

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document you should consult a person authorised under the Financial Services Act 1986 who specialises in advising on the acquisition of shares and other securities.

Application has been made for the Ordinary Shares and Warrants of Westside Acquisitions plc to be admitted to trading on the Alternative Investment Market of the London Stock Exchange ("AIM"). AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk than that associated with established companies tends to be attached. A prospective investor should be aware of the potential risks in investing in such companies and should make the decision to invest only after careful consideration and consultation with his or her own independent financial adviser.

The rules of AIM are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the Ordinary Shares and Warrants to the Official List. Further, the London Stock Exchange has not itself approved the contents of this document. The Ordinary Shares and Warrants are not dealt in on any other recognised investment exchange and no other such applications have been made.

A copy of this document, which comprises a prospectus drawn up in accordance with the Public Offers of Securities Regulations 1995, as amended ("the Regulations"), has been issued in connection with the application for Admission of the Ordinary Shares and Warrants to AIM and has been delivered to the Registrar of Companies in England and Wales for registration in accordance with Regulation 4(2) of the Regulations.

WESTSIDE ACQUISITIONS PLC

(Incorporated in England and Wales with Registered No 3882621)

Placing of 24,000,000 Ordinary Shares at 2¹/₂p per share and Issue of 1 Warrant for every 5 Ordinary Shares subscribed in the Placing Admission to trading on the Alternative Investment Market

**Nominated Adviser
Seymour Pierce Limited**

**Nominated Broker
Ellis & Partners Limited**

SHARE CAPITAL IMMEDIATELY FOLLOWING THE PLACING

<i>Authorised</i>			<i>Issued and fully paid</i>	
<i>Amount</i>	<i>Number</i>		<i>Amount</i>	<i>Number</i>
£1,500,000	150,000,000	Ordinary Shares of 1p each	£374,000	37,400,000

The Placing is conditional, *inter alia*, on Admission taking place on or before 8 December 1999 (or such later date as the Company, Ellis & Partners Limited and Seymour Pierce Limited may agree).

The Directors of Westside Acquisitions plc, whose names appear on page 4 of this document, accept responsibility for the information contained in this document including individual and collective responsibility for compliance with the rules set out in chapter 16 of the Rules of the London Stock Exchange ("AIM Rules"). To the best of the knowledge of the Directors the information contained in this document is in accordance with the facts, and this document makes no omission likely to affect the import of such information.

Seymour Pierce Limited, which is regulated by The Securities and Futures Authority Limited, is the Company's nominated adviser for the purposes of the AIM Rules. 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, any director nor to any other person in respect of his or her decision to acquire Ordinary Shares and Warrants in reliance on any Part of this document.

Ellis & Partners Limited, which is regulated by The Securities and Futures Authority Limited, is the Company's nominated broker. Persons should note that, in connection with the Placing and Admission of the Company's Ordinary Shares and Warrants to AIM, Ellis & Partners Limited is acting for the Company and for no-one else and will not be responsible to any other person for providing protections afforded to customers of Ellis & Partners Limited, nor for providing advice in relation to the Placing.

Westside Acquisitions plc is a newly formed company with no existing business record. The attention of investors is drawn to the risk factors set out in Part II of this document.

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DEFINITIONS

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

“Act”	the Companies Act 1985 (as amended)
“Admission”	admission of the Ordinary Shares and Warrants to trading on AIM becoming effective
“AIM”	the Alternative Investment Market of the London Stock Exchange
“AIM Rules”	the rules set out in chapter 16 of the Rules of the London Stock Exchange
“Board” or “Directors”	the directors of the Company
“Company” or “Westside”	Westside Acquisitions plc
“CREST”	the computerised settlement system to facilitate the transfer of title of shares in uncertificated form, operated by CRESTCo Limited
“Ellis & Partners”	Ellis & Partners Limited, the Company’s nominated broker
“London Stock Exchange”	London Stock Exchange Limited
“Ordinary Shares”	ordinary shares of 1p each in the Company
“Placing”	the placing by Ellis & Partners of 24,000,000 Ordinary Shares with Warrants attached as described in this document
“Placing Agreement”	the conditional agreement dated 1 December 1999 between the Company (1), the Directors (2), Seymour Pierce (3) and Ellis & Partners (4) relating to the Placing, details of which are set out in paragraph 12.1 of Part V of this document
“Placing Price”	2½ p per Ordinary Share
“Regulations”	the Public Offers of Securities Regulations 1995 (as amended)
“Seymour Pierce”	Seymour Pierce Limited, the Company’s nominated adviser
“Share Options”	the share options further details of which are set out in paragraph 7 of Part V of this document
“Warrants”	19,200,000 warrants to subscribe for Ordinary Shares at 2½ p per share (including 1,000,000 warrants to be issued to Seymour Pierce) on the terms and conditions set out in the warrant instrument dated 26 November 1999 as described in paragraph 8 of Part V of this document

DIRECTORS, SECRETARY AND ADVISERS

Directors: **Richard Lawrence Owen**, FCA, *Chairman*
Geoffrey Michael Simmonds, FCA, *Chief Executive Officer*
David William Meddings, FCA, *Finance Director*
John Zucker, *Non-Executive Director*
David John Coldbeck, ACIB, *Non-Executive Director*

all of whose business address is:

Regent House
5-7 Broadhurst Gardens
London NW6 3RZ

Company Secretary: David William Meddings

Registered Office: Regent House
5-7 Broadhurst Gardens
London NW6 3RZ

Nominated Adviser: Seymour Pierce Limited
29/30 Cornhill
London EC3V 3NF

Nominated Broker: Ellis & Partners Limited
Talisman House
16 The Courtyard
East Park
Crawley RH10 6AS

Solicitors to the Company: D J Freeman
43 Fetter Lane
London EC4A 1JU

Roiter Zucker
Regent House
5-7 Broadhurst Gardens
London NW6 3RZ

Solicitors to the Placing: Memery Crystal
31 Southampton Row
London WC1B 5HT

Auditors and Reporting Accountants: Horwath Clark Whitehill
25 New Street Square
London EC4A 3LN

Principal Bankers: Barclays Bank plc
Corporate Banking Group
50 Pall Mall
PO Box 15162
London SW1A 1QB

Financial Public Relations: Fleet Financial Communications Limited
6 Middle Street
London EC1A 7PH

Registrars: IRG plc
Bourne House
34 Beckenham Road
Beckenham
Kent BR3 4TU

PLACING STATISTICS

Placing Price	2½ p
Number of Ordinary Shares being issued under the Placing	24,000,000
Number of Ordinary Shares in issue following the Placing	37,400,000
Percentage of enlarged issued share capital being placed	64.17%
Number of Warrants in issue prior to the Placing	13,400,000
Number of Warrants in issue following the Placing	19,200,000
Gross proceeds of the Placing	£600,000
Net proceeds of the Placing to be received by the Company	£475,000
Market capitalisation following the Placing at the Placing Price	£935,000
Pro forma net assets on Admission	£810,000

EXPECTED TIMETABLE

Admission and dealings commence in the Ordinary Shares and Warrants on AIM	8 December 1999
CREST accounts credited by	8 December 1999
Despatch of definitive share certificates and Warrant certificates by	22 December 1999

PART I

INFORMATION ON THE COMPANY

Introduction

Westside is a new company which has been established to acquire companies or interests in companies or businesses which the Directors believe have the prospect of high returns and substantial capital growth but may be at a stage of development where they still require the injection of further capital and strategic guidance before they realise their potential.

