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Job No: 156697

Date: 1.6.2005

Proof: 8A

If you have any queries with regards to the proof or would like any additional information please telephone Greenaways on 020 7417 8000 and ask for Customer Services department.

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised pursuant to the Financial Services and Markets Act 2000.**

If you have sold or transferred all your Ordinary Shares in Access Intelligence plc ("Access" or "Company"), you should send this document, together with the accompanying Form of Proxy, to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

The Directors 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 Share Capital to be admitted to trading on AIM. 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 of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. London Stock Exchange plc has not itself examined or approved the contents of this document. It is expected that trading in the Ordinary Shares will commence on AIM on 28 June 2005.**

A copy of this document, which comprises a prospectus drawn up in accordance with the Public Offers of Securities Regulations 1995, as amended, (the "POS Regulations"), and the AIM Rules has been issued in connection with the application for admission to trading of the Enlarged Share Capital on AIM and has been delivered to the Registrar of Companies in England and Wales for registration in accordance with regulation 4(2) of the POS Regulations.

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# ACCESS INTELLIGENCE PLC

*(Registered in England and Wales under the Companies Act 1985, number 4799195)*

## **Acquisition of Ridgeway Technologies Limited**

### **Notice of Extraordinary General Meeting Admission to AIM**

*Nominated adviser and broker*



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Corporate Synergy Plc, which is authorised and regulated by the Financial Services Authority, is acting as nominated adviser and broker to the Company. Its responsibilities as the Company's nominated adviser under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire shares in the Company in reliance on any part of this document. No representation or warranty, expressed or implied, is made by Corporate Synergy Plc as to any of the contents of this document. Corporate Synergy Plc will not be offering advice and will not otherwise be responsible for providing customer protections to recipients of this document or for advising them on the contents of this document or any other matter.

A copy of this document will be available for collection, free of charge, from Philip Ashworth & Co, 121 The Mount, York, YO24 1DU and Corporate Synergy Plc, 12 Nicholas Lane, London EC4N 7BN until 28 July 2005.

Notice of an Extraordinary General Meeting of the Shareholders to be held at 121 The Mount, York, North Yorkshire, YO24 1DU at 10.00a.m. on 27 June 2005 is set out at the end of this document.

**Shareholders will find enclosed with this document a Form of Proxy for use at the Extraordinary General Meeting. To be valid the Form of Proxy should be signed and returned in accordance with the instructions printed thereon so as to be received by Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen B63 3DA as soon as possible but in any event no later than 48 hours before the Extraordinary General Meeting. Completion and posting of the Form of Proxy does not prevent a shareholder from attending and voting in person at the Extraordinary General Meeting.**

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### ADMISSION STATISTICS

Number of Ordinary Shares in issue at the date of this document	58,253,387
Number of Consideration Shares	500,000
Number of Ordinary Shares in issue at Admission	58,753,387
Market Capitalisation at Admission (based upon the mid market closing price on 31 May 2005, the latest practicable date prior to the announcement of the Acquisition)	4,847,154

### EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Final time and date for receipt of forms of proxy in respect of the EGM	25 June 2005
Extraordinary general meeting of the Company	27 June 2005
Admission effective and dealings commence in the Existing Ordinary Shares and the Consideration Shares	28 June 2005

## **DIRECTORS, SECRETARY AND ADVISERS**

<b>Directors</b>	Jeremy John Hamer, <i>Chairman</i> Brendan James Austin, <i>Chief Executive Officer</i> Colin Ernest Davies FCCA, <i>Finance Director</i> Edmund Ian Savage, <i>Non-executive Director</i> Alwin Curtis Thompson, <i>Non-executive Director</i>
<b>Company Secretary</b>	Simon Edward Chappell ACA <i>all of</i>
<b>Registered and Head Office</b>	Regency House Westminster Place York Business Park York YO26 6RW
<b>Nominated Adviser and Broker</b>	Corporate Synergy Plc 12 Nicholas Lane London EC4N 7BN
<b>Auditors and Reporting Accountants</b>	Chadwick Chartered Accountants Television House 10-12 Mount Street Manchester M2 5NT
<b>Solicitors to the Company</b>	Philip Ashworth & Co 121 The Mount York YO24 1DU
<b>Registrars</b>	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen B63 3DA

## DEFINITIONS

“Acquisition”	The proposed acquisition of the entire issued share capital of Ridgeway pursuant to the Acquisition Agreement
“Acquisition Agreement”	The agreement dated 1 June 2005 between the Company (1) and the Ridgeway Vendors (2) details of which are set out in paragraph 8 of Part VI of this document
“Act”	the Companies Act 1985, as amended
“Admission”	admission of the Enlarged Share Capital to trading on AIM and such admission becoming effective in accordance with Rule 6 of the AIM Rules
“AIM”	the market of that name operated by London Stock Exchange plc
“AIM Rules”	the rules for AIM published by London Stock Exchange plc
“Backup and Running”	Backup and Running plc, a wholly owned subsidiary of the Company
“Board”	The board of Directors of the Company
“Completion”	completion of the Acquisition Agreement in accordance with their terms
“Consideration Shares”	the 500,000 Ordinary Shares to be issued to the Ridgeway Vendors on completion pursuant to the Acquisition Agreement
“Company” or “Access”	Access Intelligence plc
“Corporate Synergy”	Corporate Synergy Plc, nominated adviser and broker to the Company
“Directors” or “Board”	the directors of Access whose names appear on page 3 of this document
“EGM” or “Extraordinary General Meeting”	the extraordinary meeting of the Company, convened for 10.00a.m. on 27 June 2005, and any adjournment thereof, notice of which is set out at the end of this document
“Enlarged Group”	the Group as enlarged by the Acquisition
“Enlarged Share Capital”	together, the Existing Ordinary Shares and the Consideration Shares
“Existing Ordinary Shares”	the 58,253,387 Ordinary Shares in issue as at the date of this document
“Form of Proxy”	the form of proxy enclosed with this document for use by Shareholders in connection with the EGM
“Group”	the Company and its subsidiaries
“Notice”	the notice of EGM set out at the end of this document
“Official List”	the official list of the UKLA
“Option Schemes”	the Unapproved Scheme, the Option Grants and the New Scheme (as defined in paragraph 9 of Part VI of this document)
“Ordinary Shares”	ordinary shares of 0.5 pence each in the Company
“Resolutions”	the resolutions to be proposed at the EGM, set out in the Notice
“Ridgeway”	Ridgeway Technologies Limited, the owner of the entire issued share capital of Willow
“Ridgeway Vendors”	Mark Berry, Andrew Philip Unsworth and Darren Harrison
“Shareholder”	a holder of Ordinary Shares
“SME”	small and medium enterprise
“The Marketing Guild”	The Marketing Guild Limited, a subsidiary of the Company

“UK”	the United Kingdom of Great Britain and Northern Ireland
“UKLA”	the United Kingdom Listing Authority, being the Financial Services Authority acting in its capacity as the competent authority for the purposes of the Financial Services and Markets Act 2000.
“Willow”	Willow Starcom Limited, a wholly owned subsidiary of Ridgeway
“Wired Gov”	Wired Gov Limited, a subsidiary of the Company

## PART I

### LETTER FROM THE CHAIRMAN OF ACCESS INTELLIGENCE PLC

# ACCESS INTELLIGENCE PLC

*(Incorporated and registered in England and Wales under the Companies Act 1985 with number 4799195)*

*Directors:*

Jeremy John Hamer, *Chairman*  
Brendan James Austin, *Chief Executive Officer*  
Colin Ernest Davies, *Finance Director*  
Edmund Ian Savage, *Non-executive Director*  
Alwin Curtis Thompson, *Non-executive Director*

*Registered Office:*

Regency House  
Westminster Place  
York Business Park  
York YO26 6RW

2 June 2005

*To Shareholders, and for information only, to holders of options to subscribe for Ordinary Shares*

Dear Shareholder,

### **Acquisition of Ridgeway Technologies Limited Notice of Extraordinary General Meeting Admission to AIM**

#### **Introduction**

The Company is pleased to announce that it has today conditionally agreed to acquire the entire issued share capital of Ridgeway, the owner of Willow, a provider of specialist IT service for the backup and storage of data for an initial consideration of £700,000. Deferred consideration of up to £1,100,000 is payable in the event of Willow meeting future performance targets. Further details regarding the terms of the Acquisition are set out below.

Under the AIM Rules this transaction is deemed to be a reverse take-over and as a consequence requires the approval of Shareholders in general meeting.

The purpose of this document is to provide you with the background to and information on the Acquisition, to give notice of an extraordinary general meeting of Shareholders to consider and, if thought fit, approve the Acquisition and certain related matters and to explain why your Board considers this to be in the best interests of the Company and its Shareholders as a whole.

#### **Background to and reasons for the Acquisition**

The Company was incorporated in June 2003 and in November of that year acquired Access Intelligence Limited which owned three businesses, The Marketing Guild, Wired Gov and Backup and Running. The common links between these businesses are that they provide practical services and advice to small and medium sized companies and public sector organisations. The services provided are subscription-based and provide a foundation for expansion by means of recurring annual revenues. Further information on the Group's businesses is set out below.

#### ***The Marketing Guild***

The Marketing Guild provides practical marketing help and advice aimed at small and medium sized businesses. This is delivered through regular newsletters, a helpline and training seminars for which members pay a fee based on the level of service they require. In addition, members have access through the helpline to "MAGiC", a database containing ideas and tactics, which offers strategies to members.

#### ***Wired Gov***

Wired Gov provides its subscribers with immediate press releases from the government and other public sector organisations via its website and e-mail alert system. Income is derived from subscriptions and sponsorship. Subscribers to the service can specify from which organisations they wish to receive

information and additionally use key word searches. An archive system is also available. Wired Gov has approximately 10,000 registered users.

### ***Backup and Running***

Backup and Running provides small and medium sized organisations with a disaster recovery service for computerised information. The software is made available under a licence from Novastor Corporation Inc. The software allows users to configure an operating system to specify which files are to be backed up and the frequency of the routine. The specified information is encrypted then sent to a remote storage facility. The software has several facilities including an archive facility which allows the user to retrieve all back ups made over a five year period. Backup and Running has approximately 130 customers.

### **Strategy**

The Group's ongoing strategy is to establish a portfolio of companies which provide information, advice and services to business and public sector organisations on a recurring revenue basis. The Directors believe that this model provides high levels of repeat business and, thus, high quality revenues, together with cross selling opportunities within the Group.

### **The Proposed Acquisition**

#### ***Ridgeway***

Ridgeway, which was founded in 2000, owns the entire issued share capital of Willow. Willow provides specialist IT services across a broad range of market sectors that include data storage, backup and recovery, network design support and consultancy and hardware and software maintenance support services. By acquiring Ridgeway, which has no other trading activities, the Company will acquire the whole of the issued share capital of Willow.

#### *Data storage consultancy*

The business originally began as a data storage business and the Directors believe that Willow's offering in this arena is one of its competitive strengths. The cost of entry into this market is expensive due to the required investment in specialist staff and systems. Services offered by the data storage division include the following:

- strategic backup and storage analysis;
- backup/restore analysis and strategy;
- backup and storage:
  - resource management;
  - project planning and management; and
  - implementation / configuration;
- disaster recovery planning; and
- specialist storage support and maintenance.

Willow adopts a consultative approach, selecting the best hardware / software solutions available in the market for the client and designs a solution that meet clients' needs. Once designed, these solutions are implemented using a range of technical, planning and project management services.

The company's official accreditations and partnerships with a number of key software providers enhance and strengthen its position with clients and suppliers and ensure preferential access to specialist technical resources and products from suppliers. While the company mainly addresses the SME and mid-corporate market, there are some notable larger companies within its customer base including HFS Loans Limited.

#### *Networks, design and consultancy*

In this area Willow has focused on the larger SME customers and offers a range of contracted services and consultancy to complement an organisation's existing IT staff. Services offered by the network division include the following:

- IT health checks – testing and monitoring the effectiveness of network components and identifying weaknesses that could cause problems in the future; and
- data security services – provision of advice on products, technologies and services available to secure data from unauthorised access. Examples include firewalls, virus protection, internet vulnerability testing, security audits and internet / e-mail monitoring.

#### *Hardware and software maintenance support services*

This division offers hardware maintenance, software support, disaster recovery and on-site, remote-dial-in and telephone support.

Willow's field engineering, help desk and on-line services provide 24 hour cover across the UK, allowing clients' in-house IT professionals to reduce the time spent on routine maintenance and support. The Directors believe that there is growth potential not only in expanding software support services but also in packaging 'managed services' designed to identify risks and opportunities pro-actively, before problems arise.

Willow sells its services either directly to end users, or via its reseller channel. As new services are developed the reseller channel provides a ready-made route to market through which the services can be sold.

#### *Financial information*

During the financial year ended 31 December 2004 income from recurring revenue represented 51 per cent. of turnover. This recurring revenue base of existing clients has always provided a strong platform to sell new products and services. The Directors believe this platform will be reinforced with opportunities to sell other products from within the Enlarged Group. In particular, Willow is well positioned to sell Backup and Running's services to its marketplace. A number of Willow's customers have already expressed an interest in an on-line backup service of the type provided by Backup and Running.

The following table has been extracted, without adjustment, from the accountants' report on Ridgeway set out in Part IV of this document.

	<i>Year ended 31 December 2004 £'000</i>	<i>Year ended 31 December 2003 £'000</i>	<i>Year ended 31 December 2002 £'000</i>
Turnover	2,295	2,029	1,783
Gross profit	619	454	421
Profit before taxation	96	95	98
Profit after taxation	71	72	77

The Directors believe that included in the results for 2004 is a minimum of £50,000 of non-recurring costs.

#### *Acquisition Agreement*

Under the terms of the Willow Acquisition Agreement, the Company has conditionally agreed to acquire the entire issued share capital of Ridgeway for an initial consideration of £700,000, to be satisfied as to £650,000 in cash and as to the balance by the issue of 500,000 new Ordinary Shares. It is a term of the Acquisition Agreement that Willow will have a minimum net cash balance of £150,000 on completion.

Deferred consideration will be paid on the basis of 5 times the operating profit of Willow over £100,000 for the year ended 31 December 2005, subject to a maximum deferred payment of £1 million. In addition, the Ridgeway Vendors will receive a further payment of deferred consideration in the event that the Company, prior to 31 December 2005, completes the acquisition of a company introduced to it by the Ridgeway Vendors. The deferred consideration will be satisfied by the issue of new Ordinary Shares at the lower of the average closing mid-market price of the Ordinary Shares for the 3 business days prior to the determination of Willow's profits for the relevant period and 15 pence per share, with a minimum of 10 pence per share.

Both the initial consideration shares and the deferred consideration shares allotted pursuant to the Acquisition will be subject to restrictions on their disposal. Neither the initial consideration shares nor the deferred consideration shares may be disposed of by any of the Ridgeway Vendors for a period of two years after their respective allotments.

The Acquisition is conditional, *inter alia*, on the passing of the Resolutions by the Shareholders and Admission.

Further details of the Acquisition Agreement are set out in paragraph 8 of Part VI of this document.

