

**JUDGES CAPITAL PLC**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2003**

# JUDGES CAPITAL PLC

## COMPANY INFORMATION

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<b>Directors</b>	Hon AR Hambro (Appointed 4 December 2002) Mr DE Cicurel (Appointed 4 December 2002) Mr RJ Elman (Appointed 4 December 2002) Mr GC Reece (Appointed 4 December 2002)
<b>Company Secretary</b>	Mr RJ Elman
<b>Company number</b>	4597315
<b>Registered office</b>	1 Bickenhall Mansions Bickenhall Street London W1U 6BP
<b>Auditors</b>	Grant Thornton Chartered Accountants & Registered Auditors 8 West Walk Leicester LE1 7NH
<b>Nominated Advisor</b>	Shore Capital & Corporate Ltd Bond Street House 14 Clifford Street London W1S 4JU
<b>Stockbroker</b>	Shore Capital Stockbrokers Ltd Bond Street House 14 Clifford Street London W1S 4JU
<b>Registrars</b>	Capita IRG PLC The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
<b>Principal Bankers</b>	Bank of Scotland 14 Friar Lane Leicester LE1 5RA
<b>Solicitors</b>	Faegre Benson Hobson Audley 7 Pilgrim Street London EC4V 6LB

# JUDGES CAPITAL PLC

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**JUDGES CAPITAL PLC**  
**CHAIRMAN'S STATEMENT**  
**FOR THE PERIOD ENDED 31 DECEMBER 2003**

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Following its successful debut on the Alternative Investment Market on 7<sup>th</sup> January 2003, your company has pursued its strategy as an activist investor.

The focus of our approach is to acquire strategic stakes in undervalued quoted companies and to propose changes likely to result in enhanced shareholder value. Our main theme is the encouragement of public to private transactions to take advantage of different perceptions of value between traditional stock market investors and private equity funds. We also consider transactions that would result in an increase of our financial resources.

I am pleased to report satisfactory results for Judges for the period since commencing trading on AIM. We have made a number of investments in quoted companies and retained at the period-end a strong balance sheet with approximately £0.7 million of our net £1.8 million fundraising still in cash. The net assets (£1.69 million) plus net unrealised profits on investments (£0.09 million), amounted to £1.78 million, broadly equivalent to the net amount raised on admission to AIM.

The result for the period is a net loss of £125,872. Due to our relatively small size, we have been vigilant in keeping a tight rein on our administrative expenses, which were £204,859 for the period and include costs of £17,297 relating to an abortive transaction.

Our portfolio of active investments at the period end were as follows:

- together with David Cicurel (Investments) and Starlight Investments, an 11.7% holding in Pilkington's Tiles plc which owns an attractive real estate site in Poole, Dorset;
- together with certain co-investors, a 2% shareholding in a quoted support services company;
- a 2.2% shareholding in an engineering company operating in a niche sector (partly acquired after the period end); and
- a 3.8% shareholding in Lionheart plc, an £11.6m cash shell which entered members' voluntary liquidation. Following the period end Lionheart plc shareholders received a payment of 140p per share giving us a small profit of £16,000 on our investment of £368,000. We are anticipating a further payment of up to 13p per share (equivalent to £35,000), the timing of which is uncertain.

Over the course of the last 12 months, we have experienced a challenging climate for our business model. The opportunity for arbitrage between public and private company valuations has been eroded by a strong recovery in quoted small company shares. Over the period, the FTSE SmallCap index finished the year 48% above its March low point and showed a 33% increase for the year. Whilst we continue to see a potential for creating value from our activist approach, increased ratings applied at present to small quoted companies are affecting our ability to acquire significant blocks of shares in target companies at suitable prices. This investment climate invites us to be selective and prudent.

We are conscious of our small size and continue to review transactions capable of increasing our size and enhancing shareholder value at the same time. We look forward to reporting progress on such opportunities in the coming year.

The Board wishes to take the opportunity of thanking our shareholders for their continued support and looks forward to creating further attractive returns from our existing portfolio over the forthcoming months.