The purpose of the Placing is to provide the Company with the funds needed to identify, investigate and make acquisitions which satisfy the Board's business strategy as outlined below, and to provide working capital for the Company. The Placing is intended to raise approximately £600,000 (before expenses) from institutional and other investors.

The Directors, their associates and M W Coppeard, a third party, have prior to the Placing subscribed £335,000 for 13,400,000 Ordinary Shares at the Placing Price representing 35.83 per cent. of the issued share capital at Admission.

Business strategy

The Directors believe that there is an opportunity to establish a company dedicated to acquiring small to medium size companies which will benefit from the skills and expertise provided by the Board. It is considered that such companies will offer the prospect of high returns and substantial capital growth.

The Board will seek to acquire companies or interests in companies or businesses which the Directors consider have:

- an experienced and professional management team;
- an identified growing market;
- substantial expansion potential; and
- the ability to add value to the Company in the short to medium term.

At present, no firm decision or any commitment has been made in respect of any acquisitions. However, the Directors anticipate that suitable acquisitions will be identified and that any such acquisitions by the Company may involve a need to raise additional funds through further issues of equity capital. In addition, if appropriate opportunities arise, the Company may, from time to time, raise additional capital on a non pre-emptive basis so as to have funds available for possible acquisitions.

The funds available to the Company on Admission will initially be used to allow the Directors to carry out due diligence on potential acquisition targets, to meet the professional costs associated with the implementation of such acquisitions and to provide working capital for the Company. Subject to the working capital requirements of the Company, any excess proceeds from the Placing will be placed on deposit pending such acquisitions, and then applied to finance all or part of the cash element of any consideration to be paid in respect of acquisitions. In order to minimise running costs prior to the completion of any acquisitions, the Board have agreed to restrict Directors' fees until the first acquisition has been made.

Directors

The Directors of the Company are:

Richard Owen, FCA, aged 53, Chairman

Richard Owen is currently non-executive chairman of Soundtracs Plc which is quoted on the Alternative Investment Market. He qualified as a Chartered Accountant in 1968 and has extensive involvement and experience in corporate and strategic planning, acquisitions and finance. He holds various other private company directorships and has worked with Geoffrey Simmonds for more than 20 years seeking to enhance shareholder value in both private and public companies.

Geoffrey Simmonds, FCA, aged 56, Chief Executive Officer

Geoffrey Simmonds qualified as a Chartered Accountant in 1966. He has extensive involvement and experience in strategic planning, acquisitions and finance. He holds various other private company directorships and has worked with Richard Owen for more than 20 years.

Richard Owen and Geoffrey Simmonds were the founder shareholders and directors of United Trust & Credit Plc (now part of Carlisle Holdings Limited), UTC Trading Corporation Plc (now Hemingway Properties Plc) and Chelsea Flowers Plc (now part of Electronics Boutique Plc).

David Meddings, FCA, aged 61, Finance Director

David Meddings qualified as a Chartered Accountant in 1968. He was a partner at Dearden Farrow from 1969 to 1978 and he now specialises in corporate finance and corporate recovery. He holds various other directorships in several sectors, including logistics, IT and property.

David Coldbeck, ACIB, aged 53, Non-Executive Director

David Coldbeck was a London area manager for HSBC Bank plc between 1991 and May 1999. In a career with HSBC Bank plc spanning some 32 years he was promoted through numerous appointments including corporate banking roles. He is an Associate of the Chartered Institute of Bankers.

John Zucker, aged 49, Non-Executive Director

John Zucker is a solicitor having qualified in 1975. He is a founding partner of Roiter Zucker, a firm of solicitors, which has been established for more than 20 years and specialises in intellectual property rights. He heads the commercial department and has a broad experience of corporate acquisitions and business matters.

Share Option Arrangements

On 26 November 1999, Richard Owen and Geoffrey Simmonds were each granted an option over 7.5 per cent. of the issued share capital of the Company at Admission.

The exercise period for the Share Options is not earlier than three years nor later than ten years from the date of grant, exercisable at the Placing Price.

Details of these Share Options are set out in paragraph 7 of Part V of this document.

Warrants

On 26 November 1999, the Company adopted a Warrant instrument under which the holder of each Warrant will be entitled to subscribe for one new Ordinary Share at the Placing Price. The Warrants may be exercised at any time up to and including five years from the date of Admission.

On 26 November 1999, a total of 13,400,000 Warrants were issued to the Directors, their associates and M W Coppeard, a third party, on the basis of one Warrant for each Ordinary Share subscribed for, and on 1 December 1999, subject to completion of the Placing and Admission, 1,000,000 Warrants were issued to Seymour Pierce as part consideration for their services.

The Company shall also issue 1 warrant for every 5 Ordinary Shares subscribed for in the Placing up to a maximum of 4,800,000 Warrants.

The main provisions of the Warrant instrument are set out in paragraph 8 of Part V of this document.

Details of the Placing

The Company is raising £600,000 (before expenses) by the placing of 24,000,000 Ordinary Shares at 2½ p per share with institutional and other investors, representing 64.17 per cent. of the issued share capital of the Company at Admission.

The Placing has been fully underwritten by Ellis & Partners and is conditional upon, *inter alia*, Admission. Dealings in the Ordinary Shares and Warrants are expected to commence on 8 December 1999.

Reasons for the Placing

The Company requires funds to allow it to finance and develop its acquisition programme. The Directors believe that the associated benefits of the Placing and Admission include:

1. Corporate Profile

The Directors believe that the performance of any companies or businesses acquired will benefit from the status of being part of a public company.

2. Acquisition Consideration

The Directors believe that the issue of publicly traded shares as consideration for acquisitions is potentially more attractive to vendors than the issue of shares which do not trade on a recognised stock exchange.

3. Access to Capital Markets

The Company may need to raise further funds in the future to develop its businesses or to finance any cash element of consideration for any acquisition. In the opinion of the Directors, the cost of capital for a publicly traded company should be lower and capital should be more freely available than for an equivalent private company.

4. Incentives for staff

The Directors consider that the attraction and retention of key staff through the use of share options will be important to the Company's development. They consider that the ability to grant options over publicly traded shares is potentially more attractive to key executives than the grant of options over unquoted shares.

There are no negotiations presently being conducted in respect of any potential acquisitions. It is accordingly too early to assess whether the funds raised in the Placing will be sufficient to fund any cash element of consideration which may in due course be offered to vendors. It may therefore become necessary for the Company to raise additional funds in the future to implement its business objectives.

