orders, to be received this financial year will significantly improve the US position. The EU market, although in the Directors' opinion stable in terms of value and showing good future growth prospects as a result of the harmonisation of EU standards represented a smaller share of the overall sales mix in Fire Testing Technology's financial year to May 2004 and the UK, whilst a smaller more mature market, has shown an increase in the 7 months to December 2004.

Financial Information on Fire Testing Technology

The following table sets out key financial information relating to Fire Testing Technology, for the 3 year 7 month period to 31 December 2004. The figures for Turnover, Operating Profit and Profit Before Tax have been extracted without material adjustment from the Accountant's Report on Fire Testing Technology, set out in Part IV of this document. The Adjusted Operating Profit (which for the final period relates to the 6 months ended 30 November 2004) has been adjusted for non-recurring costs principally associated with the previous owners of Fire Testing Technology, but also to take into account the costs of the new Managing Director and the lease being entered into on the manufacturing unit at East Grinstead. In addition the adjusted operating profit for the six months to 30 November 2004 excludes the £96,000 costs of a forgery involving Fire Testing Technology's agent in China.

	<i>Year ended May 2002 £'000</i>	<i>Year ended May 2003 £'000</i>	<i>Year ended May 2004 £'000</i>	<i>7 months to 31 December 2004</i>
Turnover	2,158	2,284	2,844	1,584
Operating Profit	253	272	622	219
Profit Before Tax	265	289	635	227
Adjusted Operating Profit	441	516	603	284*

* relates to the 6 months ended 30 November 2004

Pension Schemes

Fire Testing Technology operates defined contribution pension schemes for both directors and staff, which are managed by an independent adviser.

Financial Information on Judges

The following table sets out key financial information relating to Judges, which has been extracted without material adjustment from the Accountants' Report set out in Part III of this document

	<i>Period ended 31 December 2003 £'000</i>	<i>Year ended 31 December 2004 £'000</i>
Operating Loss	(205)	(175)
Loss before tax	(126)	(153)

Current Trading and Future Prospects

In January 2005, Judges sold its holding of shares in ISG plc generating total proceeds of £1,156,000 and a profit on sale of £226,000. £512,000 of the proceeds were used to settle related liabilities under contracts for difference. In addition the Company has received £208,000, since the year end, from the liquidation of Fortress Holdings Plc which is approximately the amount of the Company's investment.

Fire Testing Technology's trading continues to be strong. Orders on hand or in the course of negotiation augur well for the beginning of the coming year commencing on 1 June.

Dividends

The Directors intend to commence the payment of dividends as soon as practicable taking into consideration the availability of distributable reserves and the requirement to retain earnings to support the future growth of the business.

Directors

The Hon. Alexander Hambro (Non-Executive Chairman) aged 43 has spent the last 17 years in the private equity sector, much of this time at Hambros PLC or at associate organisations. As a director of Hambro Group Investments, he was responsible for the establishment and operation of the Hambro Private Equity Group, which sponsored nine fund managers in the UK, Europe, USA and Australia. Since leaving Hambros in 1999, he has assisted a number of private equity partnerships with their fund raising and marketing programmes and has acted as a consultant to a number of investors on their private equity investment strategies.

David Cicurel (Chief Executive) aged 55 has spent much of his working life as a turnaround specialist. He has been responsible for a number of corporate recovery exercises including two UK public companies (International Media Communications plc, (later known as Continental Foods plc) and International Communication and Data plc). Since 1998 he has used his own funds to invest in undervalued companies such as Shiloh P.L.C. and Izodia PLC and influence their direction. He is also a director of Poole Investments plc (formerly Pilkington's Tiles Group plc) and Interactive Prospect Targeting Holdings plc. Since January 2003 David has been mainly involved with Judges.

Glynn Reece (Non-Executive Director) aged 46 is a qualified solicitor and a graduate of Oxford University. He is currently a director and shareholder of Nathan Alexander Limited, an investment company that specialises in investing in and arranging finance on a pre-IPO basis for dynamic fast-growing companies. Glynn has had over 17 years' experience in a wide range of corporate finance and entrepreneurial investment activities.

Ralph Elman FCA (Finance Director) aged 52 is also finance director of quoted company Paramount PLC (Chez Gerard, Bertorelli, Livebait and Café Fish restaurants). He was formerly finance director of quoted companies International Communication and Data plc and Delyn plc. Ralph is currently senior partner at Elman Wall, a London-based accounting practice but is shortly to formally retire from that practice and is now concentrating on his directorship appointments.

Working Capital

The Directors are of the opinion, having made due and careful enquiry that, taking into account the net proceeds of the Placing and the existing facilities available to Judges, that it has sufficient working capital for its present requirements, that is at least 12 months from the date of Admission.

Lock-in Arrangements

The Directors have agreed with Shore Capital that they will not dispose of their interests in any of the shares of the Company for a period of 12 months after Admission. Further details are set out in paragraph 7.1 in Part VI of this document.

The Fire Testing Technology Vendors have agreed not, without the prior written consent of Judges, to transfer or otherwise dispose of any of the Consideration Shares or any shares derived from them within twelve months of Completion and thereafter have agreed not to transfer, or otherwise dispose of, any of the Consideration Shares or any shares derived from them otherwise than through Judges' brokers or by acceptance of a general offer to all ordinary shareholders of Judges.

Fire Testing Technology Acquisition Terms

Judges is proposing to acquire, subject to shareholder approval, completion of the Bank Facilities, the Placing and Admission to AIM of the Enlarged Share Capital, 100 per cent of the issued share capital of Fire Testing Technology for approximately £3.7m (plus an excess working capital adjustment) to be satisfied through the following:

- £2.3m payment in cash at the date of Completion
- £0.4m payment in Consideration Shares in Judges at the Placing Price
- £0.5m (subordinated), interest-bearing loan notes which will be repayable after five years. Interest will be payable at the Bank of Scotland base rate plus 2 per cent; and
- deferred, contingent consideration of up to £0.5m due in its entirety if Fire Testing Technology generates £773k of adjusted operating profit in the year to May 2005

In the event that Fire Testing Technology's working capital (including cash) at Completion exceeds/is less than the average working capital (excluding cash) during the 12 month period to November 2004, such

surplus (or deficit) will be paid to or (from) the Fire Testing Technology Vendors respectively after Completion. Based on latest figures as at 31 March 2005 it is estimated that this will amount to an additional payment of approximately £697,000.

The Acquisition Agreement is conditional, *inter alia*, upon approval by the Judges Shareholders, as under the AIM Rules, the Acquisition is classified as a reverse takeover on account of its size relative to Judges and is therefore required to be conditional upon such approval. In addition, the Acquisition is conditional upon the necessary resolutions of Judges being passed at the Extraordinary General Meeting and the admission of the New Ordinary Shares to trading on AIM no later than 24 May 2005.

The Acquisition Agreement is also conditional upon the Placing Agreement becoming unconditional in all respects (save for Admission) and the completion of certain bank facilities (subject only to Admission).

The Fire Testing Technology Vendors have given warranties to Judges in respect of Fire Testing Technology in relation to, *inter alia*, the shares in Fire Testing Technology, accounting and financial matters, assets, constitution, insurance, taxation, pensions and environmental matters. The aggregate liability of the Fire Testing Technology Vendors under the warranties is limited to £1,500,000.

Details of Placing

In total 956,000 New Ordinary Shares are being placed on behalf of the Company to raise £956,000 gross (£716,000 net of expenses of the Placing and Admission). In total the shares being placed represent 27.6 per cent of the Enlarged Issued Share Capital.

The Directors interests following Admission are set out in paragraph 4 of Part VI of this document. In aggregate, the Directors will be interested in 551,316 Ordinary Shares following Admission, representing approximately 15.92 per cent of the Company's issued share capital at that time. The Placing is conditional, amongst other things, on Admission.

Reasons for the Placing

The Placing will raise approximately £956,000 for the Company, £716,000 net of expenses. The net proceeds of the Placing will be used to fund the Acquisition of Fire Testing Technology, and to pay the expenses of the fund raising and Admission.

Details of the Bank Facilities

Conditionally upon completion of the Acquisition, the Placing and Admission, the Company will borrow £2,430,000 from Bank of Scotland pursuant to a term loan facility further details of which are set out in paragraph 7 of Part VI of this document and which will be secured over the undertaking and assets of the Enlarged Group.

Tax Relief Available to Investors

Attention is drawn to the section on taxation contained in paragraph 6 of Part VI of this document which refers to certain taxation benefits that may be available to qualifying investors in the Company.

The Company has applied for and has received provisional approval from the Inland Revenue that an investment in the Ordinary Shares will qualify for relief under the Enterprise Investment Scheme and as a qualifying investment for Venture Capital Trusts under the relevant legislation.

Notwithstanding the availability of these benefits, investors are strongly recommended to consult their own professional advisers on matters relating to taxation. Investors should also note that, in the longer term, the Directors cannot guarantee to manage the business on a basis that permanently safeguards taxation benefits.

Corporate Governance

The Company intends to comply, as far as is appropriate, with the Principles of Good Governance and Code of Best Practice (the "Combined Code"). The Directors have adopted the AIM Model Code and have appointed an audit committee and a remuneration committee.

The audit committee consists of the two non-executive directors namely The Hon. Alexander Robert Hambro and Glynn Carl Reece. It meets at least twice each year and is responsible for ensuring that the financial performance of the Company is properly monitored and reported on. The audit committee also meets with the auditors and reviews the reports from the auditors relating to accounts and internal control systems. It will meet with auditors once a year without the CEO being present.

The remuneration committee consists of the two non-executive directors. It reviews the performance of executive Directors and sets the scale and structure of their remuneration and reviews the basis of their service agreements with due regard to the interests of shareholders. No Director is permitted to participate in discussions or decisions concerning his own remuneration.

CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument. The articles of association of the Company permit the holding of Ordinary Shares under the CREST system. The Company has applied for the New Ordinary Shares to be admitted to CREST with effect from Admission and CRESTCo has agreed to such admission. Accordingly, settlement of transactions in the New Ordinary Shares following Admission may take place within the CREST system if the relevant shareholders so wish.

CREST is a voluntary system and shareholders who wish to receive and retain share certificates may do so.

Dealing Arrangements

Application will be made for the Existing Ordinary Shares and the New Ordinary Shares to be re-admitted/ admitted to trading on AIM and it is anticipated that Admission will become effective and that dealings will commence on 24 May 2005.

It is expected that the relevant New Ordinary Shares will be delivered into CREST on 24 May 2005 and that share certificates for the New Ordinary Shares to be held in certificated form will be despatched by 1 June 2005.

Takeover Code

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

Following Admission the Concert Party will hold in aggregate Ordinary Shares carrying 37.8 per cent of the voting rights of the Company and DCI, a member of the Concert Party, will hold 15.2 per cent of the voting rights of the Company. Further details on the holdings of the Concert Party are set out in paragraph 4.2 of Part VI of this document. In addition, DCI holds 4,166,667 Convertible Redeemable Shares in the Company. As a result of the conversion of all these Convertible Redeemable Shares, the Concert Party may come to hold, in aggregate, Ordinary Shares carrying a maximum of 43.3 per cent. of the voting rights of the Company, and DCI may come to hold Ordinary Shares carrying a maximum of 23.9 per cent. of the voting rights of the Company.

As the Concert Party will hold on Admission Ordinary Shares which carry more than 30 per cent. but less than 50 per cent of the voting rights of the Company, members of the Concert Party will not be able to acquire further Ordinary Shares without incurring an obligation under Rule 9 to make a general offer.

DCI currently holds 4,166,667 Convertible Redeemable Shares in the Company. On payment to the Company of 95p per share such Convertible Redeemable Shares can be converted into Ordinary Shares. As DCI is a member of the Concert Party it will not be able to exercise its conversion rights without triggering a mandatory bid obligation under Rule 9 of the City Code unless waived by a vote of independent shareholders. It is intended to seek such a waiver by a vote of independent shareholders to enable DCI to exercise its conversion rights.

Annual Accounts

The preliminary results for Judges for the year ended 31 December 2004 were announced on 29 April 2005 and the annual report will be posted to shareholders shortly.

Extraordinary General Meeting

A notice convening an EGM to be held at Faegre Benson LLP, 7 Pilgrim Street, London EC4V 6LB at 11 a.m. on 23 May 2005 is set out at the end of this document. At the EGM resolutions will be proposed to

approve the Acquisition and to authorise the Directors to allot shares *inter alia* in connection with the Placing.

Action to be Taken

A reply-paid Proxy Form is enclosed for use at the EGM. Whether or not you intend to be present at the meeting, you are requested to complete and sign the Proxy Form in accordance with the instructions printed thereon and to return it to the Company's Registrar Capita IRG Plc, Bourne House, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and, in any event, so that it is received no later than 11 a.m. on 21 May 2005. **The completion and return of the Proxy Form will not preclude you from attending the EGM and voting in person should you wish to do so.**

Additional Information

Your attention is drawn to the information set out in Parts II to VI of this document.

Recommendation

Your Board, which has been so advised by Shore Capital, is of the opinion that the Acquisition of Fire Testing Technology is in the best interests of the Company and of the shareholders. In providing advice to the Board, Shore Capital has taken into account the Directors' commercial assessments. The Board, therefore, unanimously recommends you to vote in favour of the resolutions to be proposed at the EGM as they have undertaken to do so in respect of their own beneficial holdings amounting to, in aggregate, 526,316 Existing Ordinary Shares representing approximately 25 per cent of the issued share capital of Judges.

Yours faithfully

The Hon. Alexander Hambro
Chairman

Judges Capital plc.

PART II

RISK FACTORS

In addition to all other information set out in this document, the following specific factors should be considered carefully in evaluating whether to make an investment in the Company. If you are in any doubt about the action you should take, you should consult a personal adviser authorised and regulated under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

The Directors believe the following risks to be the most significant for potential investors. However, the risks listed do not necessarily comprise all those associated with an investment in the Company. In particular, the Company's performance may be affected by changes in market or economic conditions and in legal regulatory and tax requirements.

1. Market capitalisation

The market price of the Ordinary Shares may not reflect the underlying value of the Company.

2. Further issue of shares

It may be desirable for the Company to raise additional capital by way of the issue of further Ordinary Shares to enable the Company to progress through further stages of development. Any additional equity financing may be dilutive to shareholders. In addition there can be no assurance that such funding will be available to the Company.

3. Suitability

The investment offered hereby may not be suitable for all recipients of this document. Investors are accordingly advised to consult an appropriate person authorised and regulated under the Financial Services and Markets Act 2000 before making their decision.

4. Dependence on key personnel

The success of the Enlarged Group may depend to a significant extent on certain key directors or employees. The loss of one or more of the key directors or employees may have an adverse effect on the Company.

5. AIM

The future success of AIM and liquidity in the market for the Ordinary Shares cannot be guaranteed. In particular, the market for the Ordinary Shares may be, or may become, relatively illiquid and therefore the Ordinary Shares may be or may become difficult to sell.

6. Regulation

There may be a change in government regulation or policies, which materially adversely affects the Enlarged Group's activities.