Alex Hambro  
*Chairman*

Date: 31 March 2004

**JUDGES CAPITAL PLC**  
**DIRECTORS' REPORT**  
**FOR THE PERIOD ENDED 31 DECEMBER 2003**

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The directors present their report and financial statements for the period ended 31 December 2003.

**Principal activities and review of the business**

The principal activity of the company is that of undertaking investments.

The company was incorporated on 21 November 2002 and commenced trading on 4 December 2002. The period reported on in these financial statements is the period from incorporation to 31 December 2003. A review of the company's activities during the period and of its prospects is included in the Chairman's Statement.

**Results and dividends**

The results for the period are set out on page 5. The directors do not recommend payment of a dividend for the period.

**Directors**

The following directors have held office during the period:

Hon AR Hambro	<sup>1</sup> – non executive	(Appointed 4 December 2002)
Mr DE Cicurel		(Appointed 4 December 2002)
Mr RJ Elman		(Appointed 4 December 2002)
Mr GC Reece	<sup>1</sup> – non executive	(Appointed 4 December 2002)
Ludgate Nominees Limited		(Appointed 21 November 2002 and resigned 4 December 2002)
Ludgate Secretarial Services Limited		(Appointed 21 November 2002 and resigned 4 December 2002)

<sup>1</sup> Member of the audit committee and remuneration committee

**Directors' interests**

The directors' interests in the shares of the company were as stated below:

	Ordinary of 5p each	
	31 December 2003	21 November 2002
Hon AR Hambro	-	0%
Mr DE Cicurel	526,356*	24.99%
Mr RJ Elman	-	0%
Mr GC Reece	-	0%

\*Held through David Cicurel (Investments) Limited

	Convertible Redeemable of 1p each	
	31 December 2003	21 November 2002
Hon AR Hambro	416,667	8.33%
DE Cicurel	4,166,667*	83.33%
RJ Elman	208,333	4.17%
GC Reece	208,333	4.17%

\*Held through David Cicurel (Investments) Limited

The conversion terms of the convertible redeemable shares are detailed in note 9 to the financial statements. Following a full conversion of the shares to ordinary shares the directors' interests in the enlarged share capital of the company would be as follows:

	No of Shares	Percentage
Hon AR Hambro	23,923	1.0%
DE Cicurel	765,590	32.0%
RJ Elman	11,962	0.5%
GC Reece	11,962	0.5%

# JUDGES CAPITAL PLC

## **DIRECTORS' REPORT (CONTINUED)** **FOR THE PERIOD ENDED 31 DECEMBER 2003**

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### **Auditors**

Grant Thornton were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

### **Payment policy**

The company's policy is to agree terms and conditions with suppliers before business takes place and to pay agreed invoices in accordance with the terms of payment. Trade creditors of the company at the period end amount to 12 days.

### **Directors' responsibilities**

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Corporate Governance**

The Directors have established an audit committee and a remuneration committee with formally delegated duties and responsibilities. The members of both committees are the non-executive Directors.

The audit committee determines the terms of engagement of the Company's auditors and, in consultation with the Company's auditors, the scope of the audit. The audit committee has unrestricted access to the Company's auditors. The remuneration committee reviews the scale and structure of the executive Director's remuneration and the terms of their service contracts. The remuneration of the non-executive Directors is determined by the Board as a whole.

On behalf of the board

RJ Elman

31 March 2004

# **JUDGES CAPITAL PLC**

## **REPORT OF THE INDEPENDENT AUDITORS**

### **TO THE MEMBERS OF JUDGES CAPITAL PLC**

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We have audited the financial statements of Judges Capital plc for the period ended 31 December 2003 which comprise the principal accounting policies, the profit and loss account, the balance sheet, the cashflow statement and associated notes 1 to 3 and other notes 1 to 16. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report or for the opinions we have formed.