In order for the Company to have funds available for such business objectives, the Directors have authority under s95 of the Act to allot equity securities up to an aggregate nominal amount of £1,000,000 for cash on a non pre-emptive basis.

Corporate Governance

The Board intends, where practicable for a company of its size and nature, to comply with the main provisions of the principles of good governance and code of best practice prepared by the Committee on Corporate Governance chaired by Sir Ronald Hampel and published in June 1998 (the "Combined Code"). The Company has appointed two non-executive Directors to bring an independent viewpoint to the Board and to provide a balance to the executive Directors. The remuneration committee and the audit committee functions will be carried out by the whole Board. No Director will participate in the consideration of his own remuneration.

The Board will determine the terms and conditions of service or consultancy agreements, including the remuneration and grant of options to executive Directors under any share option scheme adopted in the future by the Company. The Board intends to review the level of Directors' remuneration upon the first acquisition made by the Company following Admission.

Dividends

The Company has not yet commenced trading and it is therefore inappropriate to give an indication of the likely level of any future dividends. However, the Directors intend to commence the payment of dividends when it becomes commercially prudent to do so and to pursue a progressive dividend policy reflecting the growth in earnings and cashflow generated from the operations of the Company and its intended activities arising from its acquisition strategy.

Admission to trading on AIM

The Directors have applied for the issued Ordinary Shares and Warrants following the Placing to be admitted to trading on AIM. Dealings in the Ordinary Shares and Warrants are expected to commence on 8 December 1999.

In accordance with rule 16.13 of the AIM Rules, each of the Directors and his associates has agreed not to dispose of any interest in Ordinary Shares and Warrants held by him or his associates on the date of Admission within a period of one year following Admission, save to a connected person or otherwise as permitted under the AIM Rules.

Taxation

Enterprise Investment Scheme and Venture Capital Trusts

The Company will apply for provisional approval from the Inland Revenue that, on the basis of the facts supplied, the Ordinary Shares to be issued under the Placing will qualify for investment under the Enterprise Investment Scheme ("EIS") and should be regarded as a qualifying holding for investment by Venture Capital Trusts ("VCTs").

The application for provisional tax clearance will be made once the Company has acquired a business or businesses, and is able to satisfy the Inland Revenue that it is a qualifying company and will be carrying out a qualifying trade, or trades throughout a period of three years from the date the investor makes his investment for EIS purposes, and for VCT purposes, and that throughout the period the Ordinary Shares are held as a qualifying holding.

The EIS allows the following tax reliefs for individual investors provided investments are held for five years:

- Initial income tax relief of 20 per cent.
- Exemption from capital gains tax (“CGT”).

The EIS allows CGT payable on chargeable gains realised by individuals and certain trustees to be deferred. To qualify for deferral, a sum equal to the amount of the chargeable gain must be invested (usually not more than one year before nor more than three years after the date on which the chargeable gain arises) in the ordinary share capital of an unquoted qualifying trading company or an unquoted company which is the parent of a qualifying trading group.

A claim for CGT deferral relief is made by the individual investors and/or trustees claiming the relief.

The Company will advise investors once it is in a position to make the provisional clearance and once it has secured provisional tax clearance from the Inland Revenue.

There can be no guarantee that such tax clearance from the Inland Revenue will be received by the Company or that the Ordinary Shares to be issued under the Placing will qualify for investment under EIS or be regarded as a qualifying holding for investment by VCTs.

Investors considering taking advantage of any of the reliefs under the EIS or available to VCTs should seek individual advice in order that they may fully understand how the rules apply in their individual circumstances.

Information regarding taxation in relation to the Placing and Admission of the Ordinary Shares and Warrants to AIM is set out in paragraph 9 of Part V of this document. If you are in any doubt as to your tax position you should consult your own independent financial adviser immediately.

CREST

The Company’s Articles of Association permit the Company to issue shares in uncertificated form in accordance with the Uncertificated Securities Regulations 1995. Application has been made for the Company’s Ordinary Shares to be admitted to CREST on Admission.

PART II

RISK FACTORS

The Directors consider the following risks and other factors to be the most significant for potential investors, but the risks listed do not necessarily comprise all those associated with an investment in the Company:

The Company's objectives may not be fulfilled

The Company does not presently carry on any trading activities. The value of an investment in the Company is dependent upon it making acquisitions of companies or businesses that meet the Board's investment strategy. There can be no guarantee that the Company will successfully identify and acquire any companies or businesses meeting the objectives for which it has been established.

Acceptability of Ordinary Shares as Consideration

Although it is the Company's intention to issue Ordinary Shares to satisfy all or part of any consideration payable for acquisitions, vendors may not be prepared to accept shares traded on AIM.

Requirement for Further Funds

As the Directors have not agreed terms for any specific acquisitions as at the date of this document, it is possible that the funds raised in the Placing will not be sufficient to fund any element of cash consideration which might be required to complete such acquisitions after taking into account due diligence costs and professional costs associated with such acquisitions and the Company's working capital requirements. It is therefore possible that the Company will need to raise further funds in the future.

In any event, if appropriate opportunities arise, the Company may seek to raise additional capital on a non pre-emptive basis so as to have funds available for possible acquisitions.

Attraction and retention of Key Employees

The Company's success will depend on its current and future executive management team.

Suitability

The market price of the Ordinary Shares and Warrants may not reflect the underlying value of the Company's net assets.

The investment described in this document may not be suitable for all those who receive it. Before making a final decision, investors in any doubt are advised to consult a person authorised under the Financial Services Act 1986 who specialises in advising on the acquisition of shares and other securities.

PART III

ACCOUNTANTS' REPORT

The Directors
Westside Acquisitions plc
Regent House
5-7 Broadhurst Gardens
London NW6 3RZ

The Directors
Ellis & Partners Limited
Talisman House
16 The Courtyard
East Park
Crawley RH10 6AS

The Directors
Seymour Pierce Limited
29-30 Cornhill
London EC3V 3NF

HORWATH CLARK WHITEHILL

Chartered Accountants

A member of Horwath International

25 New Street Square
London
EC4A 3LN



1 December 1999

Dear Sirs

WESTSIDE ACQUISITIONS PLC (“THE COMPANY”)

We report in connection with the placing of 24,000,000 Ordinary Shares and 4,800,000 Warrants in the Company (“the Placing”) referred to in the prospectus dated 1 December 1999 (“the Prospectus”).

The Company was incorporated as Westside Acquisitions plc on 19 November 1999 under company registration number 3882621.

On 26 November 1999 the Company allotted and issued 13,400,000 ordinary shares of 1p each (“Ordinary Shares”) and 13,400,000 Warrants in the Company and in addition will issue 1,000,000 Warrants to Seymour Pierce.

Save for the above transactions and entering into agreements to pay certain expenses and commissions in respect of the Placing and the Directors’ service and consultancy agreements and other contracts described in paragraph 12 in Part V of the Prospectus, the Company has not traded nor has it made up any accounts for presentation to its members or declared or paid a dividend.

Basis of preparation

The financial information set out below has been prepared by the directors of the Company (“the Directors”) for the purposes of the Prospectus and covers the period from incorporation to 30 November 1999.