7. Forex

The majority of Fire Testing Technology's revenues are not in sterling, whilst most of its costs are. The Enlarged Group is, therefore, susceptible to exchange rate volatility.

8. Management succession

The two owners are retiring from executive duties but will remain on the Board as non-executives and although an experienced managing director has been recruited and David Cicurel is experienced in running small companies, the new management structure might not be able to run Fire Testing Technology as effectively as hereto.

9. Existing investments

The liquidation of existing investments as the result of the change in strategy may not achieve the amounts which could have been expected without such change and the provision created to cover the potential shortfall may not be enough.

10. Acquisitions

The Company may not be successful in identifying further acquisitions or in funding and completing such acquisitions at valuations that would increase shareholder value or in integrating them. Without acquisitions the Company may prosper, but may not reach a size that will create value and liquidity for shareholders.

PART III

ACCOUNTANT'S REPORT ON JUDGES

Grant Thornton 

8 West Walk
Leicester
LE1 7NH

The Directors
Judges Capital plc
1 Bickenhall Mansions
Bickenhall Street
London
W1U 6BP

and

The Directors
Shore Capital & Corporate Limited
Bond Street House
14 Clifford Street
London
W1S 4JU

29 April 2005

JUDGES CAPITAL PLC (“the Company”)

1. Introduction

1.1 We report on the financial information set out in paragraphs 2 to 7. This financial information has been prepared for inclusion in the AIM Admission document issued by Judges Capital plc, dated 29 April 2005.

1.2 Basis of preparation

The financial information set out in paragraphs 2 to 7 below is based on the audited financial statements of Judges Capital plc for the year ended 31 December 2004, and for the period from incorporation to 31 December 2003, and has been prepared on the basis set out in paragraph 3 to which no adjustments were considered necessary.

1.3 Responsibility

The financial statements on which this financial information is based are the responsibility of the Directors of the Company who approved their issue.

1.4 The Directors of Judges Capital plc are responsible for the contents of the AIM Admission document in which this report is included.

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

1.6 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 financial statements underlying the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

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

1.8 Opinion

In our opinion the financial information gives, for the purposes of the AIM Admission document dated 29 April 2005, a true and fair view of the results and cash flows of the Company for the year ended 31 December 2004, and for the period from incorporation to 31 December 2003, and the state of affairs of the Company at the end of each of those periods.

1.9 Consent

We consent to the inclusion in the AIM Admission document dated 29 April 2005 of this report and accept responsibility for this report for the purposes of paragraph 45(2)(b)(iii) of Schedule 1 to the Public Offers of Securities Regulations 1995.

2. Statutory information

2.1 The Company was incorporated in the United Kingdom on 21 November 2002.

2.2 At the date of this report the Company's share capital comprised 2,106,356 Ordinary shares of 5p each, which have been issued and fully paid, and 5,000,000 Convertible Redeemable shares of 1p each, which have been issued and quarter paid.

2.3 The Company's current principal activity is that of undertaking investments.

2.4 The Company has no subsidiary undertakings as of the date of this report.

3. Accounting policies

The financial information has been prepared under the historical cost convention and in accordance with applicable UK accounting standards, up to and including Financial Reporting Standard 19. The principal accounting policies, which are set out below, represent the most appropriate in accordance with Financial Reporting Standard 18, and have remained unchanged throughout the periods.

3.1 Investments

All investments are treated as current assets reflecting the Company's strategic investment policy to actively pursue appropriate and profitable exit routes on all investments. Current asset investments are stated at the lower of cost and net realisable value.

3.2 Investment income

Investment income comprises dividends declared during the accounting period and interest receivable on quoted and unquoted investments.

3.3 Deferred taxation

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

3.4 Cashflow statement

Movement of liquid resources relates to the net cash cost of current investments acquired and sold in the period. All current asset investments are held as liquid resources.

3.5 Contracts for Difference

As part of its normal operations, the Company may periodically fund the acquisition of rights over shares by the use of Contracts for Difference (CFDs). CFDs are a financing tool, in that they provide access to economic benefits (the underlying investments) in return for an ongoing financing cost. Investments purchased using CFDs are therefore treated as owned investments, with the gross CFD liability treated as debt. The carrying costs of CFDs are treated as finance costs and charged to the profit and loss account as incurred.

4. Profit and loss accounts

		<i>Year ended</i>	<i>Period ended</i>
		<i>31 December</i>	<i>31 December</i>
		<i>2004</i>	<i>2003</i>
	<i>Note</i>	<i>£'000</i>	<i>£'000</i>
Administrative expenses		(175)	(205)
Operating loss		(175)	(205)
Profit on disposal of investments	7.1	58	30
Provision against investments		(100)	—
Investment income	7.1	62	15
Net interest receivable and similar income		2	34
Loss on ordinary activities before taxation	7.1	(153)	(126)
Tax on loss on ordinary activities	7.4	—	—
Loss on ordinary activities after taxation	7.10	(153)	(126)
Loss per ordinary share	7.5	(7.3p)	(6.7p)

All operations are continuing operations.

There were no recognised gains or losses in each period other than those passing through the profit and loss account.

5. Balance sheets

		<i>At 31 December</i>	
		<i>2004</i>	<i>2003</i>
		<i>£'000</i>	<i>£'000</i>
	<i>Note</i>		
Current assets			
Debtors	7.6	8	19
Investments	7.7	1,702	1,007
Cash at bank and in hand		296	704
		2,006	1,730
Creditors: amounts falling due within one year	7.8	(472)	(43)
Total assets less current liabilities		1,534	1,687
Capital and reserves			
Called up share capital	7.9	118	118
Share premium account	7.10	1,695	1,695
Profit and loss account	7.10	(279)	(126)
Shareholders' funds	7.11	1,534	1,687
Equity interests		1,522	1,675
Non-equity interests		12	12
		1,534	1,687

6. Cash flow statements

		<i>Year ended</i> <i>31 December</i> <i>2004</i> <i>£'000</i>	<i>Period ended</i> <i>31 December</i> <i>2003</i> <i>£'000</i>
Net cash outflow from operating activities	7.12a	(195)	(167)
Returns on investments and servicing of finance			
Interest received		25	34
Interest paid		—	—
Dividends received		58	—
		<hr/>	<hr/>
Net cash outflow before management of liquid resources and financing		(112)	(132)
Management of liquid resources			
Purchase of investments		(651)	(1,039)
Receipts from sale of investments		412	62
		<hr/>	<hr/>
Net cash outflow from management of liquid resources		(239)	(977)
		<hr/>	<hr/>
Net cash outflow before financing		(351)	(1,109)
Financing			
Issue of Ordinary shares		—	2,001
Issue of Convertible Redeemable shares		—	12
Expenses paid in connection with share issue		—	(200)
Payments for CFDs		(57)	—
		<hr/>	<hr/>
Net cash (outflow)/inflow from financing		(57)	1,813
		<hr/>	<hr/>
(Decrease)/increase in cash	7.12b	(408)	704
		<hr/> <hr/>	<hr/> <hr/>

7. Notes to the financial information

7.1 Turnover and loss on ordinary activities before tax

Turnover and loss on ordinary activities before tax related entirely to the Company's principal continuing area of activity, being that of undertaking investments.

Loss on ordinary activities before tax is stated after charging/(crediting):

	<i>Year ended</i> <i>31 December</i> <i>2004</i> <i>£'000</i>	<i>Period ended</i> <i>31 December</i> <i>2003</i> <i>£'000</i>
Profit on disposal of investments	(58)	(30)
Provision against investments	100	—
Costs relating to abortive transaction	—	17
Income from current asset investments	(62)	(15)
Auditors remuneration:		
Audit services – UK	7	7
Non audit services – UK (tax advisory)	2	10
	<hr/> <hr/>	<hr/> <hr/>

In addition fees were paid to the auditors in 2003 in respect of work undertaken as part of the flotation of the Company. The costs of £9,400 were charged against share premium.

7.2 Directors' emoluments

Emoluments in respect of directors for each period were as follows:

	<i>Year ended</i> <i>31 December</i> 2004 £'000	<i>Period ended</i> <i>31 December</i> 2003 £'000
Directors' emoluments	<u>62</u>	<u>63</u>

The emoluments of the highest paid director in each period were as follows:

	<i>Year ended</i> <i>31 December</i> 2004 £'000	<i>Period ended</i> <i>31 December</i> 2003 £'000
Directors' emoluments	<u>25</u>	<u>25</u>

7.3 Employees

The Company had no employees during the periods other than the four directors.

Employment costs of the Company during each period were:

	<i>Year ended</i> <i>31 December</i> 2004 £'000	<i>Period ended</i> <i>31 December</i> 2003 £'000
Wages and salaries	62	63
Social security costs	<u>5</u>	<u>5</u>
	<u>67</u>	<u>68</u>

7.4 Tax on loss on ordinary activities

No tax arises on the loss for the year to 31 December 2004 (period to 31 December 2003: £nil). The tax assessed for the period differs from the standard rate of corporation tax in the UK of 30 per cent (2003: 30 per cent). The differences are explained as follows:

	<i>Year ended</i> <i>31 December</i> 2004 £'000	<i>Period ended</i> <i>31 December</i> 2003 £'000
Loss on ordinary activities before tax	(153)	(126)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2003: 30%)	(46)	(38)
Effect of:		
Provision disallowed for tax	30	—
Carry forward of unutilised tax losses	<u>16</u>	<u>38</u>
Current tax charge for period	<u>—</u>	<u>—</u>

The company has unrelieved tax losses at 31 December 2004 of £54,000 (2003: £38,000). The company has not recognised a deferred tax asset in respect of these losses as the timing and extent of recovery is insufficiently certain.

7.5 Loss per share

The calculation of basic loss per share is based on a loss for the periods of £153,000 (2003: £126,000), and on 2,106,356 shares (2003: 1,888,649 shares), being the weighted average number of ordinary shares in issue during the periods. As there is a loss for the period there is no dilutive effect from the convertible redeemable shares.

7.6 Debtors

	<i>31 December</i>	
	<i>2004</i>	<i>2003</i>
	<i>£'000</i>	<i>£'000</i>
Other debtors	4	15
Prepayments and accrued income	4	4
	<u>8</u>	<u>19</u>

7.7 Current asset investments

	<i>Value at 31 December 2004</i>			
	<i>Historical Cost £'000</i>	<i>Market valuation £'000</i>	<i>Directors' valuation £'000</i>	<i>Total Valuation £'000</i>
Unquoted investments	227	—	260	260
Quoted investments	1,575	1,694	—	1,694
Less: provision against investments	(100)	—	—	—
At 31 December 2004	<u>1,702</u>	<u>1,694</u>	<u>260</u>	<u>1,954</u>
Net unrealised gain at 31 December 2004		219	33	252

	<i>Value at 31 December 2003</i>			
	<i>Historical Cost £'000</i>	<i>Market valuation £'000</i>	<i>Directors' valuation £'000</i>	<i>Total Valuation £'000</i>
Unquoted investments	368		421	421
Quoted investments	639	680		680
At 31 December 2003	<u>1,007</u>	<u>680</u>	<u>421</u>	<u>1,101</u>
Net unrealised gain at 31 December 2003		41	53	94

7.8 Creditors

	<i>31 December</i>	
	<i>2004</i>	<i>2003</i>
	<i>£'000</i>	<i>£'000</i>
Amounts falling due within one year		
Trade creditors	453	6
Accruals and deferred income	16	34
Social security and other taxes	3	3
	<u>472</u>	<u>43</u>

Included within trade creditors is £451,000 (2003: £nil), representing the gross amount outstanding in respect of Contracts for Difference.

7.9 Share capital

	<i>31 December</i>	
	<i>2004</i>	<i>2003</i>
	<i>£'000</i>	<i>£'000</i>
Authorised		
10,000,000 Ordinary shares of 5p each	500	500
5,000,000 Convertible Redeemable shares of 1p each	50	50
	<u>550</u>	<u>550</u>
Allotted, called up and fully paid		
2,106,356 Ordinary shares of 5p each	106	106
5,000,000 Convertible Redeemable shares of 1p each, quarter paid	12	12
	<u>118</u>	<u>118</u>

Convertible Redeemable Shares

On 4 December 2002 the Company issued 5,000,000 Convertible Redeemable Shares of 1p nominal value each a quarter paid up for cash. The principal terms of the Convertible Redeemable Shares are as follows:

- There is no right to participate in the profits of the Company.
- On a winding up or other return of capital the surplus assets remaining after payment of liabilities shall be applied:
 - (i) First in repaying the capital paid up on the Ordinary Shares;
 - (ii) Secondly in repaying the capital paid up on the Convertible Redeemable Shares; and
 - (iii) Thirdly distributed amongst the holders of the Ordinary Shares according to the amounts paid up.
- The holders of the Convertible Redeemable Shares are not entitled to attend or vote at General Meetings of the Company unless the meeting considers a resolution for winding up the Company.
- On payment to the Company of the aggregate of (i) a sum equal to any amount which has not been called or which is otherwise unpaid in respect of all of the Convertible Redeemable Shares to be converted and (ii) a further sum equal to 95 pence multiplied by the number of Ordinary Shares to be issued as a result of the conversion less the amount paid up or deemed paid up (including the amount referred to in (i) above) in respect of the Convertible Redeemable Shares to be converted (“Conversion Price”), each holder of Convertible Redeemable Shares shall be entitled to convert all or any of his Convertible Redeemable Shares into such number of fully paid Ordinary Shares which represents 0.24 per cent of the number of Ordinary Shares in issue, assuming that all the Convertible Redeemable Shares remaining capable of being convertible into Ordinary Shares at the date of which the conversion takes place had been converted at the time, for every 100,000 Convertible Redeemable Shares so converted and so in proportion for any greater or lesser number of Convertible Redeemable Shares (“Conversion Rate”).
- The holders of Convertible Redeemable Shares shall (subject to the provisions of the Companies Act) be entitled at anytime to redeem all or any of the Convertible Redeemable Shares outstanding out of any profits or monies of the company which may lawfully be applied for that purpose.

Ordinary shares

On 21 November 2002 the Company issued 40 Ordinary shares at par for cash.

On 7 January 2003 the Company issued 2,106,316 Ordinary shares at 95p. The resulting share premium of £1,895,684 was credited to the share premium account after deducting the expenses of the issue totalling £200,190.