## **Current Trading and Future Prospects**

### **Access**

Access was incorporated in June 2003 and acquired Access Intelligence Limited in November of that year. The Company's first full accounts were for the 17 month period from incorporation to 30 November 2004 and showed a loss before taxation of £381,000 on revenue of £543,000. However, since the end of the financial year, trading has been significantly better, with sales in the 17 weeks period to 31 March 2005 over 50 per cent. ahead of the prior year. The group is now beyond breakeven on a month to month basis.

### **Ridgeway**

Willow has traded well from the start of 2005 with profitability ahead of the same period last year and ahead of budget. Recurring revenues are in excess of £1m annually and continue to rise. In the current trading year Willow has increased its active resellers by 47 per cent.

### **The Enlarged Group**

Following the Acquisition, the Directors intend to integrate the administration and support functions of Willow and Backup and Running, which they believe will improve efficiency and customer service.

The Directors are confident that every business in the Enlarged Group will show growth in the year to November 2005. The addition of Willow will facilitate opportunities for cross selling of services and the Directors believe it will also allow greater utilisation of technical skills and resources across the Enlarged Group.

### **Directors**

Summaries of the Directors services contracts are set out at paragraph 6 of Part VI of this document.

#### ***Jeremy Hamer (aged 53), Chairman***

Jeremy was appointed chairman of Access in 2004 and has extensive experience as a director of AIM quoted companies. He currently serves on the board of 7 companies traded on the London Stock Exchange, including Avingtrans Plc, Inter Link Foods Plc and Glisten plc.

#### ***Brendan Austin (aged 55), Chief Executive Officer***

Brendan has had senior marketing and sales operational roles with Rank Xerox and was part of the management buy in and buy out team which exited from Prontaprint plc. He is currently chairman of Kids Safteynet Limited which is a publisher of children's safety education material in the UK. Brendan is also managing director of The Marketing Guild.

#### ***Colin Davies, FCCA (aged 47), Finance Director***

Colin has acted as chief executive and finance director of both public and private companies in a range of industries including food, engineering, marketing and textiles. He is currently a non-executive director of Inter Link Foods Plc, which he co founded, and Floors2Go Plc. He has been responsible for co-ordinating the acquisition strategy of Inter Link Foods Plc. Colin is also a non-executive director of several private companies.

#### ***Alwin Thompson (aged 57), Non-executive Director***

Alwin has been involved in the food manufacturing business since 1986. He is currently Chairman of Inter Link Foods Plc, the AIM listed manufacturer and supplier to major supermarkets of own label cake products which was AIM Company of the Year in 2001.

#### ***Ian Savage (aged 61) Non-executive Director***

Ian has a wealth of experience in the publishing sector having held senior board positions within International Thompson Publishing and McGraw Hill. He has direct experience in managing and directing subscription based businesses.

## Corporate Governance

The Board recognises the importance of sound corporate governance whilst taking into account the size and nature of the Company. As the Company grows, the Directors intend that the Company should develop policies and procedures which reflect the Principles of Good Governance and Code of Best Practice, as published by the Committee on Corporate Governance (commonly known as the "Combined Code") and which are appropriate for a Company of its size. The Board will take such measures, as far as is practicable, to comply with the Combined Code.

The Directors have established an audit committee and a remuneration committee.

The audit committee comprises Colin Davies, Jeremy Hamer and Ian Savage and meets twice a year. It is responsible for ensuring the integrity of the financial information reported to the shareholders and the systems of internal controls.

The remuneration committee comprises Alwin Thompson, Jeremy Hamer and Brendan Austin and meets twice a year to determine and agree with the board the framework or broad policy for the remuneration of the executive Directors.

The Company will ensure, in accordance with Rule 19 of the AIM rules, that its Directors and applicable employees do not deal in any of the Ordinary Shares during a close period (as defined in the AIM Rules) and will take reasonable steps to ensure compliance by Directors and applicable employees.

## Dividend Policy

It is expected that any cash generated by the Group's operations in the short to medium term will be devoted to funding the Group's planned development. The board, will, however, continue to review the appropriateness of its dividend policy as the Group develops.

## Enterprise Investment Scheme and Venture Capital Trust Scheme

The Company has applied for and received provisional assurance from H M Revenue & Customs that it will continue to qualify for the tax reliefs under the Enterprise Investment Scheme and Venture Capital Trust Scheme following the Acquisition. Further details of these are included in paragraph 7 of Part VI of this document.

## Extraordinary General Meeting

The Acquisition is conditional on, *inter alia*, the passing of the Resolutions at the EGM convened for 10.00a.m. on 27 June 2005. You will find set out at the end of this document a notice convening the EGM for the purpose of considering and if though fit approving the resolutions to:

1. Approve the Acquisition;
2. Increase the authorised share capital of the Company;
3. Authorise the Directors to allot relevant securities up to an aggregate nominal value of £257,000; and
4. Authorise the Directors to allot equity securities for the purpose of the Acquisition, exercise of options and generally up to an aggregate nominal value of £29,375.

**The Directors believe the Resolutions to be proposed at the EGM are in the best interests of the Company and Shareholders as a whole. Accordingly, your Directors unanimously recommend Shareholders to vote in favour of the Resolutions as they themselves intend to do in respect of their own beneficial holdings which amount, in aggregate to 9,231,229 Ordinary Shares, representing approximately 15.85 per cent. of the Existing Ordinary Shares.**

## Action to be taken

A Form of Proxy for use in connection with the EGM is enclosed with this document. Whether or not you intend to be present at the EGM, you are asked to complete and return it in accordance with the instructions printed thereon as soon as possible but in any event so as to arrive not later than 48 hours before the time of the EGM. Completion and return of the form of proxy does not preclude you from attending the EGM and voting in person, if you so wish. Accordingly, whether or not Shareholders intend to attend the EGM they are asked to complete and return the enclosed Form of Proxy as soon as possible.

**Additional Information**

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

Yours faithfully

Jeremy Hamer  
*Chairman*

## PART II

### RISK FACTORS

**In addition to the other relevant information set out in this document, the following risk factors should be considered carefully in evaluating whether to make an investment in the Company.**

**Investors should note that the value of Ordinary Shares may go down as well as up and there is no certainty that they will get back the full amount they invest. Any person considering an investment in Ordinary Shares is recommended to consult an investment advisor, authorised under the Financial Services and Market Act 2000, or an appropriately qualified taxation advisor, prior to making any such investment.**

- The value of Ordinary Shares will be dependent upon the success of the trading activities undertaken by the Company.
- Neither the Company, the Directors nor any of the Company's advisors give any warranties or undertakings that EIS relief will be available in respect of any investment in the Company or that, if given, such relief will not later be withdrawn.
- The success of the Group, in common with other businesses of a similar size, will be dependant on the expertise and experience of its Directors and senior management. Measures are in place and are under review to reward and retain key individuals and to protect the Group from the impact of staff turnover. However, risks in this area cannot be totally eliminated.
- In order to fund the Group's expansion plans in the longer term, and in particular to fund future acquisitions, it may be necessary to raise further funds by way of equity or debt or a combination of both. The Group's expansion plans may be constrained to the extent that it is unable to raise further equity finance or that banks are not willing to provide the additional debt and other facilities required.
- AIM is not the Official List. It is a market designed primarily for emerging or smaller companies. The market in the Company's shares may therefore be relatively illiquid or subject to fluctuations. Consequently it may be difficult for Shareholders to realise any investment in the Company.
- The price that Shareholders and other investors may realise for their holding of Ordinary Shares, when they are able to do so, may be influenced by a large number of factors, some of which are specific to the Company and some of which are extraneous. Shareholders and other investors in the Company may realise less than the original amount invested by them.
- Any change in the Company's tax status or in taxation legislation could affect the Company's ability to provide return to Shareholders. Statements in the document concerning the taxation of investors in Ordinary Shares are based on current UK tax law and practice which is subject to change. The taxation of an investment in the Company depends on the individual circumstances of investors.
- Factors such as inflation, interest rates, supply and demand of capital and industrial disruption have an impact on business costs and stock market prices. The Group's operations, business and profitability are affected by these factors, which are beyond the control of the Group.
- The market in which Willow operates is highly competitive and Willow often finds itself competing with companies with significantly greater resources than itself. This is especially the case when Willow seeks to provide hardware to customers. Despite this, the Directors believe that Willow's competitiveness is enhanced by virtue of its data storage and retrieval services and the geographic coverage and high service levels within its support business.
- The Enlarged Group will depend on its Directors and other key personnel and while it has entered into contractual arrangements with these individuals (and will enter into contractual arrangements with key individuals within Willow upon completion of the Acquisition), retention of these services cannot be guaranteed. The loss of the services of any of the Directors or other key employees could damage the Enlarged Group's business. Equally the ability to attract new employees with the appropriate expertise and skill cannot be guaranteed. Difficulties may be experienced in hiring appropriate employees and the failure to do so may have a detrimental effect upon the trading performance of the Enlarged Group.
- Certain statements contained in this document may constitute forward-looking statements. Any such forward-looking statements involve risks, uncertainties and other factors that may cause the actual

results, performance or achievements of the Enlarged Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements speak only as of the date of this document. The Company and the Directors expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein, save as required to comply with any legal or regulatory obligations, to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

**PART III**  
**ACCOUNTANTS' REPORT ON THE COMPANY**



2 June 2005

The Directors  
Access Intelligence plc  
Regency House  
Westminster Place  
York Business Park  
York  
YO26 6RW

The Directors  
Corporate Synergy Plc  
12 Nicholas Lane  
London  
EC4N 7BN

Dear Sirs

**ACCESS INTELLIGENCE PLC (“the Company”)**

We report on the financial information set out in paragraphs 2 to 6 below which has been prepared for inclusion in the Admission document of the Company dated 2 June 2005 (“the Admission Document”) relating to the proposed acquisition of Ridgeway Technologies Limited.

**1. Introduction**

- 1.1 The Company was incorporated in England and Wales on 13 June 2003 with company number 4799195 under the name Access Intelligence Limited. On 24 July 2003 the Company re-registered as a public limited company.
- 1.2 The Company's share capital transactions for the period from incorporation on 13 June 2003 to 30 November 2004 are reflected in paragraph 6.16 of this report.

***Basis of Preparation of Financial Information***

- 1.3 The financial information set out below is based on the audited financial statements of Access Intelligence plc and its subsidiaries (together “the Group”) and covers the period from the Company's incorporation on 13 June 2003 to 30 November 2004, to which no adjustments were considered necessary.

***Responsibility***

- 1.4 The financial statements which form the basis of the financial information in this report are the responsibility of the Directors and have been approved by them.
- 1.5 The Directors are responsible for the contents of the Admission Document in which this report is included.
- 1.6 It is our responsibility to compile the financial information set out in this report and to form an opinion on the financial information and report our opinion to you.

***Basis of Opinion***

- 1.7 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 judgments made by those responsible for the preparation of the

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

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

### ***Opinion***

- 1.9 In our opinion the financial information gives, for the purpose of the Admission Document, a true and fair view of the losses and cash flows of the Group for the period ended 30 November 2004 and of the state of affairs of the Group at 30 November 2004.

### ***Consent***

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

## **2. Accounting Policies**

### ***2.1 Basis of Preparation***

The financial statements are prepared in accordance with applicable accounting standards in the United Kingdom. The particular accounting policies adopted by the Group are described below. Chadwick, Chartered Accountants, of Television House, 10-12 Mount Street, Manchester, were the auditors of the company for the period from 13 June 2003 to 30 November 2004.

### ***2.2 Basis of Consolidation***

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings at 30 November 2004 using acquisition accounting. The results of the subsidiary undertakings acquired during the financial period are included from the effective date of acquisition. On acquisition of a subsidiary, all of the subsidiary's assets and liabilities existing at the date of acquisition are recorded at their fair values reflecting their condition at that date. Profits or losses on intra-group transactions are eliminated in full.

### ***2.3 Turnover***

Turnover represents the total invoice value, excluding value added tax, of sales made during the year. Subscription income is accounted for on an accruals basis.

### ***2.4 Financial Instruments***

Financial assets are recognised in the balance sheet at the lower of cost and net realisable value. Provision is made for diminution in value. Income and expenditure arising on financial instruments is recognised on the accruals basis and charged or credited to the profit and loss account in the period to which it relates.

### ***2.5 Amortisation***

Amortisation is calculated so as to write off the cost of an asset less its estimated residual value over the useful economic life of that asset from which the Group is expected to benefit as follows:

Development costs	10 years
-------------------	----------

### ***2.6 Goodwill***

Goodwill representing the difference between the fair values of consideration given and net assets acquired is capitalised and amortised through the profit and loss account over its estimated useful economic life up to a maximum of twenty years.

### ***2.7 Fixed Assets and Depreciation***

Depreciation is provided to write off the cost of tangible fixed assets over their useful economic lives as follows:-

Fixtures, fittings and equipment	5 – 10 years
----------------------------------	--------------

## **2.8 Investments**

Investments held as fixed assets are stated at cost less provision for any impairment.

## **2.9 Impairment**

The Group evaluates its fixed assets for financial impairment where events or circumstances indicate that the carrying amount of such asset may not be fully recoverable. When such evaluations indicate that the carrying value of an asset exceeds its recoverable value, the impairment loss is recognised in the profit and loss account.

## **2.10 Stocks**

Stocks are valued at the lower of cost and estimated net realisable value.

## **2.11 Deferred Taxation**

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

### 3 PROFIT AND LOSS ACCOUNT

		<i>Period from 13 June 2003 to 30 November 2004 £'000</i>
<b>Turnover</b>	6.1	543
Cost of sales		(290)
		<hr/>
<b>Gross profit</b>		253
Administrative expenses		(626)
		<hr/>
<b>Operating loss</b>	6.2	(373)
Interest receivable		9
Interest payable	6.4	(17)
		<hr/>
<b>Loss on ordinary activities before taxation</b>		(381)
Taxation	6.5	41
		<hr/>
<b>Loss for the financial period</b>		(340)
Dividends		—
		<hr/>
<b>Retained loss for the period</b>	6.17	(340)
		<hr/> <hr/>
Basic earnings per share	6.6	(0.016p)
Diluted earnings per share	6.6	(0.015p)

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

#### 4 BALANCE SHEET

	<i>Note</i>	<i>30 November 2004 £'000</i>
<b>Fixed assets</b>		
Intangible assets	6.7	2,433
Tangible assets	6.8	83
		<hr/> 2,516
<b>Current assets</b>		
Stocks	6.10	14
Debtors	6.11	121
Cash at bank and in hand		31
		<hr/> 166
<b>Creditors: amounts falling due within one year</b>	6.12	(361)
		<hr/> (195)
<b>Net current liabilities</b>		<hr/> (195)
<b>Total assets less current liabilities</b>		2,321
<b>Creditors: amounts falling due after more than one year</b>	6.13	(142)
		<hr/> 2,179
		<hr/> <hr/> 2,179
<b>Capital and reserves</b>		
Called up share capital	6.16	332
Share premium account	6.17	2,187
Profit and loss account	6.17	(340)
		<hr/> 2,179
<b>Equity and non-equity shareholders' funds</b>	6.18	<hr/> <hr/> 2,179

## 5. CASH FLOW STATEMENT

	<i>Period from 13 June 2003 to 30 November 2004 £'000</i>
<b>Net cash outflow from operating activities</b>	6.19 (540)
<b>Returns on investments and servicing of finance</b>	
Interest paid	(17)
Interest received	9
<b>Net cash outflow from servicing of finance</b>	(8)
<b>Capital expenditure and financial investment</b>	
Payments to acquire intangible fixed assets	(98)
Payments to acquire tangible fixed assets	(49)
<b>Net cash outflow from capital expenditure and financial investment</b>	(147)
<b>Acquisition and disposals</b>	
Purchase of subsidiary undertaking	(1,753)
<b>Net cash outflow from acquisitions and disposals</b>	(1,753)
<b>Net cash outflow before use of liquid resources and financing</b>	(2,448)
<b>Financing</b>	
Issue of equity share capital	2,727
Cost of share issues	(208)
Repayment of term loans	(82)
<b>Net cash inflow from financing</b>	2,437
<b>Decrease in cash</b>	6.20 (11)

## 6 NOTES TO THE FINANCIAL INFORMATION

### 6.1 Turnover

The turnover, operating loss and net assets of the Group are attributable to one class of business which was acquired during the period as set out in note 6.9. All of the Group's turnover was within the United Kingdom.