Responsibility

The financial information in this report is the responsibility of the Directors and has been approved by them. The Directors are responsible for the contents of the Prospectus in which this report is included. It is our responsibility to compile the financial information set out in our report and to form an opinion on the financial information and to report our opinion to you.

Basis of opinion

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

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

Opinion

In our opinion, the financial information set out below gives, for the purposes of the Prospectus, a true and fair view of the state of affairs of the Company as at 30 November 1999.

The balance sheet of the Company at 30 November 1999 is as follows:

	£
Current assets	
Cash	335,000
	<u>335,000</u>
Share capital and reserves	
Called-up and fully paid share capital	134,000
Share premium	201,000
	<u>335,000</u>

Notes to the financial information

1. Accounting policies and basis of preparation

This financial information has been prepared under the historical cost accounting rules and in accordance with applicable accounting standards.

The Company has not yet commenced trading.

2. Share capital

	£
Authorised share capital	
150,000,000 Ordinary Shares of 1p each	1,500,000
	<u>1,500,000</u>
Allotted, called-up and fully paid	
13,400,000 Ordinary Shares of 1p each	134,000
	<u>134,000</u>

There are options outstanding over 5,610,000 Ordinary Shares which entitle the option holders to subscribe for Ordinary Shares at 2½ p per share.

In addition, 13,400,000 Warrants have been issued which entitle the Warrant holders to subscribe for Ordinary Shares at 2½ p per share.

Consent

We consent to the inclusion in the Prospectus of this report and accept responsibility for this report for the purposes of paragraph 45(8)(b) of Schedule 1 to the Public Offers of Securities Regulations 1995, as amended.

Yours faithfully

Horwath Clark Whitehill
Chartered Accountants

PART IV

PRO FORMA STATEMENT OF NET ASSETS

The pro forma statement of net assets of the Company following the Placing set out below has been prepared to show the effects of the Placing. It has been prepared for illustrative purposes only and, because of its nature, may not give a true picture of the financial position of the Company. It is based on the financial information of the Company as at 30 November 1999 as set out in the Accountants' Report in Part III of this document.

	<i>The Company as at 30 November 1999</i>		<i>Pro forma net assets</i>
	<i>£</i>	<i>Adjustment⁽¹⁾ £</i>	<i>£</i>
Current assets	<u>335,000</u>	<u>475,000</u>	<u>810,000</u>

Notes:

1. The adjustment represents the gross proceeds of the Placing of £600,000 less estimated expenses of £125,000 (excluding VAT).
2. The Company has not traded since its incorporation.

PART V

ADDITIONAL INFORMATION

1. *The Company*

- 1.1 The Company was incorporated and registered in England and Wales under the Act with registered number 3882621 on 19 November 1999 as a public company limited by shares with the name of Westside Acquisitions plc.
- 1.2 On 26 November 1999 the Registrar of Companies issued a certificate to commence business under Section 117 of the Act.
- 1.3 The Company operates under the Act and the liability of its members is limited.

2. *Share Capital*

- 2.1 The Company was incorporated with an authorised share capital of £1,500,000 divided into 150,000,000 Ordinary Shares of 1p each of which two were issued, nil paid, to the subscribers to the Memorandum of Association.
- 2.2 At an extraordinary general meeting of the Company held on 26 November 1999 resolutions were passed:
- 2.2.1 to authorise the Directors to allot relevant securities (as defined in section 80 of the Act) in the Company up to an aggregate nominal value of £1,500,000, such authority to expire on the date of the next Annual General Meeting of the Company or a date falling 15 months after the date on which the resolution was passed, whichever is the earlier;
- 2.2.2 to empower the Directors to allot equity securities (as defined in section 94 of the Act) for cash as if section 89(1) of the Act did not apply to any allotment, such power limited to:
- (a) an aggregate nominal amount of £134,000 in respect of the share subscription by the Directors, their associates and MW Coppeard, a third party;
 - (b) an aggregate nominal amount of £240,000 in connection with the Placing;
 - (c) the allotment of Ordinary Shares pursuant to the exercise of the Warrants and Share Options;
 - (d) otherwise in relation to rights issues and other pre-emptive issues in favour of ordinary shareholders; and
 - (e) otherwise up to an aggregate nominal amount of £1,000,000.

The powers included in paragraphs 2.2.2(a) – 2.2.2(e) are set to expire on the date of the next Annual General Meeting of the Company or the date falling 15 months after the date on which the resolution was passed, whichever is the earlier.

- 2.3 As at the date of this document, and following the Placing, the Company's authorised and issued share capital is, and will be, as follows:

	<i>Existing</i>		<i>Following the Placing</i>	
	<i>Nominal Value</i>	<i>Number of Ordinary Shares</i>	<i>Nominal value</i>	<i>Number of Ordinary Shares</i>
	£		£	
Authorised	1,500,000	150,000,000	1,500,000	150,000,000
Issued and fully paid	134,000	13,400,000	374,000	37,400,000

- 2.4 Save in connection with the Placing, as disclosed in paragraph 4.1 to 4.4 below, no share or loan capital of any member of the Company is proposed to be issued or is under option or agreed, conditionally or unconditionally, to be put under option.
- 2.5 The provisions of section 89(1) of the Act (which confer on shareholders rights of pre-emption in respect of allotments of equity securities which are, or are to be, paid up in cash) have been disapplied by special resolution of the Company as referred to in paragraph 2.2.2 above.

3. *Memorandum and Articles of Association*

In this paragraph 3 of Part V, "Statutes" means the Act and every other statute or statutory instrument, rule, order or regulation from time to time in force concerning companies so far as they apply to the Company.

3.1 Memorandum of Association

The objects of the Company are set out in clause 4 of the Company's Memorandum of Association and its principal objects are, among others, to purchase, subscribe for or otherwise acquire and hold for investment or otherwise shares, stocks or other interests in or obligations of any other company or corporation or business.

3.2 Articles of Association

The articles of association of the Company ("Articles") contain provisions, among others, to the following effect:

3.2.1 Voting rights

Subject to disenfranchisement in default of supplying information required in a notice under Section 212 of the Act, each Ordinary Share confers the right to receive notice of and attend at all meetings of shareholders. Each holder of Ordinary Shares present at a general meeting in person or by proxy has one vote and, on a poll, one vote for each Ordinary Share of which he is a holder;

3.2.2 Dividends

Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is declared and paid. Dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

Any dividend which has remained unclaimed for a period of 12 years after having been declared shall be forfeited and shall revert to the Company.

Where a section 212 notice is served on a member of the Company (for the purposes of this paragraph 3, "Member"), or another person appearing to be interested in shares held by that Member, and the Member or other person has failed in relation to any default shares to give the Company the information required within 28 days of the date of the section 212 notice, and the default shares represent at least 0.25 per cent. of the issued shares of their class then the Board may direct that, any dividend (or any part of a dividend) or other amount payable in respect of the default shares shall be retained by the Company, which has no obligation to pay interest on it.