7.10 Reserves

	<i>Share premium £'000</i>	<i>Profit and loss account £'000</i>	<i>Total £'000</i>
At incorporation	—	—	—
Premium on shares issued during the period	1,695	—	1,695
Retained loss for the period	—	(126)	(126)
At 31 December 2003	1,695	(126)	1,569
Retained loss for the year	—	(153)	(153)
At 31 December 2004	1,695	(279)	1,416

7.11 Reconciliation of movement in shareholders' funds

	<i>31 December</i>	
	<i>2004</i>	<i>2003</i>
	<i>£'000</i>	<i>£'000</i>
Loss for the financial period	(153)	(126)
Proceeds from issue of shares	—	1,813
Net (decrease)/increase in shareholders' funds	(153)	1,687
Shareholders' funds brought forward	1,687	—
Shareholders' funds carried forward	<u>1,534</u>	<u>1,687</u>

7.12 Notes to the cash flow statement

a Reconciliation of operating loss to net cash outflow from operating activities

	<i>Year ended</i>	<i>Period ended</i>
	<i>31 December</i>	<i>31 December</i>
	<i>2004</i>	<i>2003</i>
	<i>£'000</i>	<i>£'000</i>
Operating loss	(175)	(205)
Increase in debtors	(4)	(4)
(Decrease)/increase in creditors	(16)	42
Net cash outflow from operating activities	<u>(195)</u>	<u>(167)</u>

b Analysis of net funds

	<i>21 November</i>	<i>Cash flow</i>	<i>31 December</i>
	<i>2002</i>	<i>2003</i>	<i>2003</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Net cash:			
Cash at bank and in hand	—	704	704
Liquid resources:			
Current asset investments	—	1,007	1,007
Net funds	<u>—</u>	<u>1,711</u>	<u>1,711</u>
	<i>1 January</i>	<i>Cash flow</i>	<i>Non cash</i>
	<i>2004</i>	<i>movements</i>	<i>31 December</i>
	<i>£'000</i>	<i>£'000</i>	<i>2004</i>
			<i>£'000</i>
Net cash:			
Cash at bank and in hand	704	(408)	—
Liquid resources:			
Current asset investments	1,007	239	456
Amount outstanding under CFDs	—	—	(451)
Net funds	<u>1,711</u>	<u>(169)</u>	<u>5</u>
			<u>1,547</u>

c Reconciliation of net cash flow to movement in net funds

	<i>Year ended</i> <i>31 December</i> <i>2004</i> <i>£'000</i>	<i>Period ended</i> <i>31 December</i> <i>2003</i> <i>£'000</i>
(Decrease)/increase in cash in the period	(408)	704
Cash outflow from increase in liquid resources	239	977
Profit on disposal of investments	58	30
Trading in investments under CFDs	498	—
Amount outstanding under CFDs	(451)	—
Provision against investments	(100)	—
	<hr/>	<hr/>
Movement in net funds in the period	(164)	1,711
Opening net funds	1,711	—
	<hr/>	<hr/>
Closing net funds	1,547	1,711
	<hr/> <hr/>	<hr/> <hr/>

7.13 Related party transactions

In addition to the amounts paid to the directors the following transactions took place in the year ended 31 December 2004 and the period ended 31 December 2003:

D Cicurel

Amounts of £25,000 (2003: £25,000) were paid to David Cicurel (Investments) Limited, a company indirectly controlled by The David Cicurel Settlement, of which David Cicurel is a potential beneficiary. This represents a contribution towards the costs of using the offices and administrative services of that company. This arrangement is monitored by the non-executive Directors.

D Cicurel is a director of Dawnay, Day & Co. Limited which is a member of the same group as Dawnay, Day Corporate Finance Limited which received fees of £nil (2003: £90,793) for acting as the Nominated Advisor to the Company.

In the period ended 31 December 2003, the Company acquired shares in Lionheart plc from David Cicurel (Investments) Limited for a cash consideration of £97,299 which represented a no loss, no gain transaction for that company. The price paid by the Company was below the prevailing market price at the date of the transaction. No such transactions occurred in the year ended 31 December 2004.

R Elman

R Elman is a partner of Elman Wall, a firm of Chartered Accountants who provide bookkeeping and accounting services to the Company, at a cost of £12,000 (2003: £12,000) in the period.

7.14 Financial instruments

The Company uses financial instruments, other than derivatives comprising borrowings (including Contracts for Difference), cash and various items such as short-term debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Company's operations.

Interest is received on bank balances based on a floating rate which represents base less 0.25 per cent. Interest is paid on the gross amount outstanding in respect of Contracts for Difference based on a floating rate which represents approximately 7 per cent.

The main risk arising from the Company's financial instruments is liquidity risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

Management of liquid resources

The Company endeavours to balance its portfolio with approximately five positions at any one time. These special situations will, ideally, be at different stages of maturity, in different sectors and will involve different levels of management co-operation.

The Company has used CFDs (i) to increase its investment in equities up to the level of its own shareholders' funds and still keep prudent cash balances and (ii) to enhance returns on one particular holding where the risk is low but the potential uplift is less than the Company's target.

The Company may also invite co-investors to participate in an individual transaction for which they will pay Judges a share of their profits. This could serve to boost the return on the funds invested in a target and enable Judges to pursue a strategy, such as an outright bid for a target, that might otherwise lead to an imbalance in the portfolio.

7.15 Share options

In lieu of payment for advisory services to the Company, Shore Capital was granted the right to subscribe for 100,000 Ordinary Shares at a subscription price of 102.5 pence per share. The right was not exercised and expired.

7.16 Post balance sheet events

On 29 April the Company announced its intention (subject to shareholder approval) to acquire the entire issued share capital of Fire Testing Technology Limited for approximately £3,700,000. The terms of the acquisition, and information on Fire Testing Technology Limited, are set out in more detail in the document sent to shareholders on 29 April.

In January 2005, the Company sold its holding of shares in ISG plc, generating total proceeds of £1,156,000 and a profit on sale of £226,000. £512,000 of the proceeds were used to settle related liabilities under contracts for difference. In addition, Judges has received £208,000, since the year end, from the liquidators of Fortress Holdings Plc which is approximately the amount of Judges' investment.

Yours faithfully

GRANT THORNTON UK LLP

PART IV

ACCOUNTANT'S REPORT ON FIRE TESTING TECHNOLOGY

Grant Thornton 

8 West Walk
Leicester
LE1 7NH

The Directors
Judges Capital plc
1 Bickenhall Mansions
Bickenhall Street
London
W1U 6BP

and

The Directors
Shore Capital & Corporate Limited
Bond Street House
14 Clifford Street
London
W1S 4JU

29 April 2005

FIRE TESTING TECHNOLOGY LIMITED (THE COMPANY)

1. Introduction

1.1 We report on the financial information set out in sections 2 to 7. This financial information has been prepared for inclusion in the Admission Document issued by Judges Capital plc relating to the proposed acquisition of Fire Testing Technology and the proposed re-admission of the entire issued share capital of Judges Capital plc to AIM .

1.2 Basis of preparation

The financial information set out in paragraphs 2 to 7 below is based on the audited financial statements of Fire Testing Technology for the three years ended 31 May 2004 and the seven month period ended 31 December 2004 and has been prepared on the basis set out in section 3 after making such adjustments as we considered necessary.

1.3 Responsibility

Such financial statements are the responsibility of the directors of Fire Testing Technology who approved their issue.

1.4 The directors of Judges are responsible for the contents of the Admission Document dated 29 April 2005 in which this report is included.

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

1.6 Basis of opinion

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

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

1.8 Opinion

In our opinion the financial information gives, for the purposes of the Admission Document dated 29 April, a true and fair view of the results and cash flows of the Company for the three years ended 31 May 2004 and the seven month period ended 31 December 2004 and the state of affairs of Fire Testing Technology at the end of each of those periods.

1.9 Consent

We consent to the inclusion of this report in the Admission Document dated 29 April and accept responsibility for this report for the purposes of paragraph 45(1)(b)(iii) of Schedule 1 to the Public Offers of Securities Regulations 1995.

2. Statutory Information

2.1 Fire Testing Technology was incorporated on 22 May 1989 as a private limited company. Fire Testing Technology's subsidiary Stanton Redcroft Limited was incorporated on 8 December 1997

3. Accounting Policies

3.1 Accounting convention

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

3.2 Group accounts

Fire Testing Technology is entitled to the exemption under Section 248 of the Companies Act from the obligation to prepare group accounts. Fire Testing Technology's only subsidiary has been dormant throughout each period.

3.3 Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during each period. Revenues in relation to sales of instruments, spares and software are recognised on dispatch of the products; installation revenues are recognised on receiving positive confirmation from end-users; contracted support revenues are spread on a straight line basis over the term of the maintenance contract; and one-off repairs are recognised on completion of the maintenance obligations to the customers' satisfaction.

3.4 Tangible fixed assets and depreciation

Depreciation has been provided at rates calculated to write off the cost less the estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	15 per cent on written down value
Fixtures, fittings and equipment	15 per cent on written down value
Motor vehicles	25 per cent on written down value
Building improvements	5 per cent on cost

3.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

3.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

3.7 Stock

Stock has been valued at the lower of cost and net realisable value.

3.8 Pensions

Fire Testing Technology contributes to personal pension schemes in respect of the employees and directors. The scheme and its assets are held by independent managers. The pension costs charged in the financial statements represent the contribution payable by Fire Testing Technology during each period.

3.9 Deferred taxation

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

3.10 Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at each balance sheet date. All exchange differences are dealt with through the profit and loss account.

4. Profit and loss accounts

		<i>Year ended</i> <i>31 May</i> <i>2002</i>	<i>Year ended</i> <i>31 May</i> <i>2003</i>	<i>Year ended</i> <i>31 May</i> <i>2004</i>	<i>Period ended</i> <i>31 December</i> <i>2004</i>
	<i>Note</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Turnover	7.1	2,158,116	2,283,567	2,843,734	1,584,209
Cost of sales		<u>(1,386,714)</u>	<u>(1,441,614)</u>	<u>(1,804,987)</u>	<u>(886,875)</u>
Gross Profit		771,402	841,953	1,038,747	697,334
Administrative expenses		(518,893)	(575,977)	(417,158)	(477,955)
Other operating income		<u>—</u>	<u>6,233</u>	<u>—</u>	<u>—</u>
Operating profit	7.2	252,509	272,209	621,589	219,379
Interest receivable and similar income		<u>12,039</u>	<u>15,883</u>	<u>13,202</u>	<u>7,239</u>
Profit on ordinary activities before tax		264,548	288,902	634,791	226,618
Tax on profit on ordinary activities	7.4	<u>(54,655)</u>	<u>(54,986)</u>	<u>(173,305)</u>	<u>(74,551)</u>
Profit on ordinary activities after tax		209,893	233,106	461,486	152,067
Dividends	7.5	<u>—</u>	<u>(480,000)</u>	<u>—</u>	<u>—</u>
Retained profit/(loss) for the financial period	7.14 7.15	<u>209,893</u>	<u>(246,894)</u>	<u>461,486</u>	<u>152,067</u>

Fire Testing Technology's results all relate to continuing activities.

5. Balance sheets

		<i>At 31 May</i>	<i>At 31 May</i>	<i>At 31 May</i>	<i>At</i>
		<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>31 December</i>
	<i>Note</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Fixed assets					
Intangible assets	7.6	—	—	—	—
Tangible assets	7.7	33,853	32,523	374,641	356,974
Investments	7.8	2	2	2	2
		<u>33,855</u>	<u>32,525</u>	<u>374,643</u>	<u>356,976</u>
Current assets					
Stocks	7.9	131,666	261,697	211,112	288,609
Debtors	7.10	487,800	449,538	501,774	539,666
Cash at bank and in hand		360,861	431,547	262,373	469,137
		<u>980,327</u>	<u>1,142,782</u>	<u>975,259</u>	<u>1,297,412</u>
Creditors: amounts falling due within one year	7.11	<u>(353,397)</u>	<u>(761,207)</u>	<u>(454,322)</u>	<u>(602,249)</u>
Net current assets		<u>626,930</u>	<u>381,575</u>	<u>520,937</u>	<u>695,163</u>
Total assets less current liabilities		660,785	414,100	895,580	1,052,139
Provisions for liabilities and charges	7.12	<u>(2,637)</u>	<u>(2,846)</u>	<u>(22,840)</u>	<u>(27,332)</u>
Net assets		<u>658,148</u>	<u>411,254</u>	<u>872,740</u>	<u>1,024,807</u>
Capital and reserves					
Called up share capital	7.13	3,000	3,000	3,000	3,000
Profit and loss account	7.14	655,148	408,254	869,740	1,021,807
Equity shareholders' funds	7.15	<u>658,148</u>	<u>411,254</u>	<u>872,740</u>	<u>1,024,807</u>

6. Cash flow statements

		<i>Year ended</i>	<i>Year ended</i>	<i>Year ended</i>	<i>Period ended</i>
		<i>31 May</i>	<i>31 May</i>	<i>31 May</i>	<i>31 December</i>
		<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2004</i>
	<i>Note</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Cash inflow from operating activities	7.18	79,961	592,453	264,325	211,126
Returns on investment and servicing of finance					
Interest received		12,039	15,883	13,202	7,239
Taxation paid		(61,560)	(52,018)	(54,777)	—
Capital expenditure and financial investment					
Purchase of fixed assets		(9,605)	(5,632)	(391,924)	(11,601)
Equity dividends paid		<u>—</u>	<u>(480,000)</u>	<u>—</u>	<u>—</u>
Increase/(decrease) in cash in period	7.19 7.20	<u>20,835</u>	<u>70,686</u>	<u>(169,174)</u>	<u>206,764</u>

7. Notes to the financial information

7.1 Turnover

The turnover is attributable to the principal activity of design, assembly and sale of electro mechanical equipment to test burning materials.