### 6.2 Operating Loss

The operating loss is stated after charging:-

	<i>Period from 13 June 2003 to 30 November 2004 £'000</i>
Depreciation of tangible fixed assets	25
Amortisation of goodwill	122
Amortisation of development costs	14
Operating lease charges – land and buildings	29
Directors' remuneration	67
Auditors' remuneration – audit services	12
– other services	1

In addition to the above, the auditors also received £19,398 in respect of work undertaken in connection with various issues of shares during the period. These costs have been charged against the share premium account.

### 6.3 Employees

The average number of persons (including Directors) employed by the Group during the period was:

	<i>Period from 13 June 2003 to 30 November 2004 No.</i>
Selling, distribution and administration	16

Staff costs incurred during the period in respect of these employees were:

	<i>£'000</i>
Wages and salaries	217
Social security costs	28
Pension costs	–
	<u>245</u>

#### *Directors' remuneration*

	<i>Salary/Fees £'000</i>	<i>Benefits in kind £'000</i>	<i>Pension Paid £'000</i>	<i>Total £'000</i>
J J Hamer	–	–	–	–
B J Austin	40	–	–	40
K W Salisbury	–	–	–	–
C E Davies	21	–	–	21
E I Savage	3	–	–	3
A C Thompson	3	–	–	3
	<u>67</u>	<u>–</u>	<u>–</u>	<u>67</u>

The number of directors at 30 November 2004 accruing retirement benefits under money purchase schemes was nil. The interests of the directors in share options are as follows:

<i>Name</i>	<i>Date of grant</i>	<i>Exercise price per ordinary share (p)</i>	<i>No. of ordinary shares under option</i>	<i>Exercise period</i>
E I Savage	4 November 2003	9.25p	425,000	Nov 2006 to Nov 2013
B J Austin	13 December 2004	10.00p	500,000	Dec 2007 to Dec 2014
C E Davies	13 December 2004	10.00p	400,000	Dec 2007 to Dec 2014

#### **6.4 Interest Payable and Similar Charges**

	<i>Period from 13 June 2003 to 30 November 2004</i>
	<i>£'000</i>
Interest on bank loans and overdraft	17

#### **6.5 Taxation**

Analysis of Tax Credit on Loss on Ordinary Activities

	<i>Period from 13 June 2003 to 30 November 2004</i>
	<i>£'000</i>
Current taxation:	
UK Corporation tax charge for the period	—
Deferred taxation:	
Origination and reversal of timing differences	(41)
Tax credit on loss on ordinary activities	(41)
<b>Factors affecting tax credit</b>	
Loss on ordinary activities before tax	(380)
Loss on ordinary activities by rate of tax of 19%	(72)
Permanent timing differences	26
Capital allowances in excess of depreciation	9
Expenses not deductible for tax purposes	(4)
Tax credit for the period	(41)

At 30 November 2004, the Group had £214,000 of unrelieved taxable losses to carry forward against future trading profits.

#### **6.6 Earnings per share**

The calculation of earnings per share is based upon the loss after taxation of £340,000 divided by the weighted average number of ordinary shares in issue during the period which was 21,361,595. The weighted average number of ordinary shares used in the calculation of diluted earnings per share is 22,200,095. This has been adjusted for the effect of potentially dilutive share options granted under the company's share option schemes.

## 6.7 Intangible Fixed Assets

	<i>Development costs £'000</i>	<i>Goodwill £'000</i>	<i>Total £'000</i>
<b>Cost</b>			
Additions and at 30 November 2004	134	2,435	2,573
<b>Amortisation</b>			
Charge for the period and at 30 November 2004	14	122	136
<b>Net Book Value</b>			
At 30 November 2004	120	2,313	2,433

## 6.8 Tangible Fixed Assets

	<i>Fixtures fittings and equipment £'000</i>
<b>Cost</b>	
On acquisition of subsidiary	145
Additions	49
At 30 November 2004	194
<b>Depreciation</b>	
On acquisition of subsidiary	86
Charge for the period	25
At 30 November 2004	111
<b>Net Book Value</b>	
At 30 November 2004	83

## 6.9 Investments

	<i>Investment in Subsidiary Undertakings £'000</i>
<b>Cost and net book value</b>	
Acquired in the period and at 30 November 2004	1,753

In November 2003, the Company acquired the entire issued ordinary share capital of Readymarket Limited, a company incorporated in England & Wales. Readymarket Limited has three subsidiaries being Marketing Guild Limited, Wired Gov Limited and Backup and Running plc.

The fair value of assets and liabilities acquired on acquisition was as follows:-

	£'000
Tangible fixed assets	59
Intangible fixed assets	36
Debtors	41
Bank loan & overdraft	(295)
Other creditors	(523)
Net liabilities acquired	<u>(682)</u>
Goodwill	<u>2,435</u>
Consideration	<u><u>1,753</u></u>
Comprising:	
Ordinary shares	1,491
Preference shares	191
Costs	71
Net value of shares issued	<u><u>1,753</u></u>

The profit and loss account of Readymarket Limited for the year ended 30 November 2003 may be summarised as follows:

	<i>Year to</i> <i>30 November</i> <i>2003</i> <i>£'000</i>
<b>Turnover</b>	<u>445</u>
Operating loss	<u>(180)</u>
Net interest payable	<u>(25)</u>
<b>Loss before tax</b>	<u><u>(205)</u></u>

There were no material recognised gains and losses in the period to 30 November 2003 other than the loss on ordinary activities after taxation.

At 30 November 2004, the company was the beneficial owner of the entire issued shared capital and controlled all the votes of its subsidiaries, all of which are incorporated in England and Wales. The principal trading subsidiaries are set out below:

<i>Name</i>	<i>Nature of Business</i>
Readymarket Limited	Holding company
The Marketing Guild Limited	Subscription based marketing company
Wired Gov Limited	Subscription based information provider
Backup and Running	Subscription based disaster recovery company

#### **6.10 Stocks**

	<i>30 November</i> <i>2004</i> <i>£'000</i>
Raw materials and consumables	<u><u>14</u></u>

### 6.11 Debtors

	<i>30 November 2004 £'000</i>
Trade debtors	55
Deferred taxation (Note 6.15)	41
Prepayments and accrued income	25
	<hr/>
	121
	<hr/> <hr/>

### 6.12 Creditors: Amounts Falling Due Within One Year

	<i>30 November 2004 £'000</i>
Bank loans and overdraft	113
Trade creditors	36
Other taxes and social security	36
Accruals and deferred income	176
	<hr/>
	361
	<hr/> <hr/>

### 6.13 Creditors: Amounts Falling After More Than One Year

	<i>30 November 2004 £'000</i>
Bank loans	142
	<hr/> <hr/>

The bank loan is secured by a fixed and floating charge over the group undertaking and assets.

### 6.14 Financial Instruments

The Group's treasury activities are designed to provide suitable, flexible funding arrangements to satisfy the Group's requirements. The Group uses financial instruments comprising borrowings, cash, liquid resources and items such as trade debtors and creditors that arise directly from its operations. The main risks arising from the Group financial instruments are interest rate and liquidity risks. The board reviews policies for managing each of these risks and they are summarised below.

The Group finances its operations through a combination of cash resources and bank borrowings. Short term flexibility is satisfied by overdraft facilities which are repayable on demand and due for renewal in May 2005. Exposure and interest rate fluctuations on its borrowings are managed by the use of both fixed and floating facilities. The Group also mixes the duration of its deposits and borrowings to reduce the impact of interest rate fluctuations.

At 30 November 2004 borrowings comprised:

- £213,000 loan from Bank of Scotland which represents the balance outstanding of an original loan of £350,000. The loan was due to be repaid in full by December 2006, however following the fundraising exercise in December 2004 this loan has been fully repaid since the year end (see note 6.24).
- £42,000 overdraft.

There is no material difference between the fair values and book values of the Group's financial instruments.

Short term debtors and creditors have been excluded from the above disclosures as permitted by FRS 13.

### 6.15 Deferred Taxation

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	30 November 2004 £'000
Accelerated capital allowances	50
Tax losses available	(264)
	<hr/>
	(214)
	<hr/>
Charged to the profit and loss account and provision at 30 November 2004	(41)
	<hr/> <hr/>

### 6.16 Share Capital

	30 November 2004 £'000
<b>Authorised:</b>	
Equity: 40,000,000 Ordinary shares of 0.5p each	200
Non-Equity:191,177 8.5% Redeemable preference shares of £1 each	191
Non-Equity:50,000 Redeemable shares of £1 each	50
	<hr/>
	441
	<hr/>
<b>Allotted, issued and fully paid:</b>	
28,253,378 Ordinary shares of 0.5p each	141
191,177 8.5% Redeemable preference shares of £1 each	191
	<hr/>
	332
	<hr/> <hr/>

On incorporation, the company had an authorised share capital of £1,000 divided into 1,000 Ordinary Shares of £1 each of which one subscriber share was issued fully paid. From the date of incorporation to 30 November 2004, the following transactions were completed:

On 23 July 2003:

- the existing issued ordinary shares and each of the existing un-issued ordinary shares of £1 were sub-divided into 20,000 ordinary shares of 0.005p each;
- the authorised share capital was increased from £1,000 to £250,000 by the creation of 3,980,000,000 ordinary shares of 0.005p each and 50,000 redeemable shares of £1 each;
- the company issued 54,800,000 ordinary shares of 0.005p each at par and 50,000 redeemable shares of £1 each credited as fully paid up at par.

On 29 September 2003, the Company:

- issued a further 14,000,000 ordinary shares of 0.005p each at 5p per share.
- the company made a bonus issue of 52 ordinary shares of 0.005p for every ordinary share of 0.005p held by each member.
- consolidated every 100 ordinary shares of 0.005p each into one ordinary share of 0.5p and,
- redeemed the 50,000 redeemable shares of £1 each for cash at par.

On 20 October 2003, 1,590,000 ordinary shares of 0.5p each were issued in bundles of 41 shares at an aggregate subscription price of £5.00.

On 28 November 2003, the Company:

- issued 15,800,000 ordinary shares of 0.5p were issued at a premium in connection with the acquisition of Readymarket Limited.
- issued 191,177 8.5% redeemable preference shares of £1 each at par.
- Issued a further 528,378, ordinary shares of 0.5p each on admission of the Company to the Alternative Investment Market at 37p per share.

Ordinary share options granted and subsisting at 30 November 2004 were as follows:

<i>Date of grant</i>	<i>Option price</i>	<i>Number of shares</i>	<i>Exercisable between</i>
4 November 2003	9.25p	2,200,000	Nov 2006 – Nov 2013

### **Redeemable preference shares**

The holders of the redeemable preference shares are entitled to a fixed cumulative preferential dividend at a rate of 8.5% per annum, out of profits available for distribution. On a return of capital they have priority over any other class of shares.

### **6.17 Reserves**

	<i>Share Premium £'000</i>	<i>Profit &amp; Loss £'000</i>
Loss for the period	—	(340)
Premium on shares issued in the period	2,446	—
Share premium utilised on bonus issue	(51)	—
Costs incurred	(208)	—
<b>At 30 November 2004</b>	<u>2,187</u>	<u>(340)</u>

### **6.18 Reconciliation of Movement in Equity and Non-equity Shareholders' Funds**

	<i>Period from 13 June 2003 to 30 November 2004 £'000</i>
Loss for the financial period	(340)
Equity shares issued in the period	332
Share premium on equity shares issued	2,446
Share premium utilised on bonus issue	(51)
Costs incurred	(208)
<b>Shareholders' funds at 30 November 2004</b>	<u>2,179</u>
Equity shareholders' funds	1,998
Non equity shareholders' funds	191
	<u>2,179</u>

### **6.19 Reconciliation of Operating Profit to Net Cashflow from Operating Activities**

	<i>Period from 13 June 2003 to 30 November 2004 £'000</i>
Operating loss	(373)
Depreciation of tangible fixed assets	25
Amortisation of goodwill	136
Increase in stocks	(14)
Increase in debtors	(39)
Decrease in creditors	(275)
<b>Net cash outflow from operating activities</b>	<u>(540)</u>

## 6.20 Reconciliation of Net Cash Flow to Movement in Net Debt

	<i>Period from 13 June 2003 to 30 November 2004 £'000</i>
Decrease in cash in period	(11)
Change in net debt arising from cash flows	(11)
Other changes not arising from movements in cash	—
<b>Net Debt at 30 November 2004</b>	<b>(11)</b>

## 6.21 Analysis of Changes in Net Debt

	<i>Cash flows £'000</i>	<i>Other non-cash movements £'000</i>	<i>As at 30 November 2004 £'000</i>
Cash in hand and at bank	31	—	31
Overdraft	(42)	—	(42)
<b>Total</b>	<b>11</b>	<b>—</b>	<b>11</b>

## 6.22 Commitments

### Capital commitments

The Group had no capital commitments at the end of the financial period.

### Operating lease commitments

At 30 November 2004, the Group was committed to making the following payments during the next year in respect of operating leases for land and buildings expiring:-

	<i>As at 30 November 2004 £'000</i>
Between two and five years	29

## 6.23 Related Party Transactions

The Company has entered into a consultancy agreement, dated 24 July 2003, with Zeus Partners ("Zeus") in which K W Salisbury is a partner. Under this agreement, Zeus has agreed to provide the services of K W Salisbury as non-executive director to the Company and specifically to monitor the performance of the Company from a shareholder perspective Fees totalling £140,000 were paid to Zeus for services rendered during the period.

## 6.24 Post Balance Sheet Event

On 15 December 2004 the company raised a further £3 million before expenses through the placing of 30,000,000 new ordinary shares of 0.5p each at 10p per share. Costs relating to the funds raised were £175,000. Part of the cash raised was used to repay the outstanding bank loans (see note 6.14).

Yours faithfully

**CHADWICK**  
**Chartered Accountants**  
**Registered Auditor**

## PART IV

### ACCOUNTANTS' REPORT ON RIDGEWAY TECHNOLOGIES LIMITED



2 June 2005

The Directors  
Access Intelligence plc  
Regency House  
Westminster Place  
York Business Park  
York  
YO26 6RW

The Directors  
Corporate Synergy Plc  
12 Nicholas Lane  
London  
EC4N 7BN

Dear Sirs

#### **RIDGEWAY TECHNOLOGIES LIMITED AND SUBSIDIARY COMPANIES (“the Group”)**

##### **1 Introduction**

- 1.1 We report on the financial information set out paragraphs 2 to 6. This financial information has been prepared for inclusion in the Admission document of the Company dated 2 June 2005 (“the Admission Document”) of Access Intelligence plc.