3.2.3 Distribution of assets on a winding up

If the Company shall be wound up (whether the liquidation is voluntary, under supervision or compulsory) the liquidator may, with the authority of an extraordinary resolution, divide among the Members in kind the whole or any part of the assets of the Company (whether or not the assets shall be of different kinds) and may for this purpose set such value as he deems fair on any such assets and may determine how such division shall be carried out as between the Members or classes of Members. The liquidator may, with the same authority, vest any part of the assets in trustees upon such trust for the benefit of Members as the liquidator, with the same authority, may think fit, but no Member shall be compelled to accept any shares or other securities which are not fully paid.

3.2.4 Purchase of own shares

Subject to the Statutes, the Company may purchase its own shares (including any redeemable shares) in any manner the Board considers appropriate.

3.2.5 Variation of class rights

Subject to the Statutes, whenever the capital of the Company is divided into different classes of shares, the rights or privileges attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied whether or not the Company is being wound up, either with the consent in writing of the holders of three-fourths in nominal amount of the issued shares of the class, or with the sanction of an extraordinary resolution passed at a separate general meeting of such holders.

3.2.6 Transfer of shares

Except as otherwise provided by the Statutes, any Member may transfer all or any of his shares by instrument of transfer in writing in any usual form or in such other form as the Board may approve and the instrument must be signed by or on behalf of the transferor and (except in the case of a share which is fully paid up) by or on behalf of the transferee. The transferor is deemed to remain the holder of the relevant share until the name of the transferee is entered in the register of Members in respect of it.

Subject to the provisions of the Statutes, the Company may issue shares, and other securities, which do not have certificates, may allow existing shares, and other securities, to be held without certificates and may allow any shares, or other securities, to be transferred without using a transfer form.

Subject to the Statutes, the Board may, in its absolute discretion, refuse to register any instrument of transfer of, or which includes, shares which are not fully paid up (provided that where such shares are admitted to trading on AIM, such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis), or on which the Company has a lien, but shall not be bound to specify the grounds upon which such registration is refused. Subject to the Statutes, the Board may also refuse to register any instrument of transfer of shares unless:

- (a) in the case of shares held in certificated form, the instrument of transfer, duly executed, is deposited at the registered office of the Company or such other place as the Board may appoint accompanied by the certificate for the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
- (b) it is in respect of one class of shares only;
- (c) in the case of a transfer to joint holders, they do not exceed four in number;
- (d) it is not in favour of a minor;
- (e) in the case of shares held in certificated form, it is not in favour of a bankrupt or person of unsound mind; and
- (f) without prejudice to the foregoing, in the case of shares held in uncertificated form, in any other circumstances permitted by the Uncertificated Securities Regulations 1995 and the rules and regulations of the relevant system concerned.

If the Board refuses to register a transfer, it shall, in the case of shares held in certificated form, within two months after the date on which the transfer was lodged with the Company, and in the case of shares held in uncertificated form, within two months after the date on which the relevant operator-instruction was received by or on behalf of the Company, send to the transferee notice of the refusal.

Where a section 212 notice is served on a Member, or another person appearing to be interested in shares held by that Member, and the Member or other person has failed in relation to any default shares to give the Company the information required within 28 days from the date of service of the section 212 notice and such shares represent at least 0.25 per cent. in nominal value of the issued shares of their class, then, the Board may direct that no transfer of any of the default shares shall be registered unless the Member is not himself in default as regards supplying the information required and the transfer is of part only of the Member's holding and when presented for registration is accompanied by a certificate by the Member in a form satisfactory to the Board to the effect that after due and careful enquiry the Member is satisfied that none of the shares the subject of the transfer are default shares

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

3.2.7 Alterations to capital

The Company may from time to time by ordinary resolution (a) increase its capital by such sum to be divided into shares of such amounts and carrying such preferred, deferred or other special rights or such restrictions whether in regard to dividend, voting, return of capital or otherwise as the resolution shall prescribe; (b) consolidate and/or divide all or any of its share capital into shares of larger amount than its existing shares; (c) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its share capital by the nominal amount of the shares so cancelled; (c) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the provisions of the Statutes) and so that the resolution whereby any share is sub-divided may determine that as between the holders of the shares resulting from such sub-division one or more of the shares may as compared with the others have any such preferred, deferred or other special rights or be subject to any such restrictions as the Company has power to attach to unissued or new shares.

Subject to the Statutes, the Company may by special resolution reduce its share capital or any capital redemption fund, share premium account or other undistributable reserve in any manner and with and subject to any authority and consent required by law.

3.2.8 Borrowing powers

The Board may exercise all the powers of the Company to borrow money. The Board shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries so as to secure (as regards subsidiaries so far as by such exercise they can secure) that the aggregate amount for the time being remaining undischarged of all moneys borrowed by the Group (which for the purposes of this paragraph means the Company and its wholly owned subsidiaries (if any)) does not at any time without the previous sanction of an ordinary resolution exceed a sum equal to 4 times the aggregate of (a) the amount paid up on the allotted or issued share capital of the Company; and (b) the amount standing to the credit of the consolidated capital and revenue reserves of the Group (including any share premium account or capital redemption reserve) plus or minus the credit or debit balance, as the case may be, of the consolidated profit and loss account all as shown in the then latest published consolidated balance sheet and profit and loss account of the Group, adjusted as specified in the Articles.

4. Directors' and other interests

4.1 The interests of the Directors (all of which are beneficial) in the issued share capital of the Company as at the date of this document and immediately following Admission, such interests being those which are required to be notified by each Director to the Company under the provisions of section 324 or 328 of the Act or which are required to be entered in the register of interests required to be maintained pursuant to section 325 of the Act or which are interests of persons connected with the Director within the meaning of section 346 of the Act, the existence of which is known or which could, with reasonable diligence, be ascertained by a Director are, and will be, as follows:

<i>Director</i>	<i>Existing</i>		<i>Following 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 enlarged issued ordinary share capital</i>
R L Owen	4,000,000	29.85%	4,000,000	10.70%
G M Simmonds*	4,000,000	29.85%	4,000,000	10.70%
D W Meddings	400,000	2.99%	400,000	1.07%
J Zucker	2,000,000	14.92%	2,000,000	5.34%
D J Coldbeck	400,000	2.99%	400,000	1.07%

*Shares are held by Avonlaw Limited, a company wholly-owned by G M Simmonds.