#### **Respective responsibilities of the directors and auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Chairman's Statement and the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

#### **Basis of opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit 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 statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2003 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

**Grant Thornton**  
Chartered Accountants

**Registered Auditor**  
31 March 2004

Chartered Accountants  
& Registered Auditors  
8 West Walk LE1 7NH

# JUDGES CAPITAL PLC

## PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 DECEMBER 2003

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	Notes	Period ended 31 December 2003 £
Administrative expenses		(204,859) -----
<b>Operating loss</b>	<b>2</b>	(204,859)
Profit on disposal of investments		30,049
Investment income	<b>3</b>	14,750
Other interest receivable and similar income		34,188 -----
<b>Loss on ordinary activities before taxation</b>		(125,872)
Tax on loss on ordinary activities	<b>4</b>	- -----
<b>Loss on ordinary activities after taxation</b>	<b>10</b>	(125,872) -----
Loss per ordinary share	<b>5</b>	(6.7p) -----

All operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

The company was incorporated on 21 November 2002 and so there is no comparable period.

# JUDGES CAPITAL PLC

## BALANCE SHEET

AS AT 31 DECEMBER 2003

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		2003	
	Notes	£	£
<b>Current assets</b>			
Debtors	6	18,912	
Investments	7	1,007,336	
Cash at bank and in hand		703,647	
		-----	
		1,729,895	
<b>Creditors: amounts falling due within one year</b>	8	(42,455)	
		-----	
<b>Total assets less current liabilities</b>			1,687,440
			-----
<b>Capital and reserves</b>			
Called up share capital	9		117,818
Share premium account	10		1,695,494
Profit and loss account	10		(125,872)
			-----
<b>Shareholders' funds</b>	11		1,687,440
			-----
Equity interests			1,674,940
Non-equity interests			12,500
			-----
			1,687,440
			-----

The financial statements were approved by the Board on 31 March 2004

**RJ Elman**  
Director

**DE Cicurel**  
Director

# JUDGES CAPITAL PLC

## CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2003

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	Period ended 31 December 2003	
	£	£
<b>Net cash outflow from operating activities</b>		(166,566)
<b>Returns on investments and servicing of finance</b>		
Interest received	34,188	
	-----	
<b>Net cash inflow from returns on investments and servicing of finance</b>		34,188
		-----
<b>Net cash outflow before management of liquid resources and financing</b>		(132,378)
<b>Management of liquid resources</b>		
Purchase of investments	(1,039,372)	
Receipts from sale of investments	62,085	
	-----	
		(977,287)
<b>Financing</b>		
Issue of Ordinary shares	2,001,002	
Issue of Convertible Redeemable shares	12,500	
Expenses paid in connection with share issues	(200,190)	
	-----	
Net proceeds from issue of shares	1,813,312	
<b>Decrease in debt</b>	-	
	-----	
<b>Net cash inflow from financing</b>		1,813,312
		-----
<b>Increase in cash in the period</b>		703,647
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# JUDGES CAPITAL PLC

## NOTES TO THE CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2003

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<b>1</b>	<b>Reconciliation of operating loss to net cash outflow from operating activities</b>			<b>2003</b>
				<b>£</b>
	Operating loss			(204,859)
	Increase in debtors			(4,162)
	Increase in creditors due within one year			42,455
				-----
	<b>Net cash outflow from operating activities</b>			<b>(166,566)</b>
				-----
<b>2</b>	<b>Analysis of net funds</b>	<b>21</b>	<b>Cash flow</b>	<b>31</b>
		<b>November</b>		<b>December</b>
		<b>2002</b>		<b>2003</b>
		<b>£</b>	<b>£</b>	<b>£</b>
	Net cash:			
	Cash at bank and in hand	-	703,647	703,647
		-----	-----	-----
	Liquid resources:			
	Current asset investments	-	1,007,336	1,007,336
		-----	-----	-----
	Net funds	-	1,710,983	1,710,983
		-----	-----	-----
<b>3</b>	<b>Reconciliation of net cash flow to movement in net funds</b>			<b>2003</b>
				<b>£</b>
	Increase in cash in the period			703,647
	Cash outflow from increase in liquid resources			1,007,336
				-----
	<b>Movement in net funds in the period</b>			<b>1,710,983</b>
	Opening net funds			-
				-----
	<b>Closing net funds</b>			<b>1,710,983</b>
				-----

# JUDGES CAPITAL PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2003

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

#### 1.2 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.

#### Investment income

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

#### 1.3 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

#### 1.4 Cashflow statement

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

### 2 Operating loss

2003

£

Operating loss is stated after charging:

Profit on disposal of investments	30,049
Costs relating to abortive transaction	17,297
Auditors' remuneration	7,000
Remuneration of auditors for non-audit work (tax advisory)	9,594

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

### 3 Investment income

2003

£

Income from current asset investments	14,750
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### 4 Taxation

Current tax charge	-
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#### Factors affecting the tax charge for the period

Loss on ordinary activities before taxation	(125,872)
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Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30%.	(37,762)
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Losses carried forward	37,762
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# JUDGES CAPITAL PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2003

### 5 Loss per ordinary share

Loss per share is calculated by dividing the loss for the period of £125,872 by the weighted average number of shares in issue during the period of 1,888,649. As there is a loss for the period there is no dilutive affect arising from the convertible redeemable shares.

### 6 Debtors 2003 £

Other debtors	14,750
Prepayments and accrued income	4,162
	-----
	18,912
	-----

### 7 Current asset investments

	Historical Cost £	Market valuation £	Period end value Directors' valuation £	Total Valuation £
Unquoted investments	368,467		420,750	420,750
Quoted investments	638,869	679,756		679,756
	<u>1,007,336</u>	<u>679,756</u>	<u>420,750</u>	<u>1,100,506</u>
Net unrealised gain	-	40,887	52,283	93,170

### 8 Creditors: amounts falling due within one year 2003 £

Trade creditors	6,273
Accruals and deferred income	33,470
Social security and other taxes	2,712
	-----
	42,455
	-----

### 9 Share capital 2003 £

<b>Authorised</b>	
10,000,000 Ordinary shares of 5p each	500,000
5,000,000 Convertible Redeemable shares of 1p each	50,000
	-----
	550,000
	-----
<b>Allotted, called up and fully paid</b>	
2,106,356 Ordinary shares of 5p each	105,318
5,000,000 Convertible Redeemable shares of 1p each, quarter paid	12,500
	-----
	117,818
	-----

# JUDGES CAPITAL PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2003

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### 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").

### 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 totaling £200,190.

10	Statement of movements on reserves	Share premium account £	Profit and loss account £
	Retained loss for the period	-	(125,872)
	Premium on shares issued during the period	1,695,494	-
	Balance at 31 December 2003	1,695,494	(125,872)

# JUDGES CAPITAL PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2003

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<b>11</b>	<b>Reconciliation of movements in shareholders' funds</b>	<b>2003</b>
		<b>£</b>
	Loss for the financial period	(125,872)
	Proceeds from issue of shares	1,813,312
		-----
	Net addition to shareholders' funds	1,687,440
	Opening shareholders' funds	-
		-----
	Closing shareholders' funds	1,687,440
		-----
<b>12</b>	<b>Directors' emoluments</b>	<b>2003</b>
		<b>£</b>
	Emoluments for qualifying services	62,786
		-----
	Highest paid director	25,000
		-----
<b>13</b>	<b>Employees</b>	
	<b>Number of employees</b>	
	There were no employees during the period apart from the four directors.	
	<b>Employment costs</b>	<b>2003</b>
		<b>£</b>
	Wages and salaries	62,000
	Social security costs	5,057
		-----
		67,057
		-----

### **14 Related Party Transactions**

In addition to the amounts paid to the directors the following transactions took place:

#### **D Cicurel**

Amounts of £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 £90,793 for acting as the Nominated Advisor to the company.

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 for that company. The price paid by the company was below the prevailing market price at the date of the transaction.

#### **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 in the period.

# JUDGES CAPITAL PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2003

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### 15 Financial Instruments

The company uses financial instruments, other than derivatives comprising borrowings, 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.

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.

Short term debtors and creditors have been excluded from all the following disclosures:

#### **Management of liquid resources**

Judges Capital 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.

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

### 16 Share options

In lieu of payment for advisory services to the company Shore Capital and Corporate Limited was granted the right to subscribe for 100,000 Ordinary Shares at a subscription price of 102.5 pence per share. This right is exercisable at any time until 31 December 2004.