##### ***Basis of preparation***

- 1.2 The financial information set out in paragraphs 2 to 6 below is based on the financial statements of Ridgeway Technologies Limited and its wholly owned subsidiary companies, Willow Starcom Limited, Starcom Holdings Limited and Willow Limited, for the three years ended 31 December 2002, 2003 and 2004. The financial statements of Ridgeway Technologies Limited and its subsidiary companies have been consolidated for the purposes of this report. All of the individual company financial statements have been subject to independent audit.
- 1.3 The financial statements have been prepared on the basis set out in note 2.1, after making such adjustments as we considered necessary.

##### ***Responsibility***

- 1.5 The financial statements for the three years ended 31 December 2002, 2003 and 2004 are the responsibility of the directors of Ridgeway Technologies Limited and its subsidiaries who approved their issue.
- 1.6 The directors of Access Intelligence plc are responsible for the contents of the Admission Document in which this report is included.
- 1.7 It is our responsibility to compile the financial information set out in our report from the financial statements, to form an opinion on the financial information and to report our opinion to you.

##### ***Basis of opinion***

- 1.8 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.

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

### **Opinion**

- 1.10 In our opinion the financial information gives, for the purposes of the Admission Document, a true and fair view of the profits and cash flows of the Group for the three years ended 31 December 2002, 2003 and 2004 and of the state of affairs of the Group at the end of each of those periods.

### **Consent**

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

## **2. Accounting Policies**

### **2.1 Basis of preparation**

The financial information has been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Lionel Mosling & Company, Chartered Certified Accountants, of 103 Forest Way, Highcliffe, Christchurch, Dorset, were the auditors of the parent and all its subsidiaries for the three years ended 31 December 2002, 2003 and 2004.

### **2.2 Basis of consolidation**

The consolidated profit and loss accounts and balance sheets include the financial statements of the company and its subsidiary undertakings made up to 31 December. Intra-group sales and profits are eliminated fully on consolidation.

### **2.3 Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax. All the turnover is derived from the group's principal activity and based in the United Kingdom.

### **2.4 Goodwill**

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the net assets acquired) arising on business combinations in respect of acquisitions is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life of twenty years.

### **2.5 Tangible fixed assets and depreciation**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter:

Fixtures and fittings	— 20%
Motor vehicles	— 20%
Computer equipment	— 33%

### **2.6 Stocks**

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

## **2.7 Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

## **2.8 Pensions**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the profit and loss account.

## **2.9 Deferred taxation**

Provision is made at current rates for taxation deferred in respect of all material timing differences.

### 3. PROFIT AND LOSS ACCOUNTS

	Notes	Year ended 31 December		
		2002 £	2003 £	2004 £
<b>TURNOVER</b>		1,782,736	2,029,399	2,295,151
Cost of sales		(1,361,487)	(1,575,841)	(1,676,455)
<b>GROSS PROFIT</b>		421,249	453,558	618,696
Administrative expenses		(313,546)	(354,040)	(519,326)
<b>OPERATING PROFIT</b>	6.1	107,703	99,518	99,370
Interest receivable		1,135	3,512	5,446
Interest payable and similar charges	6.3	(10,364)	(7,925)	(8,561)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		98,474	95,105	96,255
Tax on profit on ordinary activities	6.4	(21,331)	(23,554)	(25,310)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		77,143	71,551	70,945
Dividends	6.5	—	—	(52,000)
<b>RETAINED PROFIT FOR THE YEAR</b>	6.14	77,143	71,551	18,945

### 4. BALANCE SHEETS

	Notes	31 December		
		2002 £	2003 £	2004 £
<b>FIXED ASSETS</b>				
Intangible	6.6	97,933	92,733	87,533
Tangible	6.7	74,842	61,707	42,034
		172,775	154,440	129,567
<b>CURRENT ASSETS</b>				
Stocks		172,056	195,322	239,239
Debtors	6.9	212,723	331,102	382,231
Cash at bank and in hand		145,469	270,565	171,002
		530,248	796,989	792,472
<b>CREDITORS: amounts falling due within one year</b>	6.10	(518,915)	(721,206)	(680,135)
<b>NET CURRENT ASSETS</b>		11,333	75,783	112,337
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		184,108	230,223	241,904
<b>CREDITORS: amounts falling due after more than one year</b>	6.11	(29,700)	(4,264)	—
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	6.12	(4,000)	(4,000)	(1,000)
<b>NET ASSETS</b>		150,408	221,959	240,904
<b>CAPITAL AND RESERVES</b>				
Called up share capital	6.13	720	720	720
Share premium account	6.14	67,302	67,302	67,302
Profit and loss account	6.14	82,386	153,937	172,882
<b>SHAREHOLDERS' FUNDS - EQUITY INTERESTS</b>	6.15	150,408	221,959	240,904

## 5. CASH FLOW STATEMENTS

	Notes	Year ended 31 December		
		2002	2003	2004
		£	£	£
<b>Net cash inflow from operating activities</b>	6.16	159,041	228,176	20,287
<b>Returns on investment and servicing of finance</b>				
Interest received		1,135	3,512	5,446
Interest paid		(10,364)	(7,925)	(8,561)
<b>Net cash outflow from returns on investments and servicing of finance</b>		(9,229)	(4,413)	(3,115)
<b>Taxation</b>		(8,799)	(21,345)	(21,686)
<b>Capital expenditure</b>				
Acquisition of tangible assets		(19,810)	(19,827)	(19,464)
Sale of tangible assets		13,526	1,201	1,850
<b>Net cash outflow from capital expenditure</b>		(6,284)	(18,626)	(17,614)
<b>Dividends paid</b>		—	—	(52,000)
<b>Financing</b>				
Loan stock payments		(110,498)	(54,334)	(23,577)
Finance leases and hire purchase		(16,722)	(4,362)	(1,858)
<b>Net cash outflow from financing</b>		(127,220)	(58,696)	(25,435)
<b>Increase/(decrease) in cash in the year</b>	6.17	7,509	125,096	(99,563)

## 6. NOTES TO THE FINANCIAL INFORMATION

### 6.1 Operating profit

The operating profit is stated after charging/(crediting):

	Year ended 31 December		
	2002	2003	2004
	£	£	£
Depreciation on owned assets	10,848	27,897	36,421
Depreciation on assets held under hire purchase contracts or finance leases	14,102	1,642	—
Amortisation of goodwill	5,200	5,200	5,200
(Profit)/loss on disposal of fixed assets	(10,914)	2,222	866
Auditors remuneration	3,500	3,500	1,775
Operating leases: land and buildings	20,869	28,810	39,307

### 6.2 Employees

Staff costs (including directors) were as follows:

	Year ended 31 December		
	2002	2003	2004
	£	£	£
Wages and salaries	678,765	706,616	850,483
Social security costs	66,376	74,347	91,036
Other pension costs	28,130	26,688	31,740
	773,181	807,651	973,259

The average monthly number of employees (including directors) during the period was:

	<i>Year ended 31 December</i>		
	2002	2003	2004
	<i>No.</i>	<i>No.</i>	<i>No.</i>
Management	2	2	3
Sales	17	19	21
Administration	5	6	4
	<u>24</u>	<u>27</u>	<u>28</u>

Emoluments for the directors (including benefits in kind) in each period were:

	<i>Year ended 31 December</i>		
	2002	2003	2004
	<i>£</i>	<i>£</i>	<i>£</i>
Directors' emoluments	<u>74,822</u>	<u>72,306</u>	<u>182,402</u>
The number of directors to whom retirement benefits were accruing was:	<u>2</u>	<u>2</u>	<u>3</u>

### **6.3 Interest payable**

	<i>Year ended 31 December</i>		
	2002	2003	2004
	<i>£</i>	<i>£</i>	<i>£</i>
On bank loans and overdrafts	–	140	183
Other loans	6,056	1,900	361
Hire purchase and finance leases	4,308	5,885	8,017
	<u>10,364</u>	<u>7,925</u>	<u>8,561</u>

### **6.4 Taxation**

	<i>Year ended 31 December</i>		
	2002	2003	2004
	<i>£</i>	<i>£</i>	<i>£</i>
UK corporation tax @ 24% (2003:22.9% and 2002:19%)	18,500	23,000	28,000
Adjustments relating to prior years	16	554	310
	<u>18,516</u>	<u>23,554</u>	<u>28,310</u>
Provision for deferred tax	2,815	–	(3,000)
	<u>21,331</u>	<u>23,554</u>	<u>25,310</u>

### **6.5 Dividends**

	<i>Year ended 31 December</i>		
	2002	2003	2004
	<i>£</i>	<i>£</i>	<i>£</i>
'A' Ordinary shares	–	–	40,000
'B' Ordinary shares	–	–	12,000
	<u>–</u>	<u>–</u>	<u>52,000</u>

## 6.6 Intangible fixed assets

	31 December		
	2002	2003	2004
	£	£	£
<b>Goodwill at cost</b>			
At 1 January and 31 December	104,000	104,000	104,000
<b>Amortisation</b>			
At 1 January	867	6,067	11,267
Charge for the year	5,200	5,200	5,200
At 31 December	6,067	11,267	16,467
<b>Net book value</b>			
At 31 December	97,933	92,733	87,533

## 6.7 Tangible fixed assets

	Fixtures and fittings	Motor vehicles	Computer equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2002	38,283	161,783	86,320	286,386
Additions	595	—	19,215	19,810
Disposals	(4,456)	(102,783)	(40,067)	(147,306)
At 31 December 2002	34,422	59,000	65,468	158,890
Additions	3,876	—	15,951	19,827
Disposals	—	(16,850)	(8,139)	(24,989)
At 31 December 2003	38,298	42,150	73,280	153,728
Additions	5,882	—	13,582	19,464
Disposals	—	(9,000)	(10,180)	(19,180)
At 31 December 2004	44,180	33,150	76,682	154,012
<b>Depreciation</b>				
At 1 January 2002	18,581	117,769	67,442	203,792
Disposals	(4,456)	(100,387)	(39,851)	(144,694)
Charge for the year	1,039	15,830	8,081	24,950
At 31 December 2002	15,164	33,212	35,672	84,048
Disposals	—	(13,428)	(8,139)	(21,567)
Charge for the year	3,950	10,340	15,249	29,539
At 31 December 2003	19,114	30,124	42,783	92,021
Disposals	—	(7,050)	(9,414)	(16,464)
Charge for the year	6,529	7,686	22,206	36,421
At 31 December 2004	25,643	30,760	55,575	111,978
<b>Net book value</b>				
At 31 December 2002	19,258	25,788	29,796	74,842
At 31 December 2003	19,184	12,026	30,497	61,707
<b>At 31 December 2004</b>	18,537	2,390	21,107	42,034

The net book value of fixed assets includes £Nil (2003: £4,927, 2002: £27,017) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £Nil (2003: £1,642, 2002: £14,102).

## 6.8 Investments

Throughout the three years ended 31 December 2002, 2003 and 2004, the company held 100% (either directly or indirectly through its subsidiaries) of the ordinary shares of the following subsidiary companies (all of which are incorporated and operate in England and Wales):

<i>Company</i>	<i>Activity</i>
Willow Starcom Limited	Maintenance and support of computer hardware and software systems.
Starcom Holdings Limited	Holding company
Willow Limited	Dormant

The results of the subsidiary undertakings have been consolidated in the group financial statements for the purposes of this report.

## 6.9 Debtors

	31 December		
	2002	2003	2004
	£	£	£
Trade debtors	174,023	289,959	333,518
Other debtors	2,640	5,629	7,419
Prepayments	36,060	35,514	41,294
	<u>212,723</u>	<u>331,102</u>	<u>382,231</u>

## 6.10 Creditors: amounts falling due within one year

	31 December		
	2002	2003	2004
	£	£	£
Trade creditors	150,578	280,218	191,213
Loan Stock (secured – see paragraph 6.11)	54,334	23,578	4,265
Hire purchase and finance leases	4,362	1,858	–
Other creditors	4,709	7,950	14,170
Corporation tax	18,500	20,709	27,333
Other taxes and social security	46,324	93,066	102,286
Accruals	240,108	293,827	340,868
	<u>518,915</u>	<u>721,206</u>	<u>680,135</u>

### 6.11 Creditors: amounts falling due after more than one year

	31 December		
	2002	2003	2004
	£	£	£
Hire purchase and finance leases	1,858	—	—
Loan Stock (secured)	27,842	4,264	—
	<u>29,700</u>	<u>4,264</u>	<u>—</u>

On 22 October 2001, the company issued £232,674 loan stock in consideration of part of the purchase of the share capital of Starcom Holdings Limited. The company outlined a repayment schedule to redeem the loan stock before the final redemption date on 22 April 2005. The coupon rate of the loan stock is fixed at 1% below the LIBOR rate fixed at the date of issue. LIBOR on 22 October 2001 was 4.5%. Interest is compounded on the last business day of March, June, September and December. The loan stock is secured by a floating charge over all the company's assets.

### 6.12 Provision for liabilities and charges

	31 December		
	2002	2003	2004
	£	£	£
<b>Deferred tax</b>			
Opening balance	1,185	4,000	4,000
Charge to profit and loss account	2,815	—	(3,000)
Closing balance	<u>4,000</u>	<u>4,000</u>	<u>1,000</u>
The liability can be analysed as follows:			
Accelerated capital allowances	<u>4,000</u>	<u>4,000</u>	<u>1,000</u>

### 6.13 Share capital

	31 December		
	2002	2003	2004
	£	£	£
<b>Authorised</b>			
800 'A' Ordinary shares of £1 each	800	800	800
200 'B' Ordinary shares of £1 each	200	200	200
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
<b>Allotted, called up and fully paid</b>			
600 'A' Ordinary shares of £1 each	600	600	600
120 'B' Ordinary shares of £1 each	120	120	120
	<u>720</u>	<u>720</u>	<u>720</u>

### 6.14 Reserves

	Share premium account	Profit and loss account
	£	£
At 1 January 2002	67,302	5,243
Retained profit for the year	—	77,143
At 31 December 2002	67,302	82,386
Retained profit for the year	—	71,551
At 31 December 2003	67,302	153,937
Retained profit for the year	—	18,945
At 31 December 2004	<u>67,302</u>	<u>172,882</u>

### 6.15 Reconciliation of movements in shareholders' funds

	31 December		
	2002	2003	2004
	£	£	£
Opening shareholders' funds	73,265	150,408	221,959
Profit for the year	77,143	71,551	70,945
Dividends	—	—	(52,000)
Closing shareholders' funds	<u>150,408</u>	<u>221,959</u>	<u>240,904</u>

### 6.16 Reconciliation of operating profit to net cash flow from operating activities

	31 December		
	2002	2003	2004
	£	£	£
Operating profit	107,703	99,518	99,370
Depreciation	24,950	29,539	36,421
Amortisation	5,200	5,200	5,200
(Profit)/loss on disposal of fixed assets	(10,914)	2,222	866
Increase in stocks	(49,329)	(23,266)	(43,917)
Increase in debtors	82,428	(118,379)	(51,129)
Increase in creditors	(997)	233,342	(26,524)
Net cash inflow from operating activities	<u>159,041</u>	<u>228,176</u>	<u>20,287</u>

### 6.17 Analysis of changes in net funds

	1 Jan 2002	Cash flow	31 Dec 2002
	£	£	£
Cash at bank and in hand	137,960	7,509	145,469
Debts falling due within one year	(73,459)	14,763	(58,696)
Debts falling due after one year	(142,157)	112,457	(29,700)
	<u>(215,616)</u>	<u>127,220</u>	<u>(88,396)</u>
Movement in net (debt)/funds	<u>(77,656)</u>	<u>134,729</u>	<u>57,073</u>
	145,469	125,096	270,565
Debts falling due within one year	(58,696)	33,260	(25,436)
Debts falling due after one year	(29,700)	25,436	(4,264)
	<u>(88,396)</u>	<u>58,696</u>	<u>(29,700)</u>
Movement in net funds	<u>57,073</u>	<u>183,792</u>	<u>240,865</u>
	270,565	(99,563)	171,002
Debts falling due within one year	(25,436)	21,171	(4,265)
Debts falling due after one year	(4,264)	4,264	—
	<u>(29,700)</u>	<u>25,435</u>	<u>(4,265)</u>
Movement in net funds	<u>240,865</u>	<u>(74,128)</u>	<u>166,737</u>

### **6.18 Financial commitments**

The group had the following annual commitments under operating leases, which expire as follows:

	31 December		
	2002	2003	2004
	£	£	£
<b>Land and buildings</b>			
In one year	26,254	39,171	32,511
<b>Equipment and vehicles</b>			
In one year	—	—	—
Between two and five years	—	6,437	6,437
	<u>26,254</u>	<u>45,608</u>	<u>38,948</u>

### **6.19 Contingencies**

The company's bank holds an unscheduled mortgage debenture dated 27 September 1997 incorporating a fixed and floating charge over the assets of Willow Starcom Limited. No bank loans or overdrafts were extant throughout the three year period ended 31 December 2004.