An analysis of turnover by geographical market is given below:

	<i>Year to 31 May 2002 £</i>	<i>Year to 31 May 2003 £</i>	<i>Year to 31 May 2004 £</i>	<i>Period to 31 December 2004 £</i>
United Kingdom	34,764	121,204	122,962	106,334
Other EU countries	751,171	568,861	674,219	490,098
United States of America	440,574	484,746	643,170	144,241
Rest of the world	931,607	1,010,110	1,297,159	764,146
Commissions and recharged expenses	—	98,646	106,224	79,390
	<u>2,158,116</u>	<u>2,283,567</u>	<u>2,843,734</u>	<u>1,584,209</u>

7.2 Operating profit

Operating profit is stated after charging:

	<i>Year to 31 May 2002 £</i>	<i>Year to 31 May 2003 £</i>	<i>Year to 31 May 2004 £</i>	<i>Period to 31 December 2004 £</i>
Auditors' remuneration	2,500	2,945	3,200	3,200
Operating lease rentals – land and buildings	21,200	25,200	21,000	42,000
Depreciation of tangible assets	8,569	6,953	44,894	29,268
Loss on disposal of tangible fixed assets	1,662	9	4,912	—
	<u>1,662</u>	<u>9</u>	<u>4,912</u>	<u>—</u>

7.3 Directors and employees

Staff costs during each period were as follows:

	<i>Year to 31 May 2002 £</i>	<i>Year to 31 May 2003 £</i>	<i>Year to 31 May 2004 £</i>	<i>Period to 31 December 2004 £</i>
Wages and salaries	518,870	612,990	421,901	307,495
Social security costs	52,442	65,691	39,651	31,430
Other pension costs	121,311	47,556	97,950	28,083
	<u>692,623</u>	<u>726,237</u>	<u>559,502</u>	<u>367,008</u>

The average number of employees of the company during each period was as follows:

	<i>Year to 31 May 2002 Number</i>	<i>Year to 31 May 2003 Number</i>	<i>Year to 31 May 2004 Number</i>	<i>Period to 31 December 2004 Number</i>
Directors	2	2	2	2
Administration and management	3	3	4	4
Production and stores	8	8	9	9
Engineering and design	4	4	5	5
	<u>17</u>	<u>17</u>	<u>20</u>	<u>20</u>

Remuneration in respect of directors during each period was as follows:

	<i>Year to 31 May 2002 £</i>	<i>Year to 31 May 2003 £</i>	<i>Year to 31 May 2004 £</i>	<i>Period to 31 December 2004 £</i>
Directors' emoluments	188,000	251,000	24,000	65,000
Pension contributions	74,000	24,000	86,000	21,000
	<u>262,000</u>	<u>275,000</u>	<u>110,000</u>	<u>86,000</u>
Emoluments of highest paid director	<u>118,000</u>	<u>155,000</u>	<u>14,500</u>	<u>41,667</u>
Pension contributions paid by Fire Testing Technology for highest paid director	<u>37,000</u>	<u>12,000</u>	<u>12,000</u>	<u>7,000</u>
The number of directors who are in Fire Testing Technology's personal pension plan and for whom payments are made is:	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

7.4 Tax on profit on ordinary activities

	<i>Year to 31 May 2002 £</i>	<i>Year to 31 May 2003 £</i>	<i>Year to 31 May 2004 £</i>	<i>Period to 31 December 2004 £</i>
The taxation charge is as follows:				
UK corporation tax at 30%	52,018	54,777	153,311	70,059
Deferred tax	2,637	209	19,994	4,492
	<u>54,655</u>	<u>54,986</u>	<u>173,305</u>	<u>74,551</u>
Current tax reconciliation				
Profit before tax	264,548	288,092	634,791	226,618
Tax at standard rate of 30% on profit for year	79,364	86,427	190,437	67,985
Expenses not deductible for tax purposes	1,357	395	4,674	15,340
Capital allowances in excess of depreciation	(2,037)	(332)	(16,886)	3,005
Marginal relief	—	—	(24,914)	(16,271)
Difference due to small companies tax rate	(26,666)	(31,713)	—	—
Current tax charge	<u>52,018</u>	<u>54,777</u>	<u>153,311</u>	<u>70,059</u>

7.5 Dividends

	<i>Year to 31 May 2002 £</i>	<i>Year to 31 May 2003 £</i>	<i>Year to 31 May 2004 £</i>	<i>Period to 31 December 2004 £</i>
Equity dividends:				
Ordinary shares – dividend of £160 per share paid in the year ended 31 May 2003	—	480,000	—	—

7.6 Intangible fixed assets

	<i>Goodwill</i> £
Cost	
At 31 May 2002, 31 May 2003, 31 May 2004 and 31 December 2004	6,772
Amortisation	
At 31 May 2002, 31 May 2003, 31 May 2004 and 31 December 2004	6,772
Net book amount	
At 31 May 2002, 31 May 2003, 31 May 2004 and 31 December 2004	—

7.7 Tangible fixed assets

	<i>Plant & machinery</i> £	<i>Fixtures & fittings</i> £	<i>Motor vehicles 2004</i> £	<i>Building improve- ments</i> £	<i>Total</i> £
Cost					
At 31 May 2001	—	45,269	31,739	—	77,008
Additions	—	9,605	—	—	9,605
Disposals	—	(4,458)	—	—	(4,458)
At 31 May 2002	—	50,416	31,739	—	82,155
Additions	—	5,632	—	—	5,632
Disposals	—	(1,748)	—	—	(1,748)
At 31 May 2003	—	54,300	31,739	—	86,039
Additions	173,185	23,223	—	195,516	391,924
Disposals	—	(13,220)	—	—	(13,220)
At 31 May 2004	173,185	64,303	31,739	195,516	464,743
Additions	1,006	9,924	—	671	11,601
At 31 December 2004	174,191	74,227	31,739	196,187	476,344
Depreciation					
At 31 May 2001	—	24,581	17,948	—	42,529
Charge for year	—	5,121	3,448	—	8,569
Disposals	—	(2,796)	—	—	(2,796)
At 31 May 2002	—	26,906	21,396	—	48,302
Charge for year	—	4,368	2,585	—	6,953
Disposals	—	(1,739)	—	—	(1,739)
At 31 May 2003	—	29,535	23,981	—	53,516
Charge for year	25,980	7,198	1,939	9,777	44,894
Disposals	—	(8,308)	—	—	(8,308)
At 31 May 2004	25,980	28,425	25,920	9,777	90,102
Charge for period	12,969	4,007	848	11,444	29,268
At 31 December 2004	38,949	32,432	26,768	21,221	119,370
Net book amount					
At 31 December 2004	135,242	41,795	4,971	174,966	356,974
At 31 May 2004	147,205	35,878	5,819	185,739	374,641
At 31 May 2003	—	24,765	7,758	—	32,523
At 31 May 2002	—	23,510	10,343	—	33,853

7.8 Fixed asset investments

The undertakings in which Fire Testing Technology's interest at each period end is more than 20 per cent are as follows:

<i>Subsidiary undertakings</i>	<i>Country of incorporation</i>	<i>Principal activity</i>	<i>Class and percentage of shares held</i> 100% Ordinary
Stanton Redcroft Limited	UK	Dormant	

The subsidiary has been dormant since incorporation with an issued share capital of 2 ordinary shares of £1 each.

7.9 Stocks

	<i>31 May</i> <i>2002</i> £	<i>31 May</i> <i>2003</i> £	<i>31 May</i> <i>2004</i> £	<i>31 December</i> <i>2004</i> £
Raw materials and consumables	114,620	214,062	172,160	161,022
Work in progress	17,046	47,635	38,952	127,587
	<u>131,666</u>	<u>261,697</u>	<u>211,112</u>	<u>288,609</u>

7.10 Debtors

	<i>31 May</i> <i>2002</i> £	<i>31 May</i> <i>2003</i> £	<i>31 May</i> <i>2004</i> £	<i>31 December</i> <i>2004</i> £
Trade debtors	458,104	416,566	447,695	489,797
Prepayments and accrued income	14,829	17,556	34,827	36,919
Other debtors	14,867	15,416	19,252	12,950
	<u>487,800</u>	<u>449,538</u>	<u>501,774</u>	<u>539,666</u>

7.11 Creditors: amounts falling due within one year

	<i>31 May</i> <i>2002</i> £	<i>31 May</i> <i>2003</i> £	<i>31 May</i> <i>2004</i> £	<i>31 December</i> <i>2004</i> £
Payments received on account	—	63,947	—	—
Trade creditors	104,390	151,824	184,425	223,911
Corporation tax	52,018	54,777	153,311	223,371
Other taxes and social security costs	18,661	13,003	14,620	19,316
Directors' current accounts	—	—	653	—
Other creditors	38,122	215,991	32,413	85,761
Accruals and deferred income	140,206	261,665	68,900	49,890
	<u>353,397</u>	<u>761,207</u>	<u>454,322</u>	<u>602,249</u>

7.12 Provisions for liabilities and charges

	<i>Deferred tax £</i>
In respect of accelerated capital allowances:	
At 31 May 2001	—
Provided in the year	2,637
At 31 May 2002	2,637
Provided in the year	209
At 31 May 2003	2,846
Provided in the year	19,994
At 31 May 2004	22,840
Provided in the period	4,492
At 31 December 2004	<u>27,332</u>

7.13 Called up share capital

	<i>31 May 2002 £</i>	<i>31 May 2003 £</i>	<i>31 May 2004 £</i>	<i>31 December 2004 £</i>
Authorised				
20,000 Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
Allotted, called up and fully paid				
3,000 Ordinary shares of £1 each	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>

7.14 Reserves

	<i>Profit and loss account £</i>
At 31 May 2001	445,255
Retained profit for the year	209,893
At 31 May 2002	655,148
Retained loss for the year	(246,894)
At 31 May 2003	408,254
Retained profit for the year	461,486
At 31 May 2004	869,740
Retained profit for the period	152,067
At 31 December 2004	<u>1,021,807</u>

7.15 Reconciliation of movement in shareholders' funds

	<i>Year to 31 May 2002 £</i>	<i>Year to 31 May 2003 £</i>	<i>Year to 31 May 2004 £</i>	<i>Period to 31 December 2004 £</i>
Profit on ordinary activities after tax	209,893	233,106	461,486	152,067
Dividends	—	(480,000)	—	—
Profit/(loss) for the financial period	209,893	(246,894)	461,486	152,067
Opening shareholders' funds	448,255	658,148	411,254	872,740
Closing shareholders' funds	658,148	411,254	872,740	1,024,807

7.16 Financial commitments

Fire Testing Technology had annual commitments at each period end, under non-cancellable operating leases as follows:

	<i>31 May 2002 £</i>	<i>31 May 2003 £</i>	<i>31 May 2004 £</i>	<i>31 December 2004 £</i>
Within one year	—	21,000	—	—
Between one and five years	46,200	—	—	—
	46,200	21,000	—	—

7.17 Pension scheme

Fire Testing Technology contributes to personal pension schemes in respect of the employees and directors. The scheme and its assets are held by independent managers. The pension charge represents contributions due from Fire Testing Technology and amounted to £29,083 in respect of the period ended 31 December 2004 (31 May 2004: £97,950; 2003: £47,556; 2002: £121,311).

7.18 Reconciliation of operating profit to operating cash flow

	<i>Year to 31 May 2002 £</i>	<i>Year to 31 May 2003 £</i>	<i>Year to 31 May 2004 £</i>	<i>Period to 31 December 2004 £</i>
Operating profit	252,509	272,209	621,589	219,379
Depreciation	8,569	6,953	44,894	29,268
Loss on disposal of fixed assets	1,662	9	4,912	—
Decrease/(increase) in stocks	12,294	(130,031)	50,585	(77,497)
(Increase)/decrease in debtors	(288,658)	38,262	(52,236)	(37,892)
Increase/(decrease) in creditors	93,585	405,051	(405,419)	77,868
Net cash inflow from operating activities	79,961	592,453	264,325	211,126

7.19 Reconciliation of net cash flow to movement in net funds

	<i>Year to 31 May 2002 £</i>	<i>Year to 31 May 2003 £</i>	<i>Year to 31 May 2004 £</i>	<i>Period to 31 December 2004 £</i>
Increase/(decrease) in cash in the year	20,835	70,686	(169,174)	206,764
Net funds at beginning of year	340,026	360,861	431,547	262,373
Net funds at end of year	360,861	431,547	262,373	469,137

7.20 Analysis of net funds

	<i>At 1 June</i>		<i>At 31 May</i>
	<i>2001</i>	<i>Cashflow</i>	<i>2002</i>
	£	£	£
Cash at bank and in hand	340,026	20,835	360,861
	<u> </u>	<u> </u>	<u> </u>
	<i>At 1 June</i>		<i>At 31 May</i>
	<i>2002</i>	<i>Cashflow</i>	<i>2003</i>
	£	£	£
Cash at bank and in hand	360,861	70,686	431,547
	<u> </u>	<u> </u>	<u> </u>
	<i>At 1 June</i>		<i>At 31 May</i>
	<i>2003</i>	<i>Cashflow</i>	<i>2004</i>
	£	£	£
Cash at bank and in hand	431,547	(169,174)	262,373
	<u> </u>	<u> </u>	<u> </u>
	<i>At 1 June</i>		<i>At 31 May</i>
	<i>2004</i>	<i>Cashflow</i>	<i>2004</i>
	£	£	£
Cash at bank and in hand	262,373	206,764	469,137
	<u> </u>	<u> </u>	<u> </u>

7.21 Transactions with directors

Fire Testing Technology had a licence to occupy premises owned by Mr S Upton and Mrs J Upton. During the period, fees were paid of £42,000 (31 May 2004: £25,200, 2003: £25,200, 2002: £21,200). A deposit equivalent to 3 months rentals is held in respect of the property and amounted to £18,000 at 31 December 2004 (31 May 2004: £5,100, 2003: £Nil, 2002: £Nil).

Fire Testing Technology made payments to Interscience Communications Limited, a company in which S J Grayson is a director and shareholder. During the periods, fees were paid of £990 (31 May 2004: £4,994, 2003: £Nil, 2002: £429).

7.22 Controlling interest

Fire Testing Technology is controlled by Mr S Upton and his wife who hold 66.7 per cent of the share capital

Yours faithfully

GRANT THORNTON UK LLP

PART V

PRO FORMA STATEMENT OF NET ASSETS OF THE ENLARGED GROUP

The following table sets out the unaudited pro forma statement of net assets of the Enlarged Group following completion of the proposed Placing and acquisition of Fire Testing Technology Limited (FTT) by Judges Capital Plc (Judges). This table has been prepared for illustrative purposes only and, because of its nature, may not give a true picture of the financial position of the Enlarged Group following the transaction.

The net assets of Judges and FTT have been extracted from the Accountants' Reports in Parts III and IV respectively, in both cases as at 31 December 2004. The pro forma statement has been prepared to illustrate the effect on the net assets of the proposed acquisition, and other adjustments below, as if they had taken place on 31 December 2004.

	<i>Judges</i> <i>As at</i> <i>31.12.04</i> <i>£000</i>	<i>FTT</i> <i>As at</i> <i>31.12.04</i> <i>£000</i>	<i>(1)</i> <i>£000</i>	<i>(2)</i> <i>£000</i>	<i>(3)</i> <i>£000</i>	<i>Pro forma</i> <i>net assets</i> <i>£000</i>
			<i>Adjustments</i>			
Fixed assets						
Intangible assets	—	—	3,579	—	—	3,579
Tangible assets	—	357	—	—	—	357
	<u>—</u>	<u>357</u>	<u>3,579</u>	<u>—</u>	<u>—</u>	<u>3,936</u>
Current assets						
Stock	—	288	—	—	—	288
Debtors	8	540	—	—	—	548
Investments	1,702	—	—	—	(1,138)	564
Cash at bank and in hand	296	469	—	70	852	1,687
	<u>2,006</u>	<u>1,297</u>	<u>—</u>	<u>70</u>	<u>(286)</u>	<u>3,087</u>
Creditors: amounts falling due within one year	(472)	(602)	—	(1,330)	512	(1892)
Net current assets	<u>1,534</u>	<u>695</u>	<u>—</u>	<u>(1,260)</u>	<u>226</u>	<u>1,195</u>
Total assets less current liabilities	1,534	1052	3,579	(1,260)	226	5,131
Creditors: amounts falling due after more than 1 year	—	—	—	(2,044)	—	(2,044)
Provisions for liabilities and charges	—	(27)	—	—	—	(27)
Net assets	<u><u>1,534</u></u>	<u><u>1,025</u></u>	<u><u>3,579</u></u>	<u><u>(3,304)</u></u>	<u><u>226</u></u>	<u><u>3,060</u></u>

NOTES TO THE PRO FORMA STATEMENT OF NET ASSETS

1. Adjustment to reflect the goodwill arising on the acquisition of FTT, as follows:

	£000
Consideration	
Cash on completion	2,300
Excess working capital payment	460
Loan notes	500
Deferred consideration	500
Consideration shares	400
	<u>4,160</u>
Transaction costs	530
Total consideration	<u>4,690</u>
Fair value of net assets acquired	<u>1,111</u>
Goodwill arising	<u><u>3,579</u></u>

The excess working capital payment has been calculated based on the position as at 31 December 2004. The excess working capital position of FTT as at 31 March 2005 would have generated a payment of £697,000.