# JUDGES CAPITAL PLC

## NOTICE OF ANNUAL GENERAL MEETING

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Notice is hereby given that the first Annual General Meeting of Judges Capital PLC, ("the Company") will be held at 14 New Burlington Street, London W1S 3BQ on 17<sup>th</sup> June 2004, at 11.00 am for the purpose of dealing with the following business of which items 4 and 5 are special business.

### ORDINARY BUSINESS

- 1 To receive the reports of the directors and the auditors and the audited accounts of the Company for the period ended 31 December 2003.
- 2 To re-elect Ralph Julian Elman who retires by rotation, as a Director.
- 3 To re-appoint Grant Thornton as auditors to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid before the Company and to authorise the directors to fix the remuneration of the auditors.

### SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as to the resolution numbered 4 as an Ordinary Resolution and as to the resolution numbered 5 as a Special Resolution:

### ORDINARY RESOLUTION

- 4 THAT the directors of the Company be and are hereby generally and unconditionally authorised to exercise all the powers of the Company to allot relevant securities (as defined for the purposes of section 80 of the Companies Act 1985 ("the Act")) up to an aggregate nominal amount of £52,659 provided that this authority unless renewed shall expire at the close of the next Annual General Meeting of the Company, save that the Company may before such expiry make any offer, agreement or arrangement which would or might require relevant securities to be allotted after such expiry and the directors of the Company may allot the relevant securities in pursuance of such offer or agreement or other arrangements as if the authority conferred hereby had not expired, this authority to replace any previous authority under section 80 of the Act which is hereby revoked with immediate effect.

### SPECIAL RESOLUTION

- 5 THAT:
  - (a) subject to and conditional upon the passing of resolution 4 above, the directors of the Company be and they are hereby empowered pursuant to section 95(1) of the Act to allot equity securities (as defined for the purposes of section 95 of the Act) for cash, pursuant to the authority granted by resolution 4 above, as if section 89(1) of the Act did not apply to any such allotment, provided that such power shall be limited to:
    - (i) the allotment of equity securities in connection with a rights issue or open 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; and
    - (ii) the allotment (otherwise than pursuant to sub-paragraph (i) above) of equity securities for cash up to an aggregate nominal amount of £52,659.

and, unless previously renewed, revoked or varied, such power shall expire at the close of the next Annual General Meeting of the Company, save that the Company may before such expiry make an offer, agreement or other arrangement which would or might require equity securities to be allotted after such expiry and the directors of the Company may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired;

## **JUDGES CAPITAL PLC NOTICE OF ANNUAL GENERAL MEETING (contd)**

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(b) For the purposes of this resolution:

- (i) "relevant rights issue" means an offer of equity securities open for acceptance for a period fixed by the directors of the Company to holders on the register on a fixed record date of ordinary shares in the Company in proportion (or as nearly as may be practicable) to their respective holdings but subject in any case to such exclusions or other arrangements as the directors of the Company may deem necessary or desirable to deal with fractional entitlements or legal or practical problems under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory; and
- (ii) the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or convert any securities into shares of the Company, the nominal amount of such shares, which may be allotted pursuant to such rights.

### **By Order of the Board**

R J Elman  
Company Secretary  
26 April 2004

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

### **Notes:**

- 1 A member entitled to attend and vote at the meeting convened by the notice set out above is entitled to appoint one or more proxies to attend and, on a poll, vote in his or her place. A proxy need not be a member of the Company.
- 2 To be valid, the instrument appointing a proxy together with any power of attorney or other authority under which it is signed or a notarially certified copy of such power or authority, must be deposited at the registered office of the Company not less than 48 hours before the time fixed for the Annual General Meeting or any adjournment thereof.
- 3 The completion and return of a form of proxy will not preclude a member from attending and voting in person at the meeting should he or she so wish.
4. Pursuant to Regulation 34 of The Uncertificated Securities Regulations 1995 only those members registered in the Register of Members of the Company as at 11 am on 15 June 2004 being not more than 48 hours before the time fixed for the meeting are entitled to attend or vote at the meeting in respect of the number of shares registered in their name at 11 am on 15 June 2004. Changes to entries in the Register after 11 am on 15 June 2004 shall be disregarded in determining the right to attend or vote at the meeting.



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