### **6.20 Related party transactions**

Throughout the three year period ended 31 December 2004, the company was owned and controlled by its directors.

Yours faithfully

**CHADWICK**  
**Chartered Accountants**  
**Registered Auditor**

## PART V

### PRO FORMA STATEMENT OF NET ASSETS

The following unaudited pro forma statement of net assets of the Enlarged Group has been prepared for illustrative purposes only to provide information about the impact of the Acquisition and because of its nature may not give a true reflection of the financial position of the Enlarged Group. It has been prepared on the basis that the Acquisition was undertaken as at the date of the Group's last audited balance sheet on 30 November 2004 and on the basis set out in the notes:

	<i>The Group as at 30 November 2004 (note 1) £000</i>	<i>December Placing (note 2) £000</i>	<i>Ridgeway as at 31 December 2004 (note 3) £000</i>	<i>Expenses (note 4) £000</i>	<i>Net assets of the Enlarged Group £000</i>
<b>Fixed assets</b>					
Intangible assets	2,433	—	88	—	2,521
Tangible assets	83	—	42	—	125
	2,516	—	130	—	2,646
<b>Current assets</b>					
Stock	14	—	239	—	253
Debtors	121	—	382	—	503
Cash at bank and in hand	31	2,825	171	(205)	2,822
<b>Creditors: amounts falling due within one year</b>	(361)	—	(680)	—	(1,041)
<b>Net current assets/(liabilities)</b>	(195)	2,825	112	(205)	2,537
<b>Creditors: amounts falling due after more than one year</b>	(142)	—	—	—	(142)
<b>Net assets</b>	2,179	2,825	242	(205)	5,041

Notes:

The pro forma statement of net assets has been prepared on the following basis:

1. The net assets of the Group at 30 November 2004 have been extracted, without material adjustment, from the accountants' report on the Company set out in Part III of this document.
2. Represents the net proceeds of the placing of 30,000,000 Ordinary Shares at 10 pence per share by the Company on 15 December 2004
3. The net assets of Ridgeway at 31 December 2004 have been extracted, without material adjustment, from the accountants' report on Ridgeway set out in Part IV of this document.
4. Represents the expenses of the Acquisition and Admission.

## PART VI

### ADDITIONAL INFORMATION

#### 1. The Company

- 1.1 The Company was incorporated and registered in England and Wales on 13 June 2003 under the Act as a private company limited by shares with the name Readymarket Limited with registration number 4799195. On 24 July 2003, the Company re-registered as a public limited company. On 28 November 2003 the Company changed its name to Access Intelligence plc. The principal legislation under which the Company operates is the Act.
- 1.2 The Company's accounting reference date is 30 November.
- 1.3 The Company's registered office is Regency House, Westminster Place, York Business Park, York, YO62 6RW and its principal place of business is at its registered office.
- 1.4 The Company is a holding company. Immediately following completion of the Acquisition the Company will be the holding company of the following subsidiary companies which will be wholly owned and which are incorporated in England and Wales:

<i>Name</i>	<i>Nature of Business</i>	<i>Date of Incorporation</i>	<i>Issued Share Capital (fully paid)</i>
The Marketing Guild Limited	subscription based marketing company	15 May 1986	£93,835
Wired Gov Limited	subscription based information provider	17 February 2003	£67,500
Backup and Running plc	subscription based disaster recovery company	11 December 1998	£[8,335]
Internet Marketing Limited	dormant	6 January 1995	£100
Internet Marketing Guild Limited	dormant	21 June 1995	£2
Corporate Finance Guild Limited	dormant	30 March 2001	£2
Ridgeway Technologies Limited	holding company of Willow	22 November 2000	£100

#### 2. Share Capital

- 2.1 As at the date of this document and at Admission, assuming the issue of all of the Consideration Shares, the issued and authorised ordinary share capital of the Company is, and will be, as follows:

	<i>As at the date of this document</i>		<i>At Admission</i>	
	<i>Nominal value</i>	<i>Number of Ordinary Shares</i>	<i>Nominal value</i>	<i>Number of Ordinary Shares</i>
Authorised	£450,000	90,000,000	£500,000	100,000,000
Issued	£291,266.89	58,253,378	£293,766.89	58,753,378

As at the date of this document and at Admission the issued and authorised preference share capital of the Company is, and will be, as follows:

	<i>As at the date of this document</i>		<i>At Admission</i>	
	<i>Nominal value</i>	<i>Number of Preference Shares</i>	<i>Nominal value</i>	<i>Number of Preference Shares</i>
Authorised	£1.00	191,177	£1.00	191,177
Issued	£1.00	191,177	£1.00	191,177

- 2.2 At the date of its incorporation, the authorised share capital of the Company was £1,000 divided into 1,000 ordinary shares of £1 each of which one subscriber share was in issue, fully paid.
- 2.3 On 13 June 2003, the subscriber share was transferred to Keith William Salisbury

- 2.4 Since the incorporation of the Company, the following changes have occurred in the authorised and issued share capital of the Company
- (a) on 23 July 2003:
    - (i) the existing issued ordinary share and each of the existing unissued ordinary shares of £1 each in the capital of the Company were sub-divided into 20,000 ordinary shares of 0.005p each;
    - (ii) the authorised share capital of the Company was increased from £1,000 to £250,000 by the creation of 3,980,000,000 ordinary shares of 0.005p each and 50,000 redeemable preference shares of £1 each;
    - (iii) the Company issued 5,480,000 ordinary shares of 0.005p each credited as fully paid up at par and 50,000 redeemable shares of £1 each, one quarter paid.
  - (b) on 29 July 2003, at an extraordinary general meeting of the Company it was resolved to consolidate every 100 ordinary shares of 0.005p each into 1 ordinary share of 0.5p each, conditional upon:
    - (i) the allotment of 14,000,000 ordinary shares of 0.005p to the subscribers under the terms of the offer for subscription made on the same date; and
    - (ii) the making of a bonus issue of 52 ordinary shares of 0.005p for every ordinary share held by each member
  - (c) on 29 September 2003, the Company
    - (i) issued 14,000,000 ordinary shares of 0.005p to the subscribers to the offer for subscription made on 29 July 2003 at 5p per share;
    - (ii) issued 1,170,000,000 ordinary shares of 0.005p pursuant to the bonus issue referred to in paragraph 2.4(b)(ii) above;
    - (iii) consolidated, pursuant to the resolution passed on 29 July 2003, every 100 ordinary shares of 0.005p each into 1 Ordinary Share; and
    - (iv) redeemed the redeemable shares for cash at par.
  - (d) on 20 October 2003 the Company issued 1,590,000 Ordinary Shares for cash in multiples of 53 Ordinary Shares at an aggregate subscription price of £5 pursuant to a private placing which closed on 10 October 2003.
  - (e) on 28 November 2003 the Company allotted conditionally on the Ordinary Shares being admitted to trading on AIM, 15,800,000 Ordinary Shares and 191,177 redeemable preference shares to the vendors of Readymarket Limited in accordance with an acquisition agreement dated 4 November 2003.
  - (f) on 13 December 2004 the authorised share capital of the Company was increased from £441,177 to £691,177 by the creation of 50,000,000 ordinary shares of 0.5p each;
  - (g) on 14 December 2004 the Company issued 30,000,000 Ordinary shares for cash at a price of 10p per share.
- 2.5 Pursuant to a resolution passed at an extraordinary general meeting of the Company on 13 December 2004 the Directors are generally and unconditionally authorised for the purpose of Section 80 of the Companies Act 1985 to exercise all the powers of the Company to adopt relevant securities (within the meaning of section 80(2) of the Act) up to an aggregate nominal amount of £247,000, such authority to expire either at the conclusion of the next annual general meeting of the Company or, if earlier, on 13 December 2005, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such an offer or agreement notwithstanding that the authority has expired.
- 2.6 Save as referred to in this paragraph 2 and paragraph 9 of this Part VI, no share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.

### **3. Memorandum and Articles of Association**

#### *Memorandum of Association*

The principal objects of the Company are set out in Clause 4 of the Company's memorandum of association and are to carry on the business of a holding company.

#### *Articles of Association*

The following is a summary of the provisions of the Company's current Articles of Association:-

#### **3.1 Votes of Members**

##### **(a) Votes attaching to Shares**

Subject to any special rights or restrictions as to voting attached by or in accordance with the Articles to any shares or class of shares, on a show of hands every member who is present in person shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder.

##### **(b) No voting rights where calls outstanding**

No member shall, unless the board otherwise determines, be entitled to vote:

- (i) if any call or other sum presently payable by him to the Company in respect of the shares remains unpaid; or
- (ii) if a member has been served with a restriction notice and failed to provide the Company with information concerning interest in those shares required to be provided under the Act.

#### **3.2 Transfer of Shares**

##### **(a) Form of transfer**

Transfers of shares may be effected by an instrument of transfer in any usual form or in any other form approved by the board. The 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 remain the holder of the shares concerned until the name of the transferee is entered in the register in respect of such shares.

##### **(b) Right to refuse to register a transfer**

The board may in its absolute discretion and without assigning any reason for its actions refuse to register any transfer of any share which is not a fully paid share. The board may decline to recognise any instrument of transfer unless:

- (i) the duly stamped instrument of transfer:
  - (1) is in respect of only one class of shares;
  - (2) is lodged at the registered office or such other place as the board may appoint; and
  - (3) is accompanied by the relevant share certificate(s) and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer; and
- (ii) in the case of a transfer to joint holders, the number of joint holders does not exceed four.

The board may also decline to register a transfer of shares (except for certain types of transfer) after there has been a failure to provide the Company with information concerning interest in those shares required to be provided under the Articles or the Act until such failure has been remedied.

#### **3.3 Dividends**

##### **(a) Final dividends**

The Company may by ordinary resolution declare dividends but no such dividends shall exceed the sum recommended by the board.

(b) Interim and fixed dividends

In so far as, in the opinion of the board, the profits of the Company justify such payments, the board may declare and pay the fixed dividends on any class of shares carrying fixed dividends expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment of such dividends and may also from time to time declare and pay interim dividends on shares of any class of such sums and on such dates and in respect of such periods as it thinks fit.

(c) Retention of dividends

The board may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

The board may withhold dividends payable on shares after there has been failure to provide the Company with information concerning interests in those shares required to be provided under the Act until such failure has been remedied.

(d) Unclaimed dividend

Any dividend unclaimed after a period of twelve years from the date the dividend became due for payment shall be forfeited and shall revert to the Company.

(e) Distribution in specie

The Company may upon the recommendation of the board by ordinary resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid up shares or debentures of any other company) and the board shall give effect to such resolution.

### 3.4 *Distribution of assets on a winding up*

If the Company shall be wound up the liquidator may, with the authority of an extraordinary resolution and subject to any provision of law, divide among the members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members or different classes of members.

### 3.5 *Capitalisation of profits and reserves*

(a) The board may, with the sanction of an ordinary resolution of the Company, capitalise any sum standing to the credit of any of the Company's reserve accounts or any sum standing to the credit of profit and loss account.

(b) Such capitalisation shall be effected by appropriating such sum to the holders of Ordinary Shares in proportion to their holdings of Ordinary Shares and applying such sum on their behalf in paying up in full unissued shares.

### 3.6 *Share capital*

(a) Variation of rights

The special rights attached to any class may, subject to the provisions of the Act, be varied either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of the class or with the sanction of any extraordinary resolution passed at a separate general meeting of the holders of the shares of the class.

(b) Increase in share capital

The Company may from time to time by ordinary resolution increase its share capital by such sum to be divided into shares of such amounts as the resolution shall prescribe.

(c) Consolidation, subdivision and cancellation

The Company may by ordinary resolution:

(i) consolidate and divide all or any of its share capital into shares of larger nominal value than its existing shares;

- (ii) subject to the provisions of the Act, sub-divide its shares.
- (d) Reduction or cancellation  
The Company may by special resolution reduce or cancel its share capital or any revaluation reserve or share premium account or any other reserve fund in any manner and with and subject to any confirmation or consent required by law.
- (e) Purchase of own shares  
Subject to the provisions of the Act, the Company may purchase or may enter into any contract under which it will or may purchase, any of its own shares.

### 3.7 *Rights attached to the Redeemable Shares*

- (a) Voting  
The Redeemable Shares do not entitle the holders thereof to receive notice of and to attend and vote at any general meeting of the Company.
- (b) Dividends  
The Redeemable Shares rank *pari passu* in all respects with the Ordinary Shares
- (c) Return of Capital  
The Redeemable Shares rank *pari passu* in all respects with the Ordinary Shares.

### 3.8 *Rights attached to the Redeemable Preference Shares*

- (a) Dividends  
Out of the profits which are available for distribution and resolved to be distributed the holders of the Redeemable Preference Shares are entitled, in priority to any payment of dividend to the holders of any other class of shares to a fixed cumulative preferential dividend at a rate of 8.5% per annum on the nominal capital for the time being paid up or credited as paid up on such Redeemable Preference Shares. The holders of the Redeemable Preference Shares have no further right of participation in the profits of the Company.
- (b) Return of Capital  
On a return of capital on winding up or otherwise (other than a conversion, redemption or purchase of shares), the holders of the Redeemable Preference Shares are entitled, in priority to any payment to the holders of any other class of shares to payment of an amount equal to all arrears and accruals (if any) of the preferential dividend. The holders of the Redeemable Preference Shares are not entitled to any further right of participation in the assets of the Company.
- (c) Voting  
The holders of the Redeemable Preference Shares are not entitled to vote at general meetings of the Company unless:
  - (i) the preferential dividend referred to at paragraph 7.8(a) of this Part VI is six months or more in arrears: or
  - (ii) any Redeemable Preference Shares have not been redeemed on their due date of redemption; or
  - (iii) a resolution is proposed varying the rights of the holders of the Redeemable Preference Shares or for the winding up or sanctioning the sale of the undertaking of the Company (in which case they shall only be entitled to vote on such resolution).
- (d) Redemption  
The Company has the right, subject to the provisions of the Act, to redeem all of the Redeemable Preference Shares when any person, firm or company agrees to acquire any interest in shares conferring 50% of the total voting rights conferred by all issued shares in the capital of the Company or in any subsidiary or the whole or material part of the undertaking of the Company or any subsidiary undertakings. The Company also has the right (subject to the

provisions of the Act) to redeem 3,500 Redeemable Preference Shares per calendar month from January 2004 by giving at least 28 days' prior notice of the date when any such redemption is to occur.