2. Adjustments to reflect the cash effects of the proposed transaction, as follows:

	<i>Cash at bank and in hand £000</i>	<i>Creditors: amounts falling due within 1 year £000</i>	<i>Creditors: amounts falling due after more than 1 year £000</i>
Cash consideration	(2,300)	—	—
Excess working capital payment	(460)	—	—
Loan notes	—	—	500
Deferred consideration	—	500	—
Transaction costs	—	530	—
Bonus cancellation (net of tax)	—	(86)	—
	<u>(2,760)</u>	<u>944</u>	<u>500</u>
Bank of Scotland funding	1,930	386	1,544
Placing of new shares	900	—	—
	<u>70</u>	<u>1,330</u>	<u>2,044</u>

The deferred consideration is to be part settled by a further bank loan of £390,000, the facility for which has already been approved. If this was reflected, cash would increase by £390,000 and creditors due within one year and after one year increase by £78,000 and £312,000 respectively.

3. Adjustment to reflect the realisation of Judges' investment in ISG Plc, and a partial realisation of its investment in Fortress Holdings Plc, since 31 December 2004, as follows:

	<i>ISG £000</i>	<i>Fortress £000</i>	<i>Total £000</i>
Proceeds of sale	1,156	208	1,364
Carrying value	930	208	1,138
Profit on sale	<u>226</u>	<u>—</u>	<u>226</u>
Repayment of Contracts for Difference	<u>512</u>	<u>—</u>	<u>512</u>

The Directors
Judges Capital Plc
Bickenhall Mansions
Bickenhall Street
LONDON W1U 6BP

and

The Directors
Shore Capital & Corporate Limited
Bond Street House
14 Clifford Street
LONDON W1S 4JU

29 April 2005

Dear Sirs

PRO FORMA FINANCIAL INFORMATION

We report on the pro forma statement of net assets of the Enlarged Group set out in Part V of the Circular dated 29 April 2005, which has been prepared, for illustrative purposes only, to provide information about how the proposed Placing and acquisition might have affected the financial information presented.

RESPONSIBILITIES

It is the responsibility solely of the directors of Judges Capital Plc to prepare the pro forma financial information.

It is our responsibility to form an opinion on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information, including the Accountants' Reports in Parts III and IV used in the compilation of the pro forma financial information beyond that owed to those to whom the reports were addressed by us at the dates of their issue.

BASIS OF OPINION

We conducted our work in accordance with the Statements of Investment Circular Reporting Standards and Bulletin 1998/8 "Reporting on pro forma financial information pursuant to the Listing Rules" issued by the Auditing Practices Board. Our work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the pro forma financial information with the directors of Judges Capital Plc.

OPINION

In our opinion:

- the pro forma statement of net assets of the Enlarged Group has been properly compiled on the basis stated
- such basis is consistent with the accounting policies of the issuer
- the adjustments are appropriate for the purposes of the pro forma financial information as disclosed.

Yours faithfully

GRANT THORNTON UK LLP

PART VI

ADDITIONAL INFORMATION

1. THE COMPANY

- 1.1 The Company was incorporated and registered in England and Wales on 21 November 2002 under the Act as a public limited company limited by shares with the name Judges Capital plc and with registration number 4597315. The liability of the members of the Company is limited. The Company's registered office is 1 Bickenhall Mansions, Bickenhall Street, London W1U 6BP and its principal place of business is 14 New Burlington Street, London W1S 3BQ. After Completion its principal place of business will be moved to 19 Charlwoods Road, East Grinstead, West Sussex RH19 4LB
- 1.2 The principal legislation under which the Company operates is the Act and the regulations made thereunder.
- 1.3 On 5 December 2002, the Company was granted a certificate under section 117 of the Act, enabling the Company to do business and borrow.

2. SHARE CAPITAL

- 2.1 Set out below are details of the existing authorised and issued share capital of the Company as at the date of this document.

	<i>Authorised</i>		<i>Issued and fully paid</i>	
	<i>Amount</i>	<i>Number</i>	<i>Amount</i>	<i>Number</i>
Ordinary Shares of 5p each	£500,000	10,000,000	£105,318	2,106,356
Convertible Redeemable Shares of 1p each quarter paid	£50,000	5,000,000	£50,000	5,000,000

- 2.2 Set out below are details of the authorised and issued fully paid up share capital of the Company as it is expected to be following completion of the Proposals:

	<i>Authorised</i>		<i>Issued and fully paid</i>	
	<i>Amount</i>	<i>Number</i>	<i>Amount</i>	<i>Number</i>
Ordinary Shares of 5p each	£500,000	10,000,000	£173,117.80	3,462,356
Convertible Redeemable Shares of 1p each quarter paid	£50,000	5,000,000	£50,000	5,000,000

- 2.3 On 17 June 2004 ordinary and special resolutions were passed by the members of the Company:
- 2.3.1 generally and unconditionally authorising the Directors pursuant to section 80 of the Act to exercise all and any powers of the Company to allot relevant securities (as defined in section 80 of the Act) up to an aggregate nominal amount equal to £52,659. The authority expires (unless previously renewed, varied or revoked by the Company in general meeting) at the earlier of the conclusion of the annual general meeting of the Company next following the passing of the resolution and 15 months from the date of the resolution. The Company may, at any time prior to the expiry of the authority, make an offer or agreement which would or might require relevant securities to be allotted after expiry of the authority and the Directors may allot relevant securities in pursuance of such an offer or agreement as if the authority had not expires; and
- 2.3.2 the Directors were given power pursuant to section 95 of the Act (with such power expiring at the same time as the authority referred to in paragraph 2.3.1 above (the "section 80 Authority")) to allot equity securities (as defined in section 95(2) of the Act) for cash pursuant to the Section 80 Authority as if section 89(1) of the Act did not apply to any such allotment save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred on them by the resolution had not expired.
- 2.4 Following the EGM in the event that all the resolutions have been passed, the authorised share capital of the Company will remain as £550,000 comprising 10,000,000 Ordinary Shares of 5p each and 5,000,000 Convertible Redeemable Shares of 1p each and:

2.4.1 the Directors will be generally and unconditionally authorised in accordance with section 80 of the Act to exercise all the powers of the Company to allot relevant securities up to a maximum nominal amount of £326,882.20 provided that the authority shall expire on the fifth anniversary of the EGM (unless and to the extent that such authority is revoked or extended prior to such date) but so that the Company may before the expiry of such period make an offer or agreement which would or might require relevant securities to be allotted after the expiry of such period and the Directors may allot relevant securities pursuant to such an offer or agreement as if the authority conferred hereby had not expired; and

2.4.2 the Directors will have the power pursuant to section 95 of the Companies Act to allot equity securities as if section 89(1) of the Companies Act did not apply to any such allotment, and such power is to expire on the date falling 15 months after EGM unless previously revoked, varied or extended by the Company in General Meeting, save that the power shall be limited to the allotment of equity securities pursuant to:

- (i) equity securities in connection with a rights issue, open offer or other offer in favour of ordinary shareholders where the equity securities attributable to the respective interests of all ordinary shareholders are proportionate to the respective numbers of ordinary shares held by them on the record date for such allotment but subject to such exclusions as the Directors may deem fit to deal with fractional entitlements or problems arising under the laws of any overseas territory or the requirements of any regulatory body or stock exchange;
- (ii) up to 956,000 ordinary shares of 5 pence each in the capital of the Company pursuant to the placing by Shore Capital of 956,000 new ordinary shares of 5 pence in the capital of the Company; and
- (iii) (otherwise than pursuant to sub-paragraphs 2.4.3 and 2.4.4 of this paragraph 2) equity securities for cash up to an aggregate nominal amount of £52,000, such power to expire on the date falling 15 months after the passing of this resolution unless previously revoked, varied or extended by the Company in General Meeting;

provided that the Company may make offers or agreements before the expiry of this power which would or might require equity securities to be allotted after such expiry and the Directors may allot relevant securities pursuant to such an offer or agreement as if the authority conferred hereby had not expired.

2.5 The provisions of section 89(1) of the Act (which confer on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash other than by way of allotment to employees under an employee's share scheme as defined in section 743 of the Act) will apply to the authorised but unissued share capital of the Company to the extent not disapplied as described in paragraph 2.4 above.

3. MEMORANDUM AND ARTICLES OF ASSOCIATION

3.1 Memorandum of association

The objects of the Company are set out in full in clause 4 of its memorandum of association and include the carrying on of business as a general commercial company.

3.2 Articles of association

The articles of association of the Company (the "Articles") which were adopted on 4 December 2002 by special resolution of the Company contain, among other things, provisions to the following effect:

3.2.1 Voting rights

Subject to any rights or restrictions attached to any shares (including as a result of unpaid calls) and/or as mentioned below, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative and is entitled to have a vote shall have one vote and, on a poll, every member who is present in person or by proxy and entitled to vote shall have one vote for every share of which he is the holder. Where, in respect of any shares, any registered holder or any other person appearing to be interested in such shares fails to comply with any notice given by the Company under section 212

of the Act, then not earlier than 14 days after service of such notice the shares in question may be disenfranchised;

3.2.2 Variation of rights

Subject to the Act and every other statute for the time being in force concerning companies and affecting the Company (the “Statutes”), if at any time the capital of the Company is divided into different classes of shares, all or any of the rights and privileges attached to any class of share may be varied or abrogated either (i) in such a manner (if any) as may be provided by the rights attaching to such class or (ii) in the absence of any such provision, with the consent in writing of at least 75 per cent of the nominal amount of the issued shares of the relevant class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the relevant class. Unless otherwise provided by the rights attaching to any shares, these rights shall be deemed to be varied by the creation or issue of further shares ranking in any respect in priority thereto;

3.2.3 Alteration of capital

- (a) The Company may from time to time by ordinary resolution increase its share capital, consolidate and divide all or any of its share capital into shares of a larger amount, sub-divide all or any of its shares into shares of a smaller amount and cancel any shares not taken or agreed to be taken by any person.
- (b) The Company may, subject to the Statutes, by special resolution reduce its share capital, any capital redemption reserve and any share premium account. Subject to and in accordance with the provisions of the Statutes, the Company may purchase its own shares (including redeemable shares).

3.2.4 Convertible Redeemable Shares

- (a) The holders of the Convertible Redeemable Shares shall not be entitled to any rights of participation in the profits of the Company.
- (b) On a winding-up or other return of capital (other than conversion or redemption of the Convertible Redeemable Shares) the surplus assets of the Company remaining after payment of its liabilities shall be applied:
 - (i) first in repaying the capital paid up or credited as paid up on the Ordinary Shares;
 - (ii) secondly, in repaying the capital paid up or credited as paid up on the Convertible Redeemable Shares; and
 - (iii) thirdly, subject to any special rights which may be attached to any class of shares which may be issued in the future, in being distributed rateably amongst the holders of the Ordinary Shares according to the amounts paid up or credited as paid up thereon and so that the holders of the Convertible Redeemable Shares shall have no right of participation in such assets.
- (c) The Convertible Redeemable Shares shall entitle the holders to receive notice of but shall not entitle the holders 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 the appointment of an administrator or the approval of a voluntary arrangement or any resolution directly or adversely modifying or abrogating any of the special rights and privileges attached to the Convertible Redeemable Shares, in which case, each holder of Convertible Redeemable Shares present in person or (being a corporation) by a representative shall on a show of hands have one vote and on a poll each such holder present in person or by proxy or (being a corporation) by a representative shall be entitled to exercise the number of votes which he would have been entitled to exercise if all the Convertible Redeemable Shares held by him had been converted into Ordinary Shares at the Conversion Rate (as defined below) then applicable.
- (d) On payment to the Company of the aggregate of (i) a sum equal to any amount which has not been called or which is otherwise unpaid in respect of all of the Convertible Redeemable Shares to be converted and (ii) a further sum equal to 95 pence multiplied by the number of Ordinary Shares to be issued as a result of the conversion less the amount paid up or

deemed paid up (including the amount referred to in (i) above) in respect of the convertible Redeemable Shares to be converted (“Conversion Price”), each holder of Convertible Redeemable Shares shall be entitled to convert all or any of his Convertible Redeemable Shares into such number of fully paid Ordinary Shares which represents 0.24 per cent of the number of Ordinary Shares in issue, assuming that all the Convertible Redeemable Shares remaining capable of being converted into Ordinary Shares at the date of which the conversion takes place had been converted at the same time for every 100,000 Convertible Redeemable Shares so converted and so in proportion for any greater or lesser number of Convertible Redeemable Shares (“Conversion Rate”);

- (e) The Ordinary Shares resulting from the conversion will carry the right to receive all dividends and (unless an adjustment shall have been made in respect thereof) other distributions declared, made or paid on the Ordinary Share capital of the Company in respect of which the record date falls after the applicable Conversion Date and shall otherwise rank *pari passu* in all respects with the ordinary shares then in issue and fully paid;
- (f) The Company shall use all reasonable endeavours to procure that all Ordinary Shares arising on conversion are listed or admitted to or dealt in on any securities market on which the Ordinary Shares of the Company then in issue are then admitted, listed or dealt in at the earliest possible date following the allotment and issue of such Ordinary Shares pursuant to the exercise of any Conversion Rights;
- (g) Redemption of Convertible Redeemable Shares
 - (i) The holders of Convertible Redeemable Shares shall (subject to the provisions of the Companies Acts) be entitled at any time to redeem all or any of the Convertible Redeemable Shares outstanding out of any profits or monies of the Company which may lawfully be applied for that purpose on the following terms.
 - (ii) Any holder wishing to redeem Convertible Redeemable Shares shall give not less than 30 days’ notice in writing to the Company at the registered office of the Company stating the number of his shares to be redeemed (a “Redemption Notice”).
 - (iii) On the first business day falling not less than 30 days after the receipt by the Company of a Redemption Notice (the “Redemption Date”) the Company shall be entitled and bound to redeem the relevant Convertible Redeemable Shares in respect of which such notice has been given and the relevant holders of the Convertible Redeemable Shares shall be bound to deliver to the Company at the Office the certificate or certificates for such shares and upon such delivery and against the receipt of the shareholder for the redemption monies payable in respect of his Convertible Redeemable Shares the Company shall pay to the shareholder the redemption monies payable to him in respect of such redemption.
 - (iv) There shall be paid on each Convertible Redeemable Share redeemed the amount paid up or credited as paid up thereon.
 - (v) The Company may (subject to the Companies Acts) at any time and from time to time purchase convertible Redeemable Shares (i) by tender offer (available alike to all holders of Convertible Redeemable Shares) or (ii) by private treaty.
- (h) Other Provisions
 - (i) If, whilst any Convertible Redeemable Shares remain capable of being converted into Ordinary Shares, the Company shall make any issue of Ordinary Shares (not being an issue which results from the exercise by a shareholder of an option to take a share or shares instead of a cash dividend) by way of capitalisation of profits or reserves (including any share premium account and capital redemption reserve) to the holders of Ordinary Shares, then the Conversion Price shall be reduced with the intent that the aggregate of the Conversion Price to be paid on conversion of all the Convertible Redeemable Shares remaining capable of being converted shall be the same both immediately before and immediately after any such issue of Ordinary Shares and if any doubt shall arise as to the amount of the increase in the number of Ordinary Shares or reduction of the Conversion Price, the certificate of the auditors of the Company shall be conclusive and binding on all concerned.