4.2 The Directors are interested in Share Options over Ordinary Shares which remain outstanding as follows:

<i>Director</i>	<i>Number of Ordinary Shares subject to Share Options</i>
R L Owen	2,805,000
G M Simmonds	2,805,000
D W Meddings	Nil
J Zucker	Nil
D J Coldbeck	Nil

4.3 The Directors are interested in Warrants to subscribe for Ordinary Shares which remain outstanding as follows:

<i>Director</i>	<i>Number of Ordinary Shares subject to Warrants</i>
R L Owen	4,000,000
G M Simmonds	4,000,000
D W Meddings	400,000
J Zucker	2,000,000
D J Coldbeck	400,000

- 4.4 The Company is aware of the following persons, in addition to those in paragraphs 4.1, 4.2 and 4.3 above, who at the date of this document, directly or indirectly, jointly or severally, hold or will hold 3 per cent. or more of the Ordinary Share Capital of the Company or exercise or could exercise control over the Company:

	<i>Existing</i>		<i>Following Admission</i>	
	<i>Number of Ordinary Shares</i>	<i>Percentage of Issued Share Capital</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of enlarged issued share capital</i>
W Roiter*	2,000,000	14.92%	2,000,000	5.34%
M W Coppeard	600,000	4.48%	600,000	1.61%

	<i>Number of Ordinary Shares subject to Share Options</i>	<i>Number of Ordinary Shares subject to Warrants</i>
	W Roiter*	Nil
M W Coppeard	Nil	600,000

*W Roiter is a solicitor and partner in Roiter Zucker.

- 4.5 Save as set out in paragraphs 4.1, 4.2, 4.3 and 4.4 above, following the Placing, no Director will, and no person connected with a Director is expected to, have any interest in the share capital of the Company.
- 4.6 As at 30 November 1999 (being the latest practicable date prior to publication of this document) insofar as is known to the Company, there are no persons (other than those referred to in paragraphs 4.1, 4.2, 4.3 and 4.4 above) who are interested, directly or indirectly, in 3 per cent. or more of the capital of the Company.
- 4.7 As at 30 November 1999 (being the latest practicable date prior to publication of this document) and save as disclosed in this paragraph 4, the Directors are not aware of any person or persons who, directly or indirectly, jointly or severally, at the date of this document, or following Admission, exercise or could exercise control over the Company.

5. *Additional Information on the Directors*

- 5.1 Other than their directorships of the Company, directorships and partnerships currently held by the Directors and held over the five years preceding the date of this document are as follows:

<i>Director</i>	<i>Current</i>	<i>Past</i>
R L Owen	Soundtracs Plc Denard Finance Limited Prelyn Nominees Limited Wellington Trading Corporation Limited United Trading Corporation Limited Balmoral Properties & Investments Limited Highgrove Properties & Investments Limited Sandringham Properties & Investments Limited Peterborough Properties Limited Ivatt Way Properties Limited Iomex Limited Iomex (La Ilusion) Limited Denavon Investments Limited	Wembley Sportsmaster Limited

<i>Director</i>	<i>Current</i>	<i>Past</i>
G M Simmonds	Avonlaw Limited MMS Group Limited Targeted Media for Marketing (Europe) Limited Denavon Investments Limited	None
D W Meddings	GWM Developments Limited CPG Holdings Limited BCN Intraview Plc CPG Property Limited CPG Logistics (1991) Limited Russell Associates International Limited	SEET Plc Mallusk Park Limited Skytech Business Networks Limited Yorkpark Limited Marmair Holdings Limited Ballyclare Special Products Limited Banner Limited Banner Group Limited Abella Childrenswear Limited
J Zucker	Adventure Music Limited Roiter Zucker	The Gathering Limited The Duncan Bruce Partnership Limited
D J Coldbeck	Gmund Heritage Limited	None

R L Owen was a director of Triumph Investment Trust Limited (“Triumph”) and its subsidiary, G.T. Whyte & Company Limited (“Whyte”), when Receivers were appointed on 22 November 1974 in respect of both companies. Mr Owen was also a director of other subsidiaries within the Triumph group. Triumph entered the Bank of England “lifeboat” arrangement, and many of the subsidiaries were sold as going concerns. Other subsidiaries may have entered into insolvency arrangements whilst Mr Owen was a director, or within 12 months of him being a director. A deficiency of approximately £8.6 million was identified for Triumph and approximately £34 million for Whyte.

R L Owen was a non-executive director of WS (No2) Limited (formerly Wembley Sportsmaster Limited) until 8 October 1992. A Receiver was appointed on 7 October 1992 and an estimated deficiency of £1,299,922 was identified. Subsequently, Mr Owen became a director of a new Wembley Sportsmaster Limited, and he resigned on 12 February 1996 when that company was sold.

R L Owen was a non-executive director of Scotia Investments Limited between December 1973 and 1976. The activities of that company between 1969 and 1976 were the subject of investigations by the Department of Trade and Industry and by the Institute of Chartered Accountants in England and Wales (“ICEAW”). Those investigations resulted in the ICEAW criticising the executive directors and Mr Owen as a non-executive director in 1983.

G M Simmonds was a director of Design Furniture Limited and its subsidiaries, Design Furniture (Manufacturing) Limited, Design (Module) Limited and Design Furnishing Contracts Limited until 20 June 1979. Receivers were appointed in respect of the group on 7 January 1980 and 22 January 1980 and a deficiency of approximately £660,000 was identified.

D W Meddings, in his role as a director of SEET Plc, was a trustee of The Scottish, English and European Textiles Retirement Benefits Scheme (“the Scheme”). On 1 July 1998 the board of the Occupational Pensions Regulatory Authority determined that Mr Meddings as a co-trustee was in breach of his duty under the Pensions Act 1995 and subsidiary regulations. He was fined £2,750 as it was found that the trustees of the Scheme had failed to record a trustee meeting and had made an investment without proper advice although the board took into consideration the poor support the trustees had received from their advisers.

5.2 Save as disclosed above, no Director has:

5.2.1 any unspent convictions in relation to indictable offences;

5.2.2 had a bankruptcy order made against him or made an individual voluntary arrangement;

- 5.2.3 been a director of a company which has been placed in receivership, compulsory liquidation, creditors voluntary arrangement or made any composition or arrangement with its creditors generally or of any class of its creditors whilst he was director of that company or within twelve months after he ceased to be a director of that company;
 - 5.2.4 been a partner in a partnership which has been placed in compulsory liquidation, administration or made a partnership voluntary arrangement whilst he was a partner in that partnership or within twelve months after he ceased to be a partner in that partnership;
 - 5.2.5 had any asset placed in receivership or any asset of a partnership in which he was a partner placed in receivership whilst he was a partner in that partnership or within twelve months after he ceased to be a partner in that partnership;
 - 5.2.6 been publicly criticised by any statutory or regulatory authority (including recognised professional bodies) or disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.
- 5.3 Save as disclosed in paragraph 4.4 of this Part V, no person (other than professional advisers otherwise disclosed in this document and trade suppliers) has received, directly or indirectly, from the Company within the 12 months preceding the date of this document, or entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from the Company on or after Admission any of the following:
- (a) fees totalling £10,000 or more;
 - (b) securities in the Company with a value of £10,000 or more calculated by reference to the Placing Price; or
 - (c) any other benefit with a value of £10,000 or more at the date of Admission.
- 5.4 No loans or guarantees have been granted or provided to or for the benefit of the Directors by the Company.