(e) Other provisions

Except with the consent of the holders of three quarters in nominal value of the Redeemable Preference Shares:-

- (i) The Company may not purchase any of its own shares, reduce its share capital or any capital redemption reserve or any share premium account where such reduction involves the return of capital (except where such purchase or redemption is made in accordance with the right to redeem the Redeemable Preference Shares);
- (ii) No shares ranking equally with the Redeemable Preference Shares with respect to participation in profits or assets of the Company shall be paid up in whole or in part by capitalisation of profits or reserves;
- (iii) The directors shall exercise all powers vested in them in relation to the Company's subsidiaries to secure that no subsidiary shall allot or issue any shares ranking as regards participation in its profits or assets in any respect in priority to its equity share capital, no such shares in any subsidiary at any time owned by the Company or another subsidiary shall be disposed of except as part of a transaction whereby, for full consideration, the subsidiary ceases to be a subsidiary of the Company.

(f) Variation of Rights

The issue of further shares ranking, as regards participation in the profits or assets of the Company in any respect in priority to or equally with the Redeemable Preference Shares shall be deemed to be a variation of the special rights attached to such shares.

### 3.9 *Forfeiture and lien*

(a) Notice on failure to pay a call

If a member fails to pay in full any call or instalment of a call on the due date of payment the board may at any time after the failure serve a notice on him requiring payment and shall state that in the event of non-payment in accordance with such notice the shares on which the call was made will be liable to be forfeited.

(b) Lien on partly-paid shares

The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such share.

(c) Sale of shares subject to lien

The Company may sell in such manner as the board thinks fit any share on which the Company has a lien, fourteen days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell.

### 3.10 *Directors*

(a) Number of directors

Unless otherwise determined by ordinary resolution the directors shall not be fewer than two nor more than ten in number.

(b) Directors' fees

The ordinary remuneration of the directors shall from time to time be determined by the board except that such remuneration shall not exceed £750,000 per annum in aggregate or such higher sum as may from time to time be determined by ordinary resolution of the Company.

(c) Directors' expenses

The board may repay to any director any such reasonable expenses as he may incur in attending meetings of the board or of any committee of the board or shareholders' meetings or otherwise in connection with the business of the Company.

(d) Age limit

Any provision of the Act which, subject to the provisions of the Articles, would have the effect of rendering any person ineligible for appointment or election as a director or liable to vacate office as a director on account of his having reached any specified age or of requiring special notice or any other special formality in connection with the appointment or election of any director over a specified age, shall not apply to the Company.

(e) Retirement by rotation

At each annual general meeting one-third of the directors for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation.

(f) Restrictions on voting

A director shall not vote (save as provided in the Articles) in respect of any contract or arrangement or any other proposal whatsoever in which the persons connected with him have 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 the any resolution on which he is entitled to vote.

(g) Subject to the provisions of the Act, 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:

- (i) relating to the giving of any security, guarantee or indemnity in respect of:
  - (1) money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings; or
  - (2) a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or part under a guarantee or indemnity or by the giving of security;
- (ii) where the Company or any of its subsidiary undertakings is offering securities in which offer the director is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the director is to participate;
- (iii) relating to another company in which he does not hold an interest in shares representing 1% or more of either class of the equity share capital, or the voting rights in such company;
- (iv) relating to a pension, superannuation or similar scheme or retirement, death or disability benefits scheme or employees' share scheme which has been approved by the Inland Revenue or is conditional upon such approval or does not award him any privilege or benefit to the employees to whom such scheme relates; or
- (v) concerning insurance which the Company proposes to maintain or purchase for the benefit of directors or for the benefit of persons including directors.

### 3.11 *Borrowing powers*

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

#### 4. Directors

4.1 Other than their directorships of the Company, the current directorships and partnerships of the Directors and directorships and partnerships held by them over the previous five years are as follows:

<i>Directors</i>	<i>Current</i>	<i>Previous</i>
Jeremy Hamer	Avingtrans Plc Inter Link Foods Plc Berkeley Scott Group Plc Glisten Plc Rose Bowl Plc Brown Foods Plc Unicorn AIM VCT II Plc Access Intelligence plc Financial Decisions (Partnership) West Country Fine Foods Limited	Honeysuckle Group Plc Honeysuckle Fashions Limited Pro:atria Limited Dowcarter Limited Perception Digital Media Limited The National Solicitor's Network Limited Baldwin & Francis Limited Legal Information Services Limited Club4Sports Limited D'Aguiar Marketing and Design Limited No Legwork plc Rushden Granulating Company Limited Rushden Playsafe Limited Qube Strategic Marketing Limited Scratchsports Limited
Brendan Austin	The Access Partnership Limited The Marketing Guild Limited Readymarket Limited The Internet Marketing Guild Limited Internet Marketing Limited The Management Guild Limited Corporate Finance Guild Limited Kids Safetynet Limited Access Intelligence plc Backup and Running Plc	Security Blinds Development Sol Publications Limited
Colin Davies	Haverstrong Limited Criticalbid Limited Premier Fine Foods Limited Inter Link Food Group Limited Causeway Carpets Limited Crossfield Foods Limited Multibake Limited Inter Link Foods Plc The Marketing Guild Limited Readymarket Limited Lisa Bakery Limited The Internet Marketing Guild Limited Internet Marketing Limited Corporate Finance Guild Limited Access Corporate Finance Limited York Early Music Press Limited Kids Safetynet Limited Readybuy Plc Oriental Fine Foods Limited Floors2Go Plc Soreen Limited Wired Gov Limited Backup & Running Plc Access Intelligence plc The Access Partnership Limited Roe Lee Properties Limited Mother Hubbard Cakes Limited Yorkshire Cottage Bakeries Limited Jesse Oldfield Bakeries Limited	The Management Guild Limited Security Blinds Limited Reef Document Solutions Limited

<i>Directors</i>	<i>Current</i>	<i>Previous</i>
Ian Savage	Ian Savage Publishing Limited Access Intelligence plc	
Alwin Thompson	Multibake Limited Premier Fine Foods Limited Inter Link Food Group Limited Crossfield Foods Limited Lisa Bakery Limited Inter Link Foods Plc Hepworth and Whittles Limited William Lusty Limited Cakes for the Connoisseur Limited Biscuits for the Connoisseur Limited Creative Cakes Limited Maid Marian Bakeries Limited Soreen Limited North West Food Alliance 2001 Limited Access Intelligence plc Farmhouse Bakery Products (Canterbury) Limited Farmhouse Bakery Holdings Limited Butlers Pantry Foods Limited Yorkshire Cottage Bakeries Limited Mother Hubbard Cakes Limited Jesse Oldfield Bakeries Limited	Eatwell (UK) Limited

- 4.2 Jeremy Hamer was (a) a non-executive director of Harveys Traditional Bakery Limited which was liquidated in 1997 during his tenure as a director, (b) a non-executive director of Vendotech Limited which entered into a creditors' voluntary arrangement in 1999 within 12 months of his ceasing to be a director, (c) a non-executive director of No Legwork plc, which completed a members' voluntary arrangement during his tenure as a director, (d) as a representative of Elderstreet Private Equity Limited he was a non-executive director of each of Rushden Granulating Company Limited, Rushden Playsafe Limited, D'Aguiar Marketing and Design Limited, and Qube Strategic Marketing Limited, all of which were liquidated or entered into administration between 2001 and 2004 during his tenure as a director and (e) was a non-executive director of Club4Sports Limited which entered into members' voluntary liquidation in 2003 during his tenure as director.

Colin Davies was (a) as a representative non-executive director of Graystone plc, a director of Drayton Hotels plc, which went into receivership in 1992, (b) as a representative non-executive director on behalf of Vista Securities Limited, a director of Post Publications Limited which went into liquidation in 1990, and (c) is a non-executive director of Causeway Carpets Limited which went into administration in 2005.

- 4.3 Save as disclosed in paragraph 4.2 of Part VI of this document, as at the date of this document, none of the Directors or has:
- 4.3.1 any unspent convictions in relation to indictable offences; or
  - 4.3.2 been declared bankrupt or made any individual voluntary arrangement; or
  - 4.3.3 been a director of a company at the time of or within the twelve months preceding any receivership, compulsory liquidation, creditors' voluntary liquidation, administration, voluntary arrangement or any composition or arrangement with creditors generally or any class of creditors; or
  - 4.3.4 been a partner or in a partnership at the time of or within the twelve months preceding the partnership being subject to a compulsory liquidation, administration or partnership voluntary arrangement; or
  - 4.3.5 had any asset subject to receivership or been a partner of any partnership at the time of or within the twelve months preceding any asset of such partnership being subject to a receivership; or

4.3.6 been subject to any public criticism by statutory or regulatory authorities (including recognised professional bodies), nor disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

## 5. Directors' and Other Interests

5.1 The interests of the Directors in the share capital of the Company, all of which are beneficial, as notified to the Company pursuant to section 324 or 328 of the Act, as they appear or will appear in the register of directors' interests required pursuant to section 325 of the Act, or which are interests of persons connected with the Directors (within the meaning of section 346 of the Act) as at the date of this document and immediately following Admission are and will be as follows:

	<i>As at the date of this document</i>		<i>At Admission</i>	
	<i>Number of Ordinary Shares</i>	<i>Percentage of issued Ordinary Share capital</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued Ordinary Share capital</i>
Jeremy Hamer	2,061,928	3.54	2,061,928	3.51
Brendan Austin	4,161,178	7.14	4,161,178	7.08
Colin Davies	2,262,592	3.88	2,262,592	3.85
Ian Savage	158,000	0.27	158,000	0.27
Alwin Thompson	787,531	1.35	787,531	1.34

5.2 Save as disclosed above, the Directors are not aware of any interests of persons connected with them which would, if such connected person were a director, be required to be notified to the Company pursuant to section 324 or section 328 of the Act and would be required to be entered in the register of directors' interests pursuant to section 325 of the Act.

5.3 Other than as set out below, the Company is not aware of any person, other than the Directors and their immediate families, who at the date of this document and immediately following Admission, directly or indirectly, jointly or severally, exercise or could exercise control over the Company or who is or will be interested in 3 per cent. or more of the issued share capital of the Company as at the date of this document or at Admission.

	<i>As at the date of this document</i>		<i>At Admission</i>	
	<i>Number of Ordinary Shares</i>	<i>Percentage of issued Ordinary Share capital</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued Ordinary Share capital</i>
Unicorn Asset Management	7,000,000	12.02	7,000,000	11.91
Phoenix VCT plc	6,600,000	11.33	6,600,000	11.23

5.4 Save as disclosed above, none of the Directors has any interest, beneficial or non-beneficial, in the share or loan capital of the Company.

5.5 Save as disclosed in this document, no Director has any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or leased to, the Company and no contract or arrangement exists in which a Director is materially interested and which is significant in relation to the business of the Company.

5.6 There are no outstanding loans granted by the Company to any of the Directors, nor are there any guarantees provided by the Company for their benefit.

## 6. Directors' Service Contracts

6.1 Jeremy Hamer has entered into a Non-Executive Directorship Agreement with the Company dated 8 October 2004 pursuant to which Mr Hamer has made himself available to act as Non-Executive Chairman of the Company for a period of two years for an annual fee of £25,000 (excluding any applicable VAT) payable quarterly in advance. The agreement contains post-termination restrictive covenants by him which place limitations on the solicitation of customers and employees and from acting in competition with the business of the Group. The agreement also contains restrictions on the use by him of confidential information obtained as a result of his employment.

6.2 Brendan James Austin has entered into a service agreement with the Company dated 4 November 2003. The agreement is terminable by either party on six months' notice. Mr Austin is entitled, under

the terms of the agreement, to an annual salary (subject to annual review) of £60,000, to a pension contribution and private health insurance for himself, his wife and dependant children. Subject to the rules of the Company's life assurance schemes from time to time in force, he may also be entitled to life assurance equivalent to four times his basic salary. Mr Austin will also be entitled to the use of a Company car. The service agreement contains post-termination restrictive covenants by him which place limitations on the solicitation of customers and employees and from acting in competition with the business of the Group. The service agreement also contains restrictions on the use by him of confidential information obtained as a result of his employment

- 6.3 Colin Ernest Davies has entered into a service agreement with the Company dated 4 November 2003, whereby Mr Davies will work part-time for the Company for one day a week. The agreement is terminable by either party on six months' notice. Mr Davies is entitled, under the terms of the agreement, to an annual salary (subject to annual review) of £32,000, to a pension contribution and private health insurance for himself, his wife and dependant children. Subject to the rules of the Company's life assurance schemes from time to time in force, he may also be entitled to life assurance equivalent to four times his basic salary. Mr Davies will also be entitled to the use of a Company car. The service agreement contains post-termination restrictive covenants by him which place limitations on the solicitation of customers and employees and from acting in competition with the business of the Group. The service agreement also contains restrictions on the use by him of confidential information obtained as a result of his employment.
- 6.4 Ian Savage has entered into a Non-Executive Directorship Agreement with the Company dated 4 November 2003 pursuant to which Mr Savage has made himself available to act as a Non-Executive Director of the Company for a period of two years for an annual fee of £12,000 (excluding any applicable VAT) payable quarterly in advance. The agreement contains post-termination restrictive covenants by him which place limitations on the solicitation of customers and employees and from acting in competition with the business of the Group. The agreement also contains restrictions on the use by him of confidential information obtained as a result of his employment.
- 6.5 Alwin Thompson has entered into a Non-Executive Directorship Agreement with the Company dated 4 November 2003 pursuant to which Mr Thompson has made himself available to act as a Non-Executive Director of the Company for a period of two years for an annual fee of £12,000 (excluding any applicable VAT) payable quarterly in advance. The agreement contains post-termination restrictive covenants by him which place limitations on the solicitation of customers and employees and from acting in competition with the business of the Group. The agreement also contains restrictions on the use by him of confidential information obtained as a result of his employment.
- 6.6 The aggregate remuneration payable (and benefits in kind to be granted) to the Directors in the current financial period ending on 30 November 2005 under the arrangements in force at the date of this document is estimated to be £141,000. Of this, the Directors have agreed to forego, in aggregate, £51,500 to which they are contractually entitled. These amounts are not accruing. The aggregate remuneration paid to the Directors in the financial period ending on 30 November 2004 was £67,000.

## **7. Taxation**

### **7.1 Introduction**

The information in this section is based on the Directors' understanding of current tax law and Inland Revenue practice. The following should be regarded as a summary and should not be construed as constituting advice. Prospective shareholders are strongly advised to take their own independent tax advice but certain potential tax benefits are summarised below potentially available to an individual resident in the UK for tax purposes.