- (ii) If, whilst any Convertible Redeemable Shares remain capable of being converted into Ordinary Shares, the Ordinary Shares shall be consolidated or sub-divided, then the Conversion Price shall be increased or reduced accordingly with the intent that the aggregate amount of the Conversion Price to be paid on conversion of all the Convertible Redeemable Shares remaining capable of being converted shall be the same both immediately before and immediately after any such consolidation and/or sub division and if any doubt shall arise as to the Conversion Rate or the Conversion Price, the certificate of the auditors of the Company shall be conclusive and binding on all concerned.
- (iii) If, whilst any Convertible Redeemable Shares remain capable of being converted into Ordinary Shares, the Company is placed in liquidation the Company shall forthwith give notice thereof in writing to all holders of Convertible Redeemable Shares and each such holder shall be entitled within 30 days after the date of the order of the resolution for winding up the Company or (as the case may be) after the date of the order of the court for such winding up (either of such dates being referred as the “operative date”) by notice in writing to the Company to elect to be treated as if his conversion rights had been exercisable and had been exercised on the day immediately preceding the operative date on the basis of the Conversion Rate then applicable and in that event, provided he shall pay the relevant aggregate Conversion Price to the Company, he shall be entitled to be paid in satisfaction of the amount due in respect of his Convertible Redeemable Shares which are to be treated as converted a sum equal to the amount to which he would have been entitled on such liquidation by virtue of such conversion, fractions being disregarded for this purpose.
- (iv) so long as any Convertible Redeemable Shares remain capable of being converted into Ordinary Shares then, save with such consent or sanction on the part of the holders of the Convertible Redeemable Shares as is required for a variation of the rights attached to such shares:
 - (A) no shares shall be allotted pursuant to a capitalisation of profits or reserves except Ordinary Shares credited as fully paid, and upon any such allotment the Conversion Rate and Conversion Price shall be adjusted as appropriate under the Articles provided that no such allotment shall be made if, as a result thereof, the aggregate nominal amount of the Ordinary Shares into which any convertible Redeemable Shares may be converted will exceed the aggregate nominal amount of such Convertible Redeemable Shares;
 - (B) no offer or invitation by way of rights or otherwise shall be made by the Company to holders of the Ordinary Share capital of the Company, and no offer to the holders of Ordinary Shares (or all such shareholders other than the offeror and/or any company controlled by the offeror and/or any person acting in concert with the offeror) shall be recommended for acceptance by the Board unless the Company shall make or, so far as it is able, procure that there is made a like offer at the same time to each holder of Convertible Redeemable Shares as if his conversion rights had been exercised in full on the record date for such offer or invitation on the basis of the Conversion Rate and Conversion Price then applicable and so that for the purpose of giving effect to this provision no resolution for the disapplication of section 89(1) of the Act (or any provisions replacing the same) shall be deemed to abrogate, vary or modify the rights attaching to the Convertible Redeemable Shares;
 - (C) no equity share capital (as defined in section 744 of the Act) shall be issued which is not in all respects uniform with the Ordinary Shares in issue on the date of the adoption of this Article, save for:
 - (i) equity share capital which is uniform except as to the date from which such capital shall rank for dividend;
 - (ii) equity share capital issued pursuant to an employees’ share scheme (as defined in section 743 of the Act); and

- (iii) equity share capital issued pursuant to an offer or invitation which is extended to the holders of Convertible Redeemable Shares.
- (D) the Company shall not (except as authorised by section 146(2) or by section 159 of the Act in respect of redeemable shares) reduce its share capital or any uncalled liability in respect thereof or (except in connection with the writing off of goodwill which arises only on consolidation or as authorised by sections 130(2), 160(2) and 170(4) of the Act) any share premium account or capital redemption reserve;
- (E) no resolution shall be passed whereby the rights attaching to the Ordinary Shares shall be modified, varied or abrogated and it is hereby declared that any resolution for the disapplication of section 89(1) of the Act (or any provisions replacing the same) shall be deemed not to abrogate, vary or modify such rights;
- (F) the Company shall procure that all times there shall be sufficient unissued ordinary share capital of the Company available for the purposes of satisfying the requirements of any Conversion Notices.

3.2.5 Transfer of shares

- (a) The Ordinary Shares are in registered form and may be in certificated or uncertificated form. Ordinary shares in uncertificated form may be transferred otherwise than by written instrument in accordance with the Statutes and relevant subordinate legislation. Transfers of shares in certificated form may be effected by instrument in writing in any usual or common form or in any other form acceptable to the Directors. Any instrument of transfer shall be signed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered in the register of members.
- (b) The Directors may refuse to register the transfer of a share which is in respect of a share which is not fully paid, or which is in favour of more than four transferees or which is in respect of more than one class of shares or which has not been presented for registration duly stamped accompanied by the share certificates for the shares to which the transfer relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer.
- (c) Where in respect of any shares any registered holder or any other person appearing to be interested in such shares fails to comply with any notice given by the Company under section 212 of the Act, then the Company may prohibit transfers of such shares otherwise than following a sale shown to the satisfaction of the Directors to be of the full legal and beneficial ownership of such shares at arm's length. The registration of transfers may be suspended by the Directors for any period not exceeding 30 days in a year.

3.2.6 Dividends and other distributions

- (a) Subject to the provisions of the Statutes, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but not exceeding the amount recommended by the Directors. The Directors may pay interim dividends if it appears to them that they are justified by the profits of the Company. Except as otherwise provided by the Articles or the rights attached to any shares issued by the Company, the holders of shares are entitled *pari passu* amongst themselves to share in the whole of the profits of the Company paid out as dividends and the whole of any surplus in the event of liquidation of the Company. A liquidator may, with the sanction of an extraordinary resolution, divide the assets amongst the members *in specie*. The Directors may, with the sanction of an ordinary resolution, offer the shareholders or any class of them (other than those not entitled to the relevant dividend or dividends) the right to elect to receive Ordinary Shares, credited as fully paid, instead of cash in respect of the whole or part of any dividend or dividends which are the subject of the ordinary resolution.
- (b) Where, in respect of any shares, any registered holder or any other person appearing to be interested in shares of the Company fails to comply with any notice given by the Company under section 212 of the Companies Act, then, provided that the shares concerned represent

at least 0.25 per cent in nominal amount of the issued shares of the relevant class, the Company may withhold dividends on such shares.

- (c) All unclaimed dividends may be invested or otherwise made use of by the Directors for the benefit of the company until claimed and the Company shall not be constituted a trustee in respect thereof. Any dividend which is unclaimed for a period of 12 years from the date on which the dividend became due for payment shall be forfeited and cease to remain owing by the Company.

3.2.7 Borrowing powers

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

3.2.8 Constitution of Board of Directors

The minimum number of Directors shall not be less than two and unless and until otherwise determined by the Company in general meeting there shall be no maximum limit on the number of Directors. No shareholder qualification is required of any Director.

3.2.9 Retirement of Directors by rotation

The provisions of Section 293 of the Act relating to the mandatory retirement of Directors at age 70 do not apply to the Company.

At every annual general meeting of the Company, one third of the Directors or the number nearest to but not exceeding one third shall retire by rotation and be eligible for re-election. The Directors to retire will be those who have been longest in office, or, in the case of those who were appointed or re-appointed on the same day, will (unless they otherwise agree) be determined by lot.

3.2.10 Directors' fees, remuneration and expenses

The aggregate fees payable to the non-executive Directors shall not exceed £100,000 per annum or such greater amount as may be determined by the Company in general meeting. Subject to the provisions of the Act the board may enter into any agreement with any director for his employment by the Company for the provisions by him of any services outside the scope of the ordinary duties of a director, and any such appointment, agreement or arrangement may be made upon such terms, including terms as to remuneration, as the board determines. Each Director may also be paid all travelling, hotel and other expenses properly incurred by him in connection with his attendance at meetings of the Directors of the Company or otherwise in the discharge of his duties as a Director. Any Director who makes any special journeys or who otherwise performs special services on behalf of the Company or its business may be paid such reasonable additional remuneration by way of salary, percentage of profits or otherwise as the Directors determine.

3.2.11 Permitted interests of the Director

Subject to the provisions of the Statutes, and provided that he has disclosed to the board the nature and extent of any material interest of his, a director not withstanding his office;

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
- (b) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
- (c) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the company is otherwise interested; and
- (d) shall not, by reason of his office be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement

or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

3.2.12 Restrictions on voting by Directors

Save as provided below, a Director shall not vote on or in respect of any contract or arrangement or any other proposal in which he has an interest which is to his knowledge a material interest otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise in or through the company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

A Director shall (in the absence of some other material interest than is indicated below) be entitled to vote and be counted in the quorum in respect of any resolution concerning any of the following matters;

- (a) giving of any security, guarantee or indemnity in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiary undertakings;
- (b) the giving of any security, guarantee or indemnity to a third party in respect of money lent obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiary undertakings;
- (c) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings for subscription or purchase in which offer he is or is to be interested as a holder of securities or as a participant in the undertaking or sub-underwriting thereof;
- (d) any proposal concerning any other company in which he does not to his knowledge hold directly or indirectly an interest in shares representing one per cent or more of any class of the equity share capital or voting rights;
- (e) any arrangement for the benefit of employees of the Company and its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates; and
- (f) any contract for the purchase or maintenance of insurance against any liability of any Directors.

4. INTERESTS OF DIRECTORS AND OTHERS

4.1 The interests of the Directors in the issued share capital of the Company as at 28 April 2005, being the latest practicable date prior to the publication of this document and as they are expected to be immediately following completion of the Placing, 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 or which are interests of persons connected with the Director within the meaning of section 346 of the Act, the existence of which is known or which could with reasonable diligence, be ascertained by a Director will be, following completion of the Placing, as follows:

Director	Prior to completion of the Proposals			Following completion of the Proposals		
	Number of Existing Ordinary Shares	Percentage of issued Ordinary Share Capital	Number of Convertible Redeemable Shares	Number of Ordinary Shares	Percentage of Enlarged Ordinary Share Capital	Number of Convertible Redeemable Shares
D. Cicurel*	526,316	24.99%	4,166,667	526,316	15.20%	4,166,667
A. Hambro	0	0	416,667	25,000	0.72%	416,667
R. Elman	0	0	208,333	0	0	208,333
G. Reece	0	0	208,333	0	0	208,333

* These ordinary shares are held by DCI, further details of which are contained in paragraph 4.4.1 of this Part VI

- 4.2 As at 28 April 2005, being the latest practicable date prior to the publication of this document, the following persons, in so far as the Directors are aware, are interested, directly or indirectly, in 3 per cent or more of the issued share capital of the Company:

<i>Name of shareholder</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of existing issued share capital</i>	<i>Number of Ordinary Shares following Proposals</i>	<i>Percentage of Enlarged Issued Share capital</i>
DCI*	526,316	24.99%	526,316	15.20%
ForwardIssue Limited*	131,579	6.25%	131,579	3.80%
Guy Naggar*	201,053	9.55%	351,053	10.14%
Naggar Family Pension Scheme*	105,263	5%	105,263	3.04%
Totalassist Company Limited*	131,579	6.25%	131,579	3.80%
Artemis Asset Mgmt Ltd	186,151	8.84%	592,151	17.10%
Lloyds TSB Bank	105,263	5%	105,263	3.04%
Merrill Lynch International Bank Ltd	105,263	5%	255,263	7.37%
Seymour Pierce Ellis Ltd	68,421	3.25%	168,421	4.86%
New Fortress Holdings	155,263	7.37%	155,263	4.48%

* These members are the Concert Parties and are deemed by the Panel to be acting in concert with DCI for the purposes of the City Code, as is Dawnay Day, which holds 63,158 Ordinary Shares representing 1.82 per cent. of the Enlarged Issued Share Capital

In addition to those persons in 4.2 above, it is expected that following implementation in full of the Proposals, the following persons will be interested, directly or indirectly, in three per cent, or more of the Enlarged Issued Share Capital:

<i>Name of Shareholder</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of Enlarged Issued Share Capital</i>
Stephen Upton and Jacqueline Upton	200,000	5.78%
Stephen Grayson	200,000	5.78%

4.3 Other than directorships in the Company, the directorships and partnerships of the Directors currently held and held over the five years preceding the date of this document are as follows:

<i>Director</i>	<i>Current directorships/partnerships</i>	<i>Past directorships/partnerships</i>
D E Cicurel	David Cicurel (Investments) Ltd Dawnay Day & Co Ltd Starlight Investments Ltd David Cicurel (Investments) 2002 Ltd Hamworthy Investments Limited HRA Europe SA Nucleus Management SA Interactive Prospect Targeting Holdings plc Petal Group Limited Poole Investments PLC	E-merge.com Limited Gemmes Guilde SA Interactive Prospect Targeting Limited Mobile Radio Limited Specialty Catalog Corporation
A R Hambro	Crescent Capital NI Limited HAMNIV (GP) Ltd ESP Publishing Limited First Magazine Limited Halkin Development Limited Whitley Asset Management Limited Crescent Capital II GP Limited Domus Capital Limited	G&H Kapitalpartner AG HAT Holding Company Limited HATT III General Partner Limited HEV (Holding) Limited HEV Limited Investec Group Investments (UK) Limited Investec Investment Trust PLC Investec Securities Limited Investec Technology Trust Limited Trans-America Investment Company Limited Essencedale Limited European Software Publishing Limited Ferranti IT Limited Janna Systems UK Limited Prolake Limited Leyfield Investments Limited Top Technology Ventures Limited Band-X Limited RNPFM Pension Management Limited The Royal National Pension Fund for Nurses Hambro Morton Beatty Limited Duke Street Capital Debt Management Limited Hatt II General Partner Limited Powerway UK Limited
R J Elman	Admedia Limited Braemar Homes 2 Limited Braemar Homes Limited Inveresk Property Services Limited Medexonline (France) Limited Medexonline (Germany) Limited Medexonline (Italy) Limited Medexonline (Japan) Limited Medexonline (Spain) Limited Medexonline Limited Medical Exchange Online Limited Panorama Homes Limited Elman Wall Solutions Limited Admedia (USA) Limited Paramount P.L.C. Real Inns Limited Jews' Temporary Shelter Cavendish Ware Limited CGI Europe Limited CGI Group (Holdings) Limited	Cunningham Graphics International (Europe) Limited Hackford Properties Limited Holden Meehan Elman Leigh Accountancy Services Limited ICD Limited ICD Marketing Services Group Limited ICD Marketing Services Limited Ingenta plc International Communications & Data Limited Roda Print Concepts Limited The Consumer Research Bureau Limited Medical Exchange Limited Healthcare Technologies International Limited Parmexonline Limited
G C Reece	St Francis Capital Limited Blood Systems PLC Affinity Capital PLC Natman Alexander Limited	Reece plc Econolux Kitchens Limited

- 4.4 Save as disclosed in paragraph 4.4.1 below, none of the Directors:
- (a) has any unspent convictions in respect of indictable offences;
 - (b) has been declared bankrupt or entered into an individual voluntary arrangement;
 - (c) has been a director of a company which, while he was a director or within 12 months of his ceasing to be a director, had a receiver appointed, entered into liquidation, entered into administration, entered into a voluntary arrangement or made any composition or arrangement with its creditors generally or with any class of creditors;
 - (d) has been a partner of any partnership which, while he was a partner or within 12 months of his ceasing to be a partner entered into compulsory liquidation, administration or a partnership voluntary arrangement;
 - (e) has owned an asset over which a receiver has been appointed nor has any of the Directors been a partner of any partnership at the time of or within 12 months of receivership of any assets of the partnership;
 - (f) has been the subject of any public criticism by any statutory or regulatory authority (including recognised professional bodies);
 - (g) has been disqualified by a court from acting as a director of a company or from acting in the management or conduct of any company; or
 - (h) has had a name other than his present name.