6. *Directors' Service Agreements, Consultancy Arrangements and Emoluments*

- 6.1 Certain of the Directors have entered into service agreements or consultancy arrangements with the Company as follows:
- 6.1.1 On Admission, Richard Owen will be appointed as Chairman of the Company. Under the terms of Mr Owen's consultancy agreement, he will be paid £25,000 per annum, subject to annual review. His appointment is to commence following Admission and continue thereafter for not less than one year unless and until terminated by the Company giving him not less than 12 months' notice in writing, or by Mr Owen giving the Company not less than 12 months' notice in writing. There are no other benefits payable to Mr Owen other than the fee of £25,000. On completion of the first significant transaction by the Company, the terms of Mr Owen's consultancy agreement will be reviewed.
 - 6.1.2 On Admission, Geoffrey Simmonds will be appointed as Chief Executive Officer of the Company. Under the terms of Mr Simmonds' consultancy agreement, he will be paid £25,000 per annum, subject to annual review. His appointment is to commence following Admission and continue thereafter for not less than one year unless and until terminated by the Company giving him not less than 12 months' notice in writing, or by Mr Simmonds giving the Company not less than 12 months' notice in writing. There are no other benefits payable to Mr Simmonds other than the fee of £25,000. On completion of the first significant transaction by the Company, the terms of Mr Simmonds' consultancy agreement will be reviewed.
 - 6.1.3 On Admission, David Meddings will be appointed as Finance Director and Company Secretary of the Company. Under the terms of Mr Meddings' consultancy agreement, he will be paid £10,000 per annum, subject to annual review. His appointment is to commence following Admission and continue thereafter for not less than one year unless and until terminated by the Company giving him not less than 12 months' notice in writing, or by Mr Meddings giving the Company not less than 12 months' notice in writing. There are no other benefits payable to Mr Meddings other than the fee of £10,000. On completion of the first significant transaction by the Company, the terms of Mr Meddings' consultancy agreement will be reviewed.
 - 6.1.4 John Zucker was appointed non-executive Director of the Company by letter agreement dated 30 November 1999. He is entitled to a fee of £5,000 per annum and the appointment shall continue until terminated by one month's notice by either party.
 - 6.1.5 David Coldbeck was appointed non-executive Director of the Company by letter agreement dated 30 November 1999. He is entitled to a fee of £5,000 per annum and the appointment shall continue until terminated by one month's notice by either party.

- 6.2 Save as set out in paragraph 6.1 above, there are no existing or proposed service agreements or consultancy arrangements between any of the Directors and the Company.
- 6.3 The aggregate amount payable and benefits in kind to be granted to the Directors under the arrangements in force at the date of this document during the financial year ending 2000 are estimated to amount to £70,000.

7. *Share Options*

On 26 November 1999, the Company granted to Richard Owen an option to subscribe for 2,805,000 Ordinary Shares (or such equivalent number of Ordinary Shares following alteration in the share capital of the Company or any amalgamation, reorganisation or reconstruction).

On 26 November 1999, the Company granted to Geoffrey Simmonds an option to subscribe for 2,805,000 Ordinary Shares (or such equivalent number of Ordinary Shares following any alteration in the share capital of the Company or any amalgamation, reorganisation or reconstruction).

The exercise price for the Share Options is equal to the Placing Price. The number of Share Options and the exercise price may be adjusted in the event of a rights issue, bonus issue, sub-division of share capital and certain other alterations of share capital subject to written certification by the auditors that such adjustment is fair and reasonable.

The Share Options are exercisable between three and ten years from the date of grant. Exercise is also permitted in the event of takeover, voluntary liquidation or the death of an optionholder.

By negotiation with any company taking control of Westside, the Share Options may be exchanged for a number of options proportional to the issued share capital of the company taking control of Westside.

8. *Warrant Instrument*

By a deed poll executed on 26 November 1999 the Company adopted a Warrant instrument and constituted 19,200,000 Warrants to subscribe for Ordinary Shares at the Placing Price.

On 26 November 1999 the Company issued Warrants as follows:

<i>Names</i>	<i>Number of Warrants</i>
R L Owen	4,000,000
G M Simmonds	4,000,000
J Zucker	2,000,000
D J Coldbeck	400,000
W Roiter	2,000,000
D W Meddings	400,000
M W Coppeard	600,000

Subject to completion of the Placing and Admission, the Company shall also issue 1 Warrant for every 5 Ordinary Shares subscribed for up to a maximum of 4,800,000 Warrants, and the Company has issued, conditional on Admission, 1,000,000 Warrants to Seymour Pierce as part consideration for their services.

Application has been made for the Warrants to be admitted to trading on AIM.

The principal terms of the Warrant instrument are as follows:

- (a) Each Warrant will entitle the holder thereof to subscribe for one new Ordinary Share at a subscription price of the Placing Price per share which may be exercised at any time up to and including five years from the date of Admission;
- (b) Ordinary Shares issued on the exercise of the Warrants will not rank for any dividends or other distribution declared, made or paid in respect of any financial year or other period earlier than that current at the date of exercise but, subject to this, will rank in full for dividends declared, made or paid in the financial year of exercise. In all other respects the Ordinary Shares issued on the exercise of the Warrants shall rank *pari passu* with the Ordinary Shares then in issue;
- (c) The Warrant instrument contains provisions for appropriate adjustment of the number of Ordinary Shares issued on the exercise of the Warrants and the subscription price upon a capitalisation of reserves, a rights issue or on a sub-division or consolidation of share capital;
- (d) The rights and privileges of the holders of the Warrants may be altered or abrogated with the sanction of an extraordinary resolution of the Warrant holders;
- (e) Warrants, which will be registered, will be transferable in whole or in part by instrument of transfer in the usual or common form or on CREST;

- (f) So long as any of the subscription rights under the Warrants remain exercisable, the Company will not without the sanction of an extraordinary resolution of the Warrant holders:
 - (i) issue any securities by way of capitalisation of reserves, or profits other than Ordinary Shares credited as fully paid up;
 - (ii) make any distribution out of capital profits or capital reserves otherwise than by way of a capitalisation of such profits or reserves in the form of fully paid Ordinary Shares;
 - (iii) issue or create any new class of shares which as regards rights to voting, dividends or capital have more favourable rights than those attached to the Ordinary Shares;
 - (iv) modify the rights attached to the Ordinary Shares or to any class of shares other than the Ordinary Shares so that they have more favourable rights than those attached to the Ordinary Shares;
 - (v) issue any Ordinary Shares credited as fully paid by way of capitalisation of profits or reserves if as a result the Company would on any subsequent exercise of the Warrants be obliged to issue Ordinary Shares at a discount to nominal value; and
 - (vi) reduce its share capital (except for a reduction not involving any payment to, or release of, shareholders or on a redemption of redeemable shares or for purchases of shares in accordance with the Act) or any uncalled or unpaid liability in respect of any of its share capital or (except as authorised by the Act) any share premium account or capital redemption reserve.
- (g) Full exercise of the subscription rights under the Warrants would result in the issue of 19,200,000 new Ordinary Shares;
- (h) If a takeover offer is made to all holders of Ordinary Shares, the Company shall use reasonable endeavours to procure a comparable offer for Warrant holders.