On issue, the Ordinary Shares will not be treated as either "listed" or "quoted" securities for tax purposes. Provided that the Company remains one which does not have any of its shares quoted on a recognised stock exchange (which for these purposes does not include AIM) and assuming that the Company remains a trading company or the holding company of a trading group for UK tax purposes, the Ordinary Shares should continue to be treated as unquoted securities qualifying for certain reliefs from UK taxation.

The following information is based upon the laws and practice currently in force in the UK and may not apply to persons who do not hold their Ordinary Shares as investments.

## **7.2 Capital Gains Tax (“CGT”)**

### *7.2.1 Disposals*

Changes were made to the rules relating to the holdings of shares from 6 April 1998 so that the “pooling” of shares (i.e. treating them as one asset) no longer applies. Generally, any disposal of shares is treated on a last in, first out basis for the purposes of calculating gains which are chargeable to tax.

### *7.2.2 Taper Relief*

On 5 April 1998, “taper relief” was introduced which applies to individual investors and trustees (but not to corporate investors). Taper relief reduces the chargeable gain assessable to CGT in relation to the period the investment is held. The scales of relief depend upon whether the investment is a “business” or “non-business” asset. The scale of relief is enhanced for those assets which qualify as “business” assets.

Business assets include shares in qualifying unquoted trading companies or holding companies of trading groups. For these purposes, prospective Investors should note that companies admitted to trading on AIM are regarded as unquoted.

For as long as the Company remains the holding company of a trading group and satisfies the relevant criteria so that its shares qualify as business assets for the purposes of the more favourable business asset rate of taper relief. If there is any period where the Company does not qualify.. the taper relief would be calculated by apportioning any gain assessed on shares in the Company between the non-business and business periods with each part of the gain then attracting taper relief at the appropriate rate, for the whole of the qualifying holding period.

## **7.3 Inheritance Tax (“IHT”)**

Shares in qualifying trading companies can attract 100 per cent. business property relief from IHT provided that the shares are held for at least two years before a chargeable transfer for IHT purposes. Business property relief applies to shares in an AIM company if that company is a trading company or holding company of a trading group.

## **7.4 Income Tax**

### *7.4.1 Taxation of Dividends*

- 7.4.1.1 Under current UK tax legislation, no tax is withheld from dividends paid by the Company.
- 7.4.1.2 UK resident individual shareholders are treated as having received income of an amount equal to the sum of the dividend and its associated tax credit, the tax credit being 10 per cent. of the combined amount of the dividend and the tax credit (i.e. the tax credit will be one ninth net of the net dividend received by the individual shareholder). The tax credit will satisfy a UK resident individual shareholder’s lower and basic rate (but not higher rate) income tax liability in respect of the dividend. UK resident individual shareholders who are subject to tax at the higher rate (currently 40 per cent.) will have to account for additional tax. The special rate of tax set for higher rate taxpayers who receive dividends is 32.5 per cent. After taking account of the 10 per cent. tax credit, such a taxpayer would have to account for additional tax of 22.5 per cent. i.e. an effective rate of 25 per cent on the amount of the dividend received. In determining what tax rates apply to a UK resident individual shareholder, dividend income is treated as his top slice of income.
- 7.4.1.3 Individuals and, since 6 April 2004 charities, can no longer reclaim any part of the tax credit.
- 7.4.1.4 A UK resident (for tax purposes) corporate shareholder will generally not be liable to UK corporation tax on any dividend received and will be entitled for tax purposes to treat any such dividend and the related tax credit as franked investment income.
- 7.4.1.5 A UK pension fund, as defined in Section 231A Income and Corporation Taxes 1988, is restricted from claiming a repayment of the tax credit.
- 7.4.1.6 Shareholders not resident in the UK are generally not taxed in the UK on dividends received by them (unless, exceptionally, the investment is managed by a UK investment manager acting, broadly, on arm’s length terms). By virtue of double taxation agreements

between the UK and other countries, some overseas shareholders are able to claim payment of all or part of the tax credits carried by the dividends they receive from UK companies. Persons who are not resident in the UK should consult their own tax advisers on the possible applicability of such provisions, the procedure for claiming repayment and what relief or credit may be claimed in respect of such tax credit in the jurisdiction in which they are resident.

#### *7.4.2 Loss Relief*

If a loss arises on the arms length disposal of shares in a qualifying trading company or a holding company of a trading group, such shares being originally acquired on a subscription for new shares, the loss may be relieved against income of that year or the previous year (with priority for relief in the current year where income of both years is utilised). Any loss remaining after claiming relief against income, may be available for relief against capital gains in either the current or subsequent years.

#### *7.4.3 Qualifying Investment Relief*

A gift to a charity of a “qualifying investment” will qualify for income tax relief under section 587B of the Income and Corporation Taxes Act 1988 (“ICTA”). Prospective Investors should note that shares in an AIM company are treated as “qualifying investments”. The amount of relief is calculated based on the market value of the “qualifying investment” at the date of the gift and the incidental costs of making the disposal.

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

Transfers or sales of Ordinary Shares will be subject to ad valorem stamp duty (payable by the purchaser and generally at the rate of 50p per £100 or part thereof rounded up to the nearest £5) and an unconditional agreement to transfer such shares, if not completed by a duly stamped stock transfer form within two months of the day on which such agreement is made or becomes unconditional, will be subject to SDRT (payable by the purchaser and generally at that rate). However, if within 6 years of the date of the agreement an instrument of transfer is executed pursuant to the agreement and stamp duty is paid on that instrument, any liability to SDRT will be cancelled or repaid.

### **7.6 Enterprise Investment Scheme (“EIS”) and Venture Capital Trust Scheme (“VCT”)**

The Company has previously received clearance from H M Customs & Revenue that its shares potentially qualify for relief for EIS and VCT purposes and has received further provisional clearance that this will continue to be the case following the Acquisition.

EIS and VCT provide certain investors in the Company's shares with income tax and capital gains tax advantages where those investors have subscribed for their shares in cash. There are a number of other qualifying conditions and, because they depend on the exact circumstances of individual investors, it is not possible for the Company to give assurances to specific shareholders who should seek their own advice.

The tax reliefs available under EIS and VCT apply to certain unlisted companies, which for this purpose includes shares in an AIM company, which carry on qualifying trading activities.

**The above is a summary of certain aspects of current law and practice in the UK. A shareholder who is in any doubt as to his tax position, or who is subject to tax in a jurisdiction other than the UK, should consult his or her professional adviser.**

## **8. Material Contracts**

Other than the Directors' service contracts described in paragraph 6 of this Part VI, the following contracts (not being contracts entered into the ordinary course of business) have been entered into by the Company and Ridgeway within two years immediately preceding the date of this document and are, or may be, material.

### **8.1 The Company**

*Readymarket Plc (now renamed Access Intelligence plc)*

- (a) An agreement dated 4 November 2003 made between the Company (1) and Brendan James Austin and others (2) relating to the sale of the entire share issued of Access Intelligence Limited for a

consideration of £1.49 million. The consideration was satisfied by the issue, credited as fully paid of Ordinary Shares and redeemable preference shares to the vendors of Access Intelligence Limited.

- (b) A Placing Agreement dated 4 November 2003 made between the Company (1) WH Ireland (2) the Directors (3) and Edmund Ian Savage, Brendan James Austin, Alwin Curtis Thompson and Colin Ernest Davies (4) pursuant to which the Company issued Ordinary Shares at a price of 37 pence per share.

#### Access

- (a) An agreement dated 6 August 2003 and made between Stephen Waldron and Lorraine Waldron and Wired Gov Limited whereby Stephen Waldron and Lorraine Waldron assigned to Wired Gov Limited copyright, database rights and all other similar rights in a database.
- (b) An agreement dated 27 August 2003 made between Simon Edward Chappell and Others (“the BUAR Vendors”) and Access Intelligence Limited whereby the BUAR Vendors agreed to sell to Access Intelligence plc the entire issued share capital of Backup and Running Limited. The consideration was an initial cash sum of £50,000, payable within 30 days of completion, together with consideration shares in Access Intelligence plc. Completion took place on 30 October 2003. Of the shares acquired by Access Intelligence, 50,000 were partly paid as to 50% and 24,998 as to 25%. Further consideration is payable by Access Intelligence if turnover exceeds £300,000 based upon accounts to 30 November 2006, subject to a maximum limit of £50,000. Following preparation of completion accounts, if the net liabilities of BUAR are more than £85,000, then any excess will be paid on a pound for pound basis by the BUAR Vendors to Access Intelligence.
- (c) An agreement dated 27 August 2003 and made between Brendan James Austin and others (“the Wired Gov Vendors”) and Access Intelligence plc whereby the Wired Gov Vendors agreed to sell to Access Intelligence Limited the entire issued share capital of Wired Gov Limited. Consideration for the acquisition is the issue of consideration shares in Access Intelligence to each of the Wired Gov Vendors.
- (d) A deed of variation dated 1 October 2003 whereby the previous owners of The Marketing Guild Limited and Access Intelligence plc agreed that the loan notes and the share sale and purchase agreement dated 19 December 2000 were to be varied such that the consideration was reduced to £510,000 and the aggregate liability of Access Intelligence under the loan notes was reduced to £60,000.
- (e) A Placing Agreement dated 18 November 2004 made between the Company (1) Corporate Synergy (2) and the Directors (3) pursuant to which the Company issued 30,000,000 Ordinary Shares at 10 pence per share.
- (f) The Service Agreements referred to in paragraph 6 above.
- (g) An agreement dated 1 June 2005 between the Company (1) and Mark Berry and others (2) relating to the sale and purchase of the entire issued share capital of Ridgeway Technologies Limited for an initial consideration of £700,000 to be satisfied as to £650,000 in cash and as to the balance by the allotment of 500,000 initial consideration shares and deferred consideration of up to £1,100,000 to be satisfied wholly by the issue of deferred consideration shares. Completion is subject to the passing of the Resolutions of the EGM.

## 9. Share Options

### 9.1 The Readymarket plc Unapproved Share Option Scheme (the “Unapproved Scheme”)

On 4 November 2003 the Board resolved to grant options under the Unapproved Scheme. As at the date of this document, the following options remain outstanding under the Unapproved Scheme:

Name	No. of Ordinary Shares	Exercise Price	Exercise period
Simon Edward Chappell	800,000	9.25p	between
Richard Baker	150,000	9.25p	the third
Jamie Austin	200,000	9.25p	and tenth
Sandra Valentine	150,000	9.25p	anniversary of
Robert Hughes	100,000	9.25p	28 November
Christopher Alan Powell	50,000	9.25p	2003

The Unapproved Scheme was approved by Shareholders at the Extraordinary General Meeting of the Company held on 28 November 2003. The Unapproved Scheme is administered by a committee (the "Committee") (comprising a majority of non-executive directors of the board).

**9.2 The main features of the Unapproved Scheme may be summarised as follows:**

(a) *Eligibility*

All *bona fide* employees (including executive directors) of the Group and who are nominated by the Committee are eligible to participate if they are not expected by the Committee to retire within six months from the date of grant.

(b) *Grants of Options*

Grants of options may normally be made within 42 days after: the date on which the Unapproved Scheme is adopted; the announcement of the Company's interim or final results in each year; or the commencement of employment with a member of the Group. No options may be granted more than 10 years after the date the Unapproved Scheme was adopted.

(c) *Option Price*

The option price per Ordinary Share will not be less than the middle market quotation of such Ordinary Shares as derived from the London Stock Exchange Daily Official List or the Financial Times (as appropriate) on the dealing day immediately preceding the date of grant (or the nominal value of an Ordinary Share if greater). Where the Ordinary Shares are not so listed or traded the Committee will determine the option price per Ordinary Share (not being less than the nominal value of an ordinary share).

In the event of a variation in the share capital of the Company, the option price and/or the number of Ordinary Shares comprised in each option may be adjusted as the auditors of the Company confirm in writing to be fair and reasonable. No adjustment may be made which will reduce the option price below the nominal value of an Ordinary Share.

(d) *Individual Limits*

Except in circumstances considered by the Committee to be exceptional, no option may be granted to a participant if this would, at the date of grant, cause the total of the aggregate market value of Ordinary Shares comprised in such option together with the aggregate market value of any ordinary share issued or remaining issuable pursuant to options granted under the Unapproved Scheme and any other share option scheme (not being a savings-related scheme) established by the Company to exceed four times his annual remuneration payable by the Group.

(e) *Rights and Restrictions*

An option granted under the Unapproved Scheme is not transferable and generally may only be exercised within the period of three to ten years after the date of grant except in circumstances referred to below. The exercise of an option may be subject to such performance-related conditions as the Committee may determine (but the Committee are not obliged to set such conditions). In certain circumstances, the Committee may waive or vary any performance-related conditions.

An option is exercisable within a period of 6 months at the discretion of the Committee if the option holder ceases to be employed within the Group.

Options are exercisable within a limited period in the event of a takeover or voluntary winding-up of the Company and will in certain circumstances lapse if not so exercised.

(f) *Allotment of ordinary shares*

The Ordinary Shares allotted under the Unapproved Scheme will rank *pari passu* with the Company's issued ordinary shares save that any allotment made after the earlier of the date of announcement of a proposed dividend or other distribution and the record date of a proposed dividend or other distribution will be made upon terms that the Ordinary Shares so allotted are not entitled to participate therein.

(g) *Unapproved Scheme Limits*

The aggregate number of Ordinary Shares issued or remaining issuable under the Unapproved Scheme on (and including) any date of grant together with the number of Ordinary Shares issued or remaining issuable pursuant to options granted in the previous ten years under any other share option scheme approved by the Company in general meeting and the number of Ordinary Shares issued in those previous ten years under any profit sharing scheme approved by the company in general meeting may not exceed 10 per cent of the number of Ordinary Shares in issue immediately before the date of grant.

(h) *Alteration*

The Committee may alter the Unapproved Scheme except that (apart from minor amendments to benefit the administration of the Unapproved Scheme, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or the Group) no alteration which is to the advantage of participants can be made to various defined terms and certain provisions relating to selection of eligible employees, grants of options, limitations on grant, option period, variation of capital, takeover or the like and rights of shares issued under options without the prior approval of shareholders in general meeting.

(i) *Benefits*

Benefits under the Unapproved Scheme are not pensionable.

Option holders are not required to pay the amount of employer's national insurance due on the exercise of an option under the Unapproved Scheme as a condition of exercise but PAYE income tax and employee's national insurance must be paid to the Company as a condition of exercise of an option under the Unapproved Scheme.

### **9.3 Option Grants (the "Option Grants")**

(a) *Edmund Ian Savage*

As Mr Savage is not eligible to participate in the Share Option Scheme, the Board on 4 November 2003 resolved to grant the following share option, on Admission, to Edmund Ian Savage as Non - executive Director of the Company, subject to the passing of Resolution 6 by Shareholders at the EGM:

<i>No. of Ordinary Shares</i>	<i>Exercise Price</i>	<i>Exercise Period</i>
425,000	9.25p	between the third and the tenth anniversary of 28 November 2003

In the event of a variation in the share capital of the Company, the exercise price and/or the number of Ordinary Shares comprised in the option may be adjusted as the auditors of the Company confirm in writing to be fair and reasonable. No adjustment may be made which will reduce the exercise price below the nominal value of an Ordinary Share.