4.4.1 Additional Information on the Directors

- (a) David Cicurel was a non executive director of Vint Industries Limited until this company was sold on 24 September 1990. Vint Industries Limited was put in receivership later in 1990.
 - (b) Ralph Elman is currently a director of Medical Exchange Online Limited which went into creditors voluntary liquidation on 30 October 2002.
 - (c) Glynn Reece was a director of Econolux Kitchens Limited when it was put in receivership in January 1995.
 - (d) David Cicurel is a director of David Cicurel (Investments) Limited (“DCI”), whose office is located at 14 New Burlington Street, London W1S 3BQ. The Company has agreed to pay DCI £25,000 per annum as a contribution towards the cost of this office and secretarial services. This agreement will be terminated on completion and David Cicurel’s remuneration will be increased from £25,000 to £50,000 per annum.
 - (e) Wilcourt Investments Ltd, a company in the Dawnay Day Group is a preference shareholder in David Cicurel Securities Limited, in which the David Cicurel Settlement owns all of the ordinary shares. David Cicurel Securities Limited owns the entire issued share capital of DCI.
 - (f) David Cicurel is the settlor and a potential beneficiary of the David Cicurel Settlement.
 - (g) There are no outstanding loans or guarantees provided by any member of the Company to or for the benefit of any of the Directors.
 - (h) Save for the interests of the Directors in the transactions described in this document, no Director has or has had any interest in any transaction which is or was significant in relation to the business of the Company and which was effected since the date of the Company’s incorporation.
- 4.5 Save as described above, the Directors are not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.
- 4.6 On 11 March 2004, the Company granted Shore Capital a right to subscribe for up to 100,000 Ordinary Shares at a subscription price of 102.5 pence per share. This right has now lapsed.
- 4.7 Save as described in paragraph 7.6 of this Part VI of this document no person has at any time received, directly or indirectly, from the Company or entered into any contractual arrangements to receive,

directly or indirectly, from the Company on or after Admission, any fees, securities in the Company or any other benefit to the value of £10,000 or more.

- 4.8 No Director has or has at any time had any interest, direct or indirect, in any transaction which is or was unusual in its nature or conditions or which is or was significant in relation to the business of the Company and which was effected by the Company at any time and which remains in any respect outstanding or unperformed.
- 4.9 No Director has or has had any interest, direct or indirect, in any assets, which have been acquired, disposed of by, or leased to the Company or which are proposed to be acquired disposed of by, or leased to the Company.
- 4.10 There are no outstanding loans granted by the Company to any of the Directors, nor are there any guarantees granted by the Company for their benefit.

5. DIRECTORS' SERVICE AGREEMENTS

- 5.1 On 24 December 2002, each of the executive Directors entered into a service agreement with the Company. The executive Directors' service agreement is for a fixed period of three years in respect of David Cicurel and one year in respect of Ralph Elman and is, thereafter terminable by either the Director or the Company on giving no less than 12 months' prior written notice. David Cicurel's service agreement may be altered, at the option of the remuneration committee, to one year's notice by the Company in the event that there is a material increase in his salary.

	<i>Annual Salary</i>	<i>Position</i>
David Cicurel	£50,000	Chief Executive
R J Elman	£15,000	Finance Director

The annual salaries of the executive Directors will be subject to review by the Remuneration Committee of the Board, which will be made up of the non-executive Directors.

The Company may also operate an annual discretionary bonus scheme with bonuses to be awarded by the Remuneration Committee.

The Company may in the future agree to make pension contributions on behalf of executive Directors or to pay the premium necessary to provide the executive Directors (including spouse and dependent children) private health care insurance. In addition, the executive Directors may become entitled to participate at the Company's expense, in a permanent health insurance scheme.

Each service contract contains a confidentiality clause and a restrictive covenant, which corresponds with each Director's general fiduciary duties as a director of a company.

Further David Cicurel is permitted in his service contract to continue to assist the Dawnay Day Group and Starlight Investments Limited in business in relation to targets either not introduced by him or introduced by him but which have been rejected by the Board as investment opportunities.

- 5.2 Under the terms of their appointments as non-executive Directors, Alex Hambro and Glynn Reece are each entitled to an annual fee of £12,000 and £6,000 respectively. Alex Hambro and Glynn Reece may also be entitled to a bonus in recognition of their efforts in connection with the development of the Company, such bonuses not to exceed their respective annual fees. Mr Reece is also entitled to consultancy fees of up to £4,000 per annum for providing research and consultancy services. Their appointments are terminable by either the Company or the relevant non-executive Director giving to the other not less than 3 months' notice.
- 5.3 There is no arrangement under which any Director has waived or agreed to waive future emoluments.
- 5.4 Save as disclosed in this paragraph 5, there are no existing or proposed service or consultancy agreements between any Director and the Company.

6. TAXATION

The statements below are intended only as a general guide to the current law and practice in relation to UK taxation as at the date hereof and do not constitute tax or legal advice. They relate only to persons who are resident or ordinarily resident in the UK for tax purposes and who are the absolute beneficial owners of their new Ordinary Shares and may not apply to certain persons who hold shares in the Company other than as an investment (such as dealers in securities). Any person who is in any doubt about his tax position is strongly advised to consult his own professional advisers immediately.

6.1 *Taxation of dividends*

- (a) Under current UK tax legislation, no tax is withheld at source from dividend payments made by the Company.
- (b) Dividends carry an associated notional tax credit of an amount equal to one-ninth of the net dividend for an individual UK resident shareholder, which he can set off against his total liability to UK income tax. The net dividend received aggregated with the amount of the tax credit (the “gross dividend”) is included in the shareholder’s income for UK tax purposes and will be treated as the top slice of the shareholder’s income. A shareholder receiving a dividend of £90 will therefore be treated as having received income of £100 that has a tax credit of £10 attached to it. An individual UK resident shareholder who, after taking into account the gross dividend:
 - (i) is a non-taxpayer or whose liability to income tax does not exceed the amount of the tax credit will not be entitled to any repayment of the tax credit;
 - (ii) pays tax at the starting or basic rate will have no further tax to pay on the dividend; and
 - (iii) pays tax at the higher rate will have to pay tax on the gross dividend at the Schedule F upper rate of 32.5 per cent against which he can set the tax credit. This means that such a shareholder will have to pay an amount of tax equal to 25 per cent of the amount of the net dividend in addition to the amount of the tax credit already taken into account.
- (c) Dividends paid to trustees of UK resident trusts also carry an associated notional tax credit of an amount equal to one-ninth of the net dividend. Such trustees will be liable to account for income tax on the gross dividend at the Schedule F Trust rate of 25 per cent against which the notional tax credit may be set. This means that such a shareholder will have to pay an amount of tax equal to 16.67 per cent of the amount of the net dividend received in addition to the amount of the tax credit already taken into account.
- (d) UK resident corporate shareholders will not normally be liable to UK corporation tax on any dividends received from the Company.
- (e) Whether a shareholder who is resident in a country other than the UK is entitled to repayment of any part of the tax credit in respect of dividends paid to him, will depend on the provisions of the double tax treaty (if any) between the country in which the shareholder is resident and the UK. A shareholder who is not resident in the UK should consult his own professional advisers on the application of such provisions, the procedure for claiming repayment and what relief or credit (if any) may be claimed for such tax credit in the jurisdiction in which he is resident.

6.2 *Taxation of chargeable gains*

Where individual shareholdings do not qualify for EIS relief a subsequent disposal of new Ordinary Shares may result in a liability to UK taxation of chargeable gains, depending upon individual circumstances. A gain made on a disposal by an individual or a trust of the new Ordinary Shares subscribed for may be eligible for taper relief, depending on the length of time the shares are held.

VCT shareholders do not pay tax on realised investment gains; conversely there will be no tax relief for any realised loss.

6.3 *Stamp duty and stamp duty reserve tax (“SDRT”)*

- (a) No liability to stamp duty or SDRT should arise on the allotment of the new Ordinary Shares by the Company.
- (b) Subsequent sales of Ordinary Shares in uncertificated form inside the CREST system will generally be liable to SDRT at the rate of 0.5 per cent of the amount or value of the consideration.
- (c) Subsequent agreements to sell and sales of Ordinary Shares outside CREST will usually be liable to SDRT and stamp duty respectively, generally at the rate of 0.5 per cent of the amount or value of the consideration and, in the case of stamp duty only, rounded up to the nearest multiple of £5. However, where an instrument of transfer which completes an unconditional agreement to transfer shares is duly stamped within six years after the agreement is entered into (or becomes unconditional, as the case may be) the stamp duty paid will cancel the SDRT liability and any SDRT paid in respect of the agreement can be recovered.

It is generally the purchaser of the shares who is liable to account for stamp duty and/or SDRT.

6.4 EIS Tax Relief

The Company has obtained provisional assurance from the Inland Revenue that, subject to the satisfactory issue of eligible Ordinary Shares and the Company meeting the relevant requirements, they should be able to authorise the Company to issue certificates to qualifying Shareholders for the purposes of the Enterprise Investment Scheme (“EIS”).

The continuing availability of EIS relief will be conditional, *inter alia*, on the Company continuing to satisfy the requirements for a qualifying company throughout the ‘relevant’ period of three years from the date of the investor making his investment (under EIS) or the three years from the date that the Company begins to carry on its trade, if later. There is no assurance given by the Directors that the Company will continue to satisfy these requirements.

Set out below are summaries of the main provisions of the EIS so far as it is relevant to the Company and investors, as set out in the Income and Corporation Taxes Act 1988 (as amended). It does not set out the provisions in full and potential investors are strongly advised to seek independent professional advice.

EIS tax relief consists of a number of income tax and capital gains tax elements and these are summarised below. Income tax relief and capital gains exemption may be available (see below) provided the shares have been held for a minimum of 3 years. To gain relief a minimum investment of £500 is required.

(a) Income Tax Relief

Qualifying individuals may deduct an amount equal to tax at the lower rate on the amount subscribed for qualifying shares in qualifying companies from their total liability to income tax for the tax year in which shares were issued, subject to an overall maximum investment of £200,000 per annum. The relief is presently obtained at a rate of 20 per cent. It does not matter whether the individual is UK resident for tax purposes but relief is available only when an investor has a UK tax liability. The amount of the income tax relief cannot exceed an individual’s tax liability before certain other reliefs. Half of this relief (up to a maximum of £25,000 of investment) can be carried back to the previous tax year if the shares are issued between 6 April and 5 October.

(b) Capital Gains Tax Exemption

To the extent that EIS income tax relief is given and not withdrawn and on the assumption that shares were originally subscribed from the Company, there is no capital gains tax due on the gains arising on the disposal of shares in the Company provided these have been held for a minimum of 3 years.

(c) Capital Gains Tax Deferral

Liability to capital gains tax arising from the disposal of any asset may be deferred by investing the gain (or part of the gain) in the shares of a qualifying company. The investment must be made within a time period beginning 1 year before and ending 3 years after the original disposal.

(d) Loss Relief

Where a loss is incurred by an investor on the first disposal of his shares the loss calculated after deducting EIS tax relief from the cost of the investment may be set against either chargeable gains or taxable income at the election of the investor.

(e) Individual Qualifying for Relief

Subject to certain exemptions, to qualify for the income tax relief an individual must not be, nor have been within the previous 2 years, connected with a company, or become connected with it within the next 3 years, if he is to retain the tax reliefs. The main rules relating to connection are that:

- (i) neither the individual nor his associates may control the company or possess more than 30 per cent of the issued ordinary share capital or loan capital or voting power in the company

or rights carrying entitlement to 30 per cent of the assets available for distribution on a winding-up;

- (ii) neither the individual nor his associates may be an employee, partner or paid director of the company or its subsidiaries. An unpaid director is not disqualified merely because he is reimbursed travel or subsistence expenses which would otherwise be allowable for taxation; and
- (iii) an individual may become a paid director of the company provided at the time he subscribes for eligible shares he was not, and has not previously been, otherwise connected with the company, nor with the trade carried on by the company. Any remuneration paid to a director must be reasonable.

(f) Claims

Investors claim income tax relief by submitting a tax certificate (form EIS3) issued to them by the company to the Inspector of Taxes dealing with their own tax affairs. [The claim for relief must be made no later than 5 years after 31 January following the end of the tax year in which the shares were issued.]

(g) Limits of Relief

The maximum income tax relief available to an individual who has subscribed for eligible shares is based on the maximum investment of £200,000 in any one tax year. The tax relief can be spread between any number of EIS qualifying companies. To qualify for EIS relief a company must have gross assets of less than £15 million before the issuance of the shares and not more than £16 million after the issuance. As noted above, there must be a minimum investment of £500 in each qualifying company.

(h) Withdrawal of Relief

If the company ceases to carry on its qualifying trade, the relief will be withdrawn. Relief will also be wholly or partly withdrawn if, for example, the claimant receives value from the company (other than reasonable dividends) or disposes of the shares within 3 years of the date of issue. Relief will also be lost if an investor takes out a loan under special terms connected in any way with the shares.

(i) EIS Tax Relief in relation to New Ordinary Shares

Following the issue of the New Ordinary Shares, the Company must apply to the Inland Revenue for authorisation to issue tax relief certificates (form EIS3) to investors. Although the time taken by the Inland Revenue to grant authorisation cannot be controlled by the Company, every effort will be made by the Directors to expedite matters and, as soon as authorisation is given, forms EIS3 will be distributed to investors. Investors should then submit the form EIS3 to the Inspector of Taxes dealing with their own affairs.

Any person who is in doubt as to his taxation position, or is subject to taxation in a jurisdiction other than the United Kingdom, should consult an appropriate professional adviser without delay

6.5 *Venture Capital Trust ("VCT")*

The Company has applied for and received provisional approval from the Inland Revenue that the Ordinary Shares will be eligible for the purposes of the Income and Corporation Taxes Act 1998 Schedule 28B.

7. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company since its incorporation and are, or may be, material:

- 7.1 A placing agreement dated 29 April 2005 between the Directors, the Company, Shore Capital, Shore Capital Stockbrokers Limited under which Shore Capital has agreed to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price. The Placing is not underwritten. Pursuant to the Placing Agreement, the Company and the Directors have given certain warranties and the Company has given certain indemnities to Shore Capital regarding, *inter alia*, the accuracy of the

information in this document. In addition, the Company has agreed to perform certain obligations. The Placing Agreement is conditional, *inter alia*, on:

Admission taking place no later than 8 a.m. on 24 May 2005 or such later date as Shore Capital shall agree but not later, in any event, than 30 June 2005, the Placing Agreement not having been terminated prior to Admission, the warranties remaining true and accurate and completion of the Acquisition.

Shore Capital are entitled in certain circumstances to terminate the Placing Agreement prior to Admission, including, *inter alia* for a breach of any of the warranties which is material in the context of the Placing.

Under the Placing Agreement, the Company has agreed to pay all the expenses of and incidental to the Placing including the fees and costs of professional advisers and all costs relating to the Placing. Under the Placing Agreement Shore Capital is entitled to a corporate finance fee of £75,000 and a commission of 3.5 per cent of the aggregate value of the Placing Price multiplied by the total number of Placing Shares subscribed for by placees.

Under the Placing Agreement the Directors jointly and severally undertakes to Shore Capital and the Judges that for a period of twelve months from Admission, they will not and they will procure that their connected persons do not sell, transfer, dispose of, or otherwise effect a reduction in their interest in the shares of the Company in which they are interested or in which they becomes interested in after the date of the Placing Agreement.

- 7.2 A nominated advisor and broker agreement dated 10 November 2003 between the Company (1) the Directors (2) Shore Capital (3) and Shore Capital Stockbrokers Ltd (4) pursuant to which the Company has appointed Shore Capital to act as nominated advisor and Shore Capital Stockbrokers Ltd to act as broker to the Company in accordance with the AIM rules. The Company has agreed to pay Shore Capital and Shore Capital Stockbrokers Ltd a combined fee of £25,000 per annum for its services as nominated advisor and broker under this agreement. This agreement contains, *inter alia*, compliance with all applicable laws and regulations. This agreement is for a fixed period of one year and will continue thereafter subject to an agreed termination period of three months notice from either party.
- 7.3 Agreements dated 24 December 2002 and made between (1) the Company (2) ForwardIssue Limited (3) Guy Naggar and (4) the Naggar Family Pension Scheme (the “Relevant Shareholders”), whereby the Relevant Shareholders have agreed not to dispose of or otherwise deal in the Ordinary Shares held by them for a period of one year from the date of Admission. These restrictions will not apply in the event of a takeover or in certain other exceptional circumstances.
- 7.4 A placing agreement dated 24 December 2002 between the Directors, the Company, Dawnay Day and Evolution Beeson Gregory, under which Evolution Beeson Gregory agreed to use its reasonable endeavours to procure subscribers for 2,106,316 Ordinary Shares in the Company at a price of 95p per Ordinary Share.
- 7.5 Contract between Company and David Cicurel Investments Limited whereby DCIL provided the Company with office services for an annual payment of £25,000, this agreement will be terminated on completion and David Cicurel’s remuneration will be increased from £25,000 to £50,000 per annum.
- 7.6 An agreement dated 22 October 2004 between Invex Capital LLP and the Company under which Invex is paid a finder fee for introducing the potential acquisition of Fire Testing Technology to the Company. The introduction fee is to be calculated on the total purchase consideration of the acquisition and is subject to a minimum fee of £100,000. The rate is set at 3 per cent of the consideration. It is also agreed that Invex Capital Partners shall be granted unquoted warrants equating to 3 per cent of the total purchase consideration in Judges post acquisition.
- 7.7 The Banking Facilities being:
 - 7.7.1 A term loan facility letter governed by English law between (1) Bank of Scotland (“BOS”) and (2) the Company dated on or about 28 April 2005 pursuant to which BOS has offered a committed term loan of up to £2,430,000 to be drawn down in two tranches. Tranches A and B are in the amounts of £1,930,000 and £500,000 respectively, with tranche B only becoming available once tranche A has been drawn down in full (the “Term Loan”). The Term Loan may only be used in the acquisition of Fire Testing Technology. Tranche A will be repaid quarterly in twenty four instalments with the final payment being due on 31 March 2011 and the repayments for Tranche B will be repaid by dividing the amount drawn down by the number of quarterly dates remaining.

Interest will be payable at the annual rate which is the sum of (1) the margin (which is 2.25 per cent or if there is breach of the financial covenants, 4.2 per cent) (2) LIBOR and (3) mandatory costs as calculated by BOS. If the Company is in default of any payment it shall pay 2 per cent per annum above the interest rate payable on the Term Loan. The Company has used a debenture, a composite guarantee, an inter-creditor deed and an assignment of keyman insurance policies as security for the Term Loan. The Company has paid to BOS an arrangement fee of £36,450 paid on the draw down of the Term Loan and a monitoring fee of £500 is payable monthly.

7.7.2 A working capital facility letter between (1) BOS, (2) the Company and (3) Fire Testing Technology, dated on or around 28 April 2005 pursuant to which Fire Testing Technology and the Company (together the “Borrowers”) have been offered a working capital facility (the “Facility”) of £500,000. The Facility may not be drawn down unless Tranche A of the Term Loan is drawn down and any debit balance over the limit of £500,000 will attract interest at 4 per cent per annum over the BOS base rate. If the Facility is used as an overdraft it will be repayable on demand at all times and if repayment is demanded then utilisation of the Facility and the payment systems shall be cancelled. The overdraft attracts interest at the annual rate of 2 per cent over the BOS base rate and will accrue and be credited on a day to day basis. An arrangement fee of £7,500 is payable immediately on draw down of Tranche A. The letter is governed by English law.

7.8 The Acquisition Agreement dated 29 April 2005 as described in the Terms of the Acquisition section on page 13 of this Admission Document:

8. WORKING CAPITAL

In the opinion of the Directors, having made due and careful enquiry and taking into account the net proceeds of the Placing and the Bank Facilities the Enlarged Group will have sufficient working capital for its present requirements, that is for at least twelve months from Admission.

9. LITIGATION

9.1 Judges

The Company is not engaged in any legal or arbitration proceedings and no such proceedings are known to the Directors to be pending or threatened against or being brought by the Company which are having or may have a significant effect on the Company’s financial position.

9.2 Fire Testing Technology

Fire Testing Technology is not engaged in any legal or arbitration proceedings and no such proceedings are known to the Directors to be pending or threatened against or being brought by the Company which are having or may have a significant effect on the Company’s financial position.

10. GENERAL

- 10.1 (a) Save as disclosed in the section ‘Current Trading’ in Part I of this document, there has been no significant change in the financial or trading position of Judges since 31 December 2004 the date of Judges’ last audited accounts.
- (b) Save as disclosed in the section ‘Current Trading’ in Part I of this document, there has been no significant change in the financial or trading position of Fire Testing Technology since 31 December 2004.
- 10.2 The total costs and expenses connected with the Proposals, all of which are payable by the Company, are estimated to amount to approximately £530,000, of which £240,000 are in connection with the Placing and Admission and approximately £290,000 in connection with the Acquisition.
- 10.3 Shore Capital, which is regulated by the Financial Services Authority, has given and not withdrawn its written consent to the inclusion herein of its name and the references to it in the form and context in which they appear.
- 10.4 Grant Thornton have given and not withdrawn their consent to the issue of this document with the inclusion of their name and the reports set out in Part III, IV and V and to the reference to their name and to the reports and letters in the form and context in which they appear and has authorised such reports for the purposes of section 45(I)(b)(iii) of the Regulations.

- 10.5 The financial information in relation to Judges and Fire Testing Technology set out in Parts III and IV and otherwise in this document does not comprise statutory financial statements as referred to in section 240 of the Act.
- 10.6 The accounting reference date of the Company is 31 December.
- 10.7 There are no arrangements in force for the waiver of future dividends.
- 10.8 There are no specified dates on which entitlements to dividends or interest payable by the Company arises.
- 10.9 Copies of this document will be available free of charge from the registered office of the Company and at Shore Capital during normal business hours of any week day, Saturday's and public holidays excepted, from the date of this document until the expiry of one month from the date of Admission.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the offices of Shore Capital during normal business hours on any week day, Saturday and public holidays excepted, up to and including Admission:

- 11.1 the Memorandum and Articles of Association of the Company;
- 11.2 the Accountants' Reports set out in Parts III and IV of this document;
- 11.3 the material contracts referred to in paragraph 7 above;
- 11.4 the consent letters referred in paragraph 10 above;
- 11.5 a copy of the memorandum and articles of association of Fire Testing Technology; and
- 11.6 the Admission Document.

Dated: 29 April 2005

Notice of Extraordinary General Meeting

JUDGES CAPITAL PLC

NOTICE is hereby given that an Extraordinary General Meeting of the Company will be held at Faegre Benson LLP, 7 Pilgrim Street, London EC4V 6LB at 11 a.m. on 23 May 2005 for the purpose of considering and, if thought fit, passing the following resolutions of which resolutions 1 and 2 will be proposed as ordinary resolutions and resolution 3 as a special resolution:

ORDINARY RESOLUTION

1. **THAT** the acquisition of the entire issued share capital of Fire Testing Technology Limited (the "Acquisition") upon the terms as set out in the Admission Document dated 29 April 2005 be approved and the Directors be authorised to complete the Acquisition and all other agreements and arrangements relating thereto to carry the Acquisition into effect and to agree such amendments or variations of a non-substantial nature thereto as may be considered desirable by the Directors.
2. **THAT** the Directors be and are hereby generally and unconditionally authorised in accordance with section 80 of the Companies Act 1985 ("**Companies Act**") (in substitution for any existing authority to allot relevant securities) to exercise all the powers of the Company to allot relevant securities (within the meaning of section 80 of the Companies Act) up to a maximum nominal amount of £326,882.20 provided that this authority shall expire on the fifth anniversary of the date of the passing of this resolution (unless and to the extent that such authority is revoked or extended prior to such date) but so that the Company may before the expiry of such period make an offer or agreement which would or might require relevant securities to be allotted after the expiry of such period and the Directors may allot relevant securities pursuant to such an offer or agreement as if the authority conferred hereby had not expired.

SPECIAL RESOLUTION

3. **THAT** subject to the passing of resolutions 1 and 2 and in substitution for all the existing powers the Directors be and they are hereby generally empowered pursuant to section 95 of the Companies Act to allot equity securities (as defined in section 95(2) of the Companies Act) as if section 89(1) of the Companies Act did not apply to any such allotment, such power to expire on the date falling 15 months after the passing of this resolution unless previously revoked, varied or extended by the Company in General Meeting, save that this power shall be limited to the allotment of equity securities pursuant to:
 - (i) the allotment of equity securities in connection with a rights issue, open offer or other offer in favour of ordinary shareholders where the equity securities attributable to the respective interests of all ordinary shareholders are proportionate to the respective numbers of ordinary shares held by them on the record date for such allotment, but subject to such exclusions as the Directors may deem fit to deal with fractional entitlements or problems arising under the laws of any overseas territory or the requirements of any regulatory body or stock exchange;
 - (ii) the allotment of up to 956,000 ordinary shares of 5 pence each in the capital of the Company pursuant to the placing by Shore Capital Limited of 956,000 new ordinary shares of 5 pence in the capital of the Company; and
 - (iii) the allotment (otherwise than pursuant to sub-paragraphs (i) and (ii) of this paragraph (3) of equity securities for cash up to an aggregate nominal amount of £52,000, such power to expire on the date falling 15 months after the passing of this resolution unless previously revoked, varied or extended by the Company in General Meeting;

provided that the Company may make offers or agreements before the expiry of this power which would or might require equity securities to be allotted after such expiry and the Directors may allot relevant securities pursuant to such an offer or agreement as if the authority conferred hereby had not expired.

Dated: 29 April 2005

Registered Office:
1 Bickenhall Mansions
Bickenhall Street
London
W1U 6BP

By order of the Board

.....

Secretary

Notes

1. A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and, on a poll, to vote instead of him. A proxy need not be a member of the Company. A form of proxy is enclosed.
2. Instruments of proxy and the power of attorney or other authority, if any, under which they are signed or a notarially certified copy of that power or authority should be sent to Capita Registrars at PO Box 25, 34 Beckenham Road, Beckenham Kent BR3 4BR, so as to arrive not less than forty-eight hours before the time fixed for the meeting.
3. To be entitled to attend and vote at the meeting (and for the purpose of the determination by the Company of the number of votes they may cast), members must be entered in the Register of members at 11.00 a.m. on 21 May 2005 ("the specified time"). If the meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original meeting, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned meeting. If however the meeting is adjourned for a longer period then, to be so entitled, members must be entered on the Company's Register of Members at the time which is not less than 48 hours before the time fixed for the adjourned meeting or, if the Company gives notice of the adjourned meeting, at the time specified in that notice.

JUDGES CAPITAL PLC

PROXY FOR EXTRAORDINARY GENERAL MEETING

I/We the undersigned, being (a) Member(s) of the Company, HEREBY APPOINT the Chairman of the Meeting or

.....(*insert name of proxy*)

as my/our Proxy to vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held at 11.00 a.m. on 23 May 2005 at Faegre Benson LLP, 7 Pilgrim Street, London EC4V 6LB and at any adjournment thereof.

If you wish to instruct your proxy as to how to vote on your behalf please indicate by inserting an "X" in the appropriate box below.

Ordinary Resolutions	For	Against
To approve the Acquisition upon the terms as set out in the Admission Document dated 29 April 2005 and to grant the Directors the authority to complete the Acquisition and all other agreements and arrangements relating to it (including any variations thereto)		
To authorise the Directors to allot relevant securities up to an aggregate amount of £326,882.20 for a period of five years		
Special Resolution		
To disapply statutory pre-emption rights on the allotment of equity securities for cash pursuant to the Placing, rights issues and other pre-emptive offers and otherwise up to an aggregate sum of £52,000 for a maximum period of 15 months or unless otherwise varied by the Company in a general meeting.		

Dated this day of 2005

Signature

Full name(s) in which shares are registered

.....

PLEASE USE BLOCK LETTERS

Notes:

1. If you wish some other person to be your proxy delete "the Chairman of the Meeting or" and insert the name(s) of the person(s) you wish to appoint. Any alterations to this form must be initialled. A proxy need not be a member of the Company.
2. Please indicate with an "X" in the relevant box marked "For" or "Against" how you wish the proxy to vote. In the absence of any instruction the proxy will vote or abstain as he thinks fit.
3. In the case of a corporation, this form of proxy must be executed under the common seal or under the hand of an officer or attorney duly authorised. In the case of joint holders the vote of the first-named holder on the Register of Members (whether voting in person or by proxy) will be accepted to the exclusion of the votes of the other joint holders.
4. To be valid, this form of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, should be returned so as to reach Capita Registrars at PO Box 25, 34 Beckenham Road, Beckenham, Kent BR3 4BR not less than 48 hours before the time appointed for holding the meeting. Completion and return of this form of proxy will not preclude you from attending and voting in person at the meeting should you so wish.



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BUSINESS REPLY SERVICE
Licence No. MB 122



Capita Registrars
Proxy Department
PO Box 25
Beckenham
Kent
BR3 4BR

1st FOLD

2nd FOLD