9. *Taxation*

The following information, which sets out the taxation treatment for holders of Ordinary Shares, is based on the law and practice currently in force in the United Kingdom. The information is not exhaustive and if shareholders are in any doubt as to their taxation position, they should consult their professional adviser. Shareholders should note that the levels and bases of, and relief from, taxation may change and that changes may alter the benefits of investment in the Company.

No tax is withheld from dividend payments by the Company.

Advanced Corporation Tax (“ACT”) was abolished from 6 April 1999 by the Finance Act 1998. The Company will not therefore be required to account to the Inland Revenue for ACT on dividends paid. The tax credit associated with such dividends will be one ninth of the cash received and the aggregate of the dividend and credit will form the individual’s top slice of income. For individual shareholders resident in the United Kingdom for tax purposes, the tax credit will satisfy the whole of the lower or basic rate liability but higher rate tax payers will have to pay additional tax at the rate of 32.5 per cent. on the total of the dividend and credit. The tax credit will be available to be offset against the higher rate liability so that the net amount payable will equal 22.5 per cent. of the dividend and tax credit. The after tax dividend income will for lower, basic and higher rate tax payers be the same as under pre 6 April 1999 rules. The tax credit cannot, however, be reclaimed from the Inland Revenue where the tax credit exceeds the tax liability of a United Kingdom resident individual.

Non-resident shareholders may be subject to tax on dividend income under any law to which they are subject outside the United Kingdom. Non-resident shareholders should consult their own tax advisers on the possible application of such provisions, the procedure for claiming payment and what relief or credit may be claimed for such tax credit.

The above summary is intended as a general guide. It is based on law and practice currently in force in the United Kingdom and is subject to any changes in the relevant legislation, its application and its practice. It may not apply to certain categories of shareholder, such as dealers in securities. It has been assumed for the purposes of the summary that the Company will not pay foreign income dividends as defined in the Income and Corporation Taxes Act 1988 as it is the present intention of the Directors that the Company will not pay any such dividends. Any person who is in any doubt as to his taxation position or who is subject to taxation in a jurisdiction other than the United Kingdom should consult his professional advisers immediately.

10. *Working Capital*

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

11. Litigation

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

12. Material Contracts

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

- 12.1 A Placing Agreement dated 1 December 1999 between the Company (1), the Directors (2), Ellis & Partners (3) and Seymour Pierce (4) whereby Ellis & Partners has agreed, conditional upon the Admission taking place not later than 8 December 1999 (or such later date as the parties may agree but not later than 23 December), that Ellis & Partners will procure subscribers for the Ordinary Shares at the Placing Price. The Company has agreed, subject to Admission, to pay Ellis & Partners a corporate finance fee of £10,000 and a Placing commission of 3 per cent. of the aggregate value of the Ordinary Shares the subject of the Placing at the Placing Price. The Company has also agreed, subject to Admission, to pay Seymour Pierce a corporate finance fee of £25,000 and to issue to Seymour Pierce Warrants to subscribe for 1,000,000 Ordinary Shares at the Placing Price on the terms of the Warrant Instrument. The Placing Agreement contains certain warranties and indemnities, limited as to quantum, given by Westside, R L Owen and G M Simmonds as to the accuracy of information contained in the Prospectus and other matters relating to the Company. In certain circumstances Ellis & Partners may terminate the agreement prior to Admission.
- 12.2 A Nominated Adviser Agreement dated 1 December 1999 between the Company (1), the Directors (2) and Seymour Pierce (3) pursuant to which the Company has conditional on Admission appointed Seymour Pierce to act as Nominated Adviser to the Company for the purposes of AIM. The Company has agreed to pay Seymour Pierce a fee of £2,500 per annum for its services as Nominated Adviser under this agreement. This fee is to increase to £10,000 per annum upon successful completion of the first acquisition by the Company. The agreement contains certain undertakings and indemnities given by the Company and the Directors in respect of, *inter alia*, compliance with all applicable laws and regulations. The agreement continues for a fixed period of one year from the date of the agreement and thereafter is subject to termination on the giving of three months' notice.
- 12.3 A Nominated Broker Agreement dated 1 December 1999 between the Company (1), the Directors (2) and Ellis & Partners (3) pursuant to which the Company has conditional on Admission appointed Ellis & Partners to act as Nominated Broker to the Company for the purposes of AIM. The Company has agreed to pay Ellis & Partners a fee of £2,500 per annum for its services as Nominated Broker under this agreement. This fee is to increase to £5,000 per annum upon successful completion of the first acquisition by the Company. The agreement contains certain undertakings and indemnities given by the Company and the Directors in respect of, *inter alia*, compliance with all applicable laws and regulations. The agreement continues for a fixed period of one year from the date of this agreement and thereafter is subject to termination on the giving of three months' notice.

13. General

- 13.1 The Nominated Adviser to the Company is Seymour Pierce of 29/30 Cornhill, London EC3V 3NF, a member of the London Stock Exchange and regulated by The Securities and Futures Authority Limited.
- 13.2 The Nominated Broker to the Company is Ellis & Partners of Talisman House, 16 The Courtyard, East Park, Crawley RH10 6AS, a member of the London Stock Exchange and regulated by The Securities and Futures Authority Limited.
- 13.3 Seymour Pierce have given and not withdrawn their written consent to the inclusion in this document of their name in the form and context in which they appear.
- 13.4 Ellis & Partners have given and not withdrawn their written consent to the inclusion in this document of their name in the form and context in which they appear.
- 13.5 There are no significant investments under active consideration.
- 13.6 The total proceeds of the Placing expected to be raised by the Company are £600,000 and the net proceeds, after deduction of the expenses (which are payable by the Company and are estimated to amount to £125,000 (excluding value added tax)), are approximately £475,000.
- 13.7 The Placing Price represents a premium over nominal value of 1½p per Ordinary Share.

- 13.8 Other than the intended application for Admission the Ordinary Shares and Warrants have not been admitted to dealings on any recognised investment exchange nor has any application for such admission been made nor, are there intended to be any other arrangements for dealings in the Ordinary Shares and Warrants.
- 13.9 Horwath Clark Whitehill accepts responsibility for their report set out in Part III of this document and have given and not withdrawn their written consent to the inclusion of it in this document and the references to them and to their name in the form and context in which they appear.
- 13.10 The Directors are unaware of any exceptional factors which have influenced the Company's activities.
- 13.11 There are no patents or other intellectual property rights, licenses or particular contracts which are or may be of fundamental importance to the Company's business.
- 13.12 There have been no significant recent trends concerning the development of the Company's business nor any significant acquisitions or disposals of assets since the date of incorporation.
- 13.13 There is no minimum amount which, in the opinion of the Directors, must be raised for the purposes set out in paragraph 21 of Schedule 1 to the POS Regulations.
- 13.14 Share certificates in respect of the Ordinary Shares and Warrant certificates in respect of the Warrants which are subject to the Placing are expected to be despatched to Shareholders by post, at their risk, by 22 December 1999.
- 13.15 The accounting reference date of the Company is 31 December.

14. Availability of Prospectus

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

Dated: 1 December 1999