#### **Rights and Restrictions**

The option may only be exercised within the period of three to ten years after the date of grant except in circumstances referred to below.

An option is exercisable within a period of 6 months at the discretion of the Committee if the option holder ceases to be a non-executive director of the Company.

Options are exercisable within a limited period in the event of a takeover or voluntary winding-up of the Company and will in certain circumstances lapse if not so exercised.

#### **Allotment of Ordinary Shares**

The Ordinary Shares allotted under the option will rank *pari passu* with the Company's issued Ordinary Shares save that any allotment made after the earlier of the date of announcement of a proposed dividend or other distribution and the record date of a proposed dividend or other distribution will be made upon terms that the Ordinary Shares so allotted are not entitled to participate therein.

## Benefits

Benefits under the option are not pensionable.

Mr Savage is not required to pay the amount of employer's national insurance due on the exercise of the option but he must arrange to pay PAYE income tax and employee's national insurance to the Company as a condition of exercise of the option.

(b) *Ian Seymour, Nigel Robinson, David Oliver and Miriam Hartley*

As Mr Seymour, who is an agent to The Marketing Guild, is not eligible to participate in the Share Option Scheme, the Board on 4 November 2003 resolved to grant the following share option to him:

<i>No. of Ordinary Shares</i>	<i>Exercise Price</i>	<i>Exercise Period</i>
150,000	9.25p	between the third and the tenth anniversary of 28 November 2003

As Mr Robinson, Mr Oliver and Ms Hartley, who are consultants for The Marketing Guild on an ad hoc basis are not eligible to participate in the Unapproved Scheme the Board on 4 November resolved to grant the following share options to each of them:

<i>Name</i>	<i>No of Ordinary Shares</i>	<i>Exercise Price</i>	<i>Exercise period</i>
Nigel John Robinson	50,000	9.25p	Between the third and the
David Oliver	10,000	9.25p	tenth anniversary of
Miriam Hartley	5,000	9.25p	28 November 2003

In the event of a variation in the share capital of the Company, the exercise price and/or the number of Ordinary Shares comprised in the option may be adjusted as the auditors of the Company confirm in writing to be fair and reasonable. No adjustment may be made which will reduce the exercise price below the nominal value of an Ordinary Share.

## Rights and Restrictions

The option may only be exercised within the period of three to ten years after the date of grant except in circumstances referred to below.

Options are exercisable within a limited period in the event of a takeover or voluntary winding-up of the Company and will in certain circumstances lapse if not so exercised.

## Allotment of Ordinary Shares

The Ordinary Shares allotted under the option will rank *pari passu* with the Company's issued Ordinary Shares save that any allotment made after the earlier of the date of announcement of a proposed dividend or other distribution and the record date of a proposed dividend or other distribution will be made upon terms that the Ordinary Shares so allotted are not entitled to participate therein.

### **9.4 The Access Intelligence plc Management Incentive Scheme (the "New Scheme")**

The New Scheme was approved by ordinary resolution of the Shareholders at an Extraordinary General Meeting of the Company held on 13 December 2004. On 13 December 2004 the Board resolved to grant the following options under the New Scheme:

<i>Name</i>	<i>No. of Ordinary Shares</i>	<i>Exercise Price</i>	<i>Exercise period</i>
Brendan James Austin	500,000	10p	Between the third and tenth anniversary of the date of grant of the option
Colin Ernest Davies	400,000	10p	
Simon Edward Chappell	200,000	10p	
Stephen Mark Waldron	200,000	10p	
Christopher Alan Powell	75,000	10p	
Jamie Brendan Austin	75,000	10p	
Robert Hughes	75,000	10p	
Sandra Christine Valentine	25,000	10p	
Lorraine Catherine Waldron	25,000	10p	

The principal provisions of the New Scheme are as follows:

#### Eligibility

All employees (including executive directors) of the Group are eligible to participate in the New Scheme, providing they do not hold a material interest in the Company (defined as being the beneficial ownership or the ability to control, directly or indirectly, 30 per cent, or more of the issued ordinary share capital of the Company) and that they work at least 25 hours a week for the Company or, if less, spend at least 75 per cent, of their working time working for the Company.

#### Grants of Options

Grants of options may normally be made within 42 days after: (a) the date on which the New Scheme is adopted by the Company in general meeting; (b) the announcement of the Group's interim or final results in each year; and (c) the commencement of an individual's employment with the Group. No options may be granted more than ten years after the Scheme has been adopted.

#### Scheme Limits

The aggregate number of Ordinary Shares issued or remaining issuable under the New Scheme on (and including) any date of grant together with the number of Ordinary Shares issued or remaining issuable pursuant to options granted in the previous ten years under any other employee share option scheme approved by the Company in general meeting may not exceed ten per cent of the number of Ordinary Shares in issue immediately before the date of grant.

A participant may not hold options under the New Scheme over Ordinary Shares with a market value in excess of £100,000 as at the date of grant. The total value of Ordinary Shares subject to options under the New Scheme may not exceed £3 million by reference to the market price of the Ordinary Shares at the date of the option grant.

#### Option Price

Where options are granted following Admission and when the Ordinary Shares are listed on the Official List or admitted to trading on AIM the option price per Ordinary Share will not be less than the middle market quotation of such Ordinary Shares, as derived from the Daily Official List, on the dealing day immediately preceding the date of grant (or the nominal value of an Ordinary Share if greater).

For periods up to and including Admission and where the Ordinary Shares are not so listed or traded the Board will determine the option price per Ordinary Share (not being less than the nominal value of an Ordinary Share). In the event of a variation in the share capital of the Company, the option price and/or number of Ordinary Shares comprised in each option may be adjusted as the auditors of the Company confirm in writing to be fair and reasonable. No adjustment may be made which will reduce the option price below the nominal value of an Ordinary Share.

#### Rights and Restrictions

An Option granted under the New Scheme is not transferable and generally may only be exercised within the period specified in the option agreement until the tenth anniversary of the date of grant of the option.

An option is exercisable within a limited period of time if the option holder ceases to be employed within the Group by reason of disability, ill-health or retirement; or because his employing company ceases to be a member of the Group; or because his employing business is being transferred out of the Group; or, at the discretion of the Board for any other reason. The personal representatives of an option holder may exercise an option within 12 months of the death of the option holder.

Options are exercisable within a limited period of time in the event of a takeover or voluntary liquidation of the Company and will in certain circumstances lapse if not so exercised.

#### Performance Conditions

The Board has the ability under the rules of the New Scheme to make future awards of options subject to performance conditions if it wishes.

## Allotment of Ordinary Shares

The Ordinary Shares allotted under the New Scheme will rank *pari passu* with the Company's issued Ordinary Shares save that any allotment made after the earlier of the date of announcement of a proposed dividend or other distribution and the record date of a proposed dividend or other distribution will be made upon terms that the Ordinary Shares so allotted are not entitled to participate therein.

## Alteration

The Board may alter the New Scheme except that (apart from minor amendments to benefit the administration of the New Scheme, to take account of a change in the legislation or to obtain or maintain favourable tax treatment, exchange control or regulatory treatment for participants or the Group) no alteration which is to the advantage of participants can be made to the New Scheme without the prior approval of Shareholders in general meeting.

## Tax

The New Scheme makes provision for options to be granted as Enterprise Management Incentives pursuant to Schedule 5 to the Income Tax (Earnings and Pensions) Act 2003 where the individual meets the relevant conditions.

Option holders are required to pay the amount of employer's national insurance due on the exercise of an option under the New Scheme as a condition of exercise and PAYE income tax and employee's national insurance must be paid as a condition of exercise of an option under the New Scheme.

## 10. Litigation

Neither the Company nor Ridgeway is engaged in any legal or arbitration proceedings nor, so far as the Company or Ridgeway is aware, are any such proceedings pending or threatened which are having or may have a significant effect on the financial position of the Company or Ridgeway.

## 11. Working Capital

The Directors are of the opinion having made due and careful enquiry that the working capital available to the Enlarged Group will be sufficient for its present requirements that is at least 12 months from the date of Admission.

## 12. General

- 12.1 Save as set out in this document, there are no patents or intellectual property rights, licenses or particular contracts, which are of fundamental importance to the Company's business.
- 12.2 Other than as described in this document, there has been no significant change in the trading or financial position of the Company since 30 November 2004 or in Ridgeway since 31 December 2004.
- 12.3 It is estimated that the total expenses payable in connection with the Acquisition and Admission will amount to approximately £205,000 (inclusive of any applicable value added tax).
- 12.4 Chadwick Chartered Accountants have given and have not withdrawn their written consent to the issue of this document with the references herein to their report (for which they take responsibility accordingly) and name in the form and context in which they respectively appear.
- 12.5 With reference to and for the purposes of paragraph 45 (1)(b)(iii) of Part VI of Schedule 1 to the Regulations, Chadwick Chartered Accountants accept responsibility in relation to this document for the report set out in Part III and IV of this document.
- 12.6 Corporate Synergy has given and not withdrawn its consent to the inclusion in this document of its name and the references thereto in the form and context in which they appear.
- 12.7 There have been no interruptions in the business of the Company or Ridgeway which may have or have had in the 12 months preceding publication of this document a significant effect on the financial position of the Company or Ridgeway respectively.
- 12.8 The Ordinary Shares are in registered form. No temporary documents of title will be issued.

- 12.9 Save as disclosed in this document there have been no payments by the Company to promoters in the two years prior to the date of this document and no fees have been paid in the 12 months preceding the date of this document (other than to trade suppliers) in the sum of £10,000 or more in cash or in kind.
- 12.10 The financial information relating to the Company set out in this document does not constitute statutory accounts of the Company (within the meaning of section 240 of the Act).
- 12.11 Other than described in this document, there are no significant investments in progress in respect of the Company.
- 12.12 Copies of this document will be available free of charge during normal business hours on any week day (Saturdays, Sundays and public holidays excepted) until the date following one month after the date of Admission at the offices of Philip Ashworth and Co, 121 The Mount, York, YO24 1DU and at the offices of Corporate Synergy.
- 12.13 Copies of the following documents may be inspected at the offices of Philip Ashworth & Co, 121 The Mount, York, YO24 1DU during the usual business hours on any week day (weekends and public holidays excepted) for the period of 14 days following the date of Admission:
- The Memorandum and Articles of Association of the Company;
  - The Memorandum and Articles of Association of Access Intelligence;
  - The audited accounts of the Company for the period ended 30 November 2004;
  - The accountants' reports by Chadwick Chartered Accountants on the Company and Ridgeway reproduced in parts III and IV, respectively, of this document;
  - The pro forma statement of net assets appearing in Part V of this document;
  - The Directors' service agreements and letters of appointment referred to in paragraph 6 above;
  - The rules of the New Scheme and the Unapproved Scheme as defined in paragraph 9 above;
  - The letter from the Chairman of the Company appearing in Part I of this document;
  - The material contracts referred to in paragraph 8 above; and
  - The written consents referred to in paragraphs 12.4 and 12.6 above.

Date: 2 June 2005

## ACCESS INTELLIGENCE PLC

### NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY given that an extraordinary general meeting of Access Intelligence plc (the "Company") will be held at the offices of Philip Ashworth & Co, 121 The Mount, York, YO24 1DU on 27 June 2005 at 10 am for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as to resolutions 1 to 3 as ordinary resolutions and as to resolution 4 as a special resolution. The passing of all the resolutions will be conditional upon the passing of each of them.

#### ORDINARY RESOLUTIONS

1. That the acquisition by the Company of the entire issued share capital of Ridgeway Technologies Limited on the terms and subject to the conditions of the Acquisition Agreement (as defined in the admission document of the Company dated 1 June 2005 of which this notice forms part (the "Admission Document")) be and is hereby approved and the Board (or a duly constituted committee thereof) be authorised to waive, amend, vary, or increase any such terms and conditions to make the acquisition and do all such things as it considers necessary or desirable in connection with the acquisition of the whole of the share capital of Ridgeway Technologies Limited in connection with the Acquisition.
2. That the authorised share capital of the Company be increased from £691,177 to £741,177 by the creation of 10,000,000 new ordinary shares of 0.5 pence each ranking *pari passu* with the existing ordinary shares of 0.5 pence each in the capital of the Company.
3. That the Directors be and they hereby are generally and unconditionally authorised (such authority to be in substitution for existing such authorities) to allot relevant securities, (within the meaning of section 80 of the Companies Act 1985 (the "Act")) up to an aggregate nominal amount of £257,000 such authority to expire at the conclusion of the annual general meeting of the Company to be held in 2005 (unless previously revoked, renewed, extended, revised or varied by the Company in a general meeting), save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement notwithstanding that the authority conferred hereby is expired.

#### SPECIAL RESOLUTION

4. That the Directors be and they hereby are empowered pursuant to section 95 of the Act to allot equity securities (within the meaning of section 95 of the Act) wholly for cash pursuant to the authority conferred by resolution number 3 above as if section 89 (1) of the Act did not apply to any such allotment, such authority to expire at the conclusion of the annual general meeting of the Company to be held in 2005 (unless previously revoked, renewed, extended, revised or varied by the Company in a general meeting), save that the Company may before such expiry make an offer or agreement which would or might require securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement notwithstanding that the authority hereby has expired, and provided further that such power be limited to:
  - (a) the allotment and issue to the Ridgeway Vendors (as defined in the Admission Document) of the Consideration Shares (as defined in the Admission Document) and any deferred consideration shares to be allotted to the Ridgeway Vendors pursuant to the terms of the Acquisition Agreement (as defined in the Admission Document);
  - (b) the allotment of equity securities upon the exercise of any options pursuant to the Option Schemes (as defined in the Admission Document); and
  - (c) the allotment otherwise than in pursuance to sub-paragraph 4(a) and (b) above of equity securities up to an aggregate nominal amount of £29,375 of the allotted and fully paid share capital of the Company immediately following completion of the Acquisition (as defined in the Admission Document).

Dated: 2 June 2005

Registered Office:  
Regency House  
Westminster Place  
York YO26 6RW

By order of the Board

Simon Edward Chappell  
Secretary

Notes:

- (1) Every member who is entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and vote in his/her stead. A proxy need not be a member of the Company. Authorised representatives of corporate members have full voting powers. Members who have lodged forms of proxy are not thereby, prevented from attending the meeting and voting in the person if they so wish.
- (2) To be effective, the form of proxy (together with any power of attorney or other written authority under which it is signed or a notarially certified copy of such power or written authority) must be lodged at the offices of the Company's Registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA, not later than 48 hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or in the same day as the meeting or adjourned meeting) not less than 24 hours before the time appointed for the taking of the poll at which it is to be used.
- (3) Any corporation which is a member of the Company may authorise a person (who need not be a member of the Company) to act as its representative to attend, speak and vote (on a show of hands or a poll) on its behalf.
- (4) Pursuant to Regulation 40 of the Uncertificated Securities Regulations 2001, the time by which a person must be entered on the register of members in order to have the right to attend or vote at the Extraordinary General Meeting is at 10.00am on 25 June 2005. If the meeting is adjourned, the time by which a person must be entered on the register of members in order to have the right to attend or vote at the adjourned meeting is 48 hours before the date fixed to the adjourned meeting. Changes to entries on the register of members after the relevant time will be disregarded in determining the rights of any person to attend or vote at the meeting.

