

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about its contents and the action you should take you are recommended immediately to seek your own advice from a person duly authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares or other securities.

This Document comprises an AIM admission document and has been drawn up in accordance with the AIM Rules. This Document is not an approved prospectus for the purposes of section 85(7) of the Financial Services and Markets Act 2000.

The Directors and Proposed Directors whose names appear on page 9 of this Document accept responsibility for the information contained in this Document including individual and collective responsibility for compliance with the AIM Rules, save for the information concerning the Concert Party (for which each member of the Concert Party is responsible) and the recommendation set out in paragraph 20 of Part 1 of this Document (for which the Independent Director is solely responsible). To the best of the knowledge and belief of the Directors and the Proposed Directors (who have taken reasonable care to ensure that such is the case) the information contained in this Document for which they are responsible (as above) is in accordance with the facts and there are no other facts the omission of which is likely to affect the import of such information. Each member of the Concert Party accepts responsibility for the information contained in this Document relating to themselves or otherwise expressly referable to them. To the best of the knowledge and belief of each member or the Concert Party (who has taken reasonable care to ensure such is the case) the information contained in this Document for which they are responsible is in accordance with the facts and there are no other facts or omission of which is likely to affect the import of such information.

The Existing Ordinary Shares are admitted to trading on AIM. Application will be made to London Stock Exchange for the First Enlarged Ordinary Share Capital to be admitted to trading on AIM, a market operated by London Stock Exchange. The Existing Ordinary Shares are not dealt on any other recognised investment exchange and no application has been made or is being made for admission of the Enlarged Ordinary Share Capital to any other recognised investment exchange. The Directors and Proposed Directors expect that Admission will become effective and that trading in the Existing Ordinary Shares and the New Ordinary Shares on AIM will commence on 21 August 2007. If you have sold or transferred all of your Ordinary Shares, please forward this Document at once, together with the accompanying form of proxy to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. If you have sold or transferred some of your Ordinary Shares, please consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

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 of the UK Listing Authority. A prospective investor should be aware of the risks in investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this Document.

The attention of persons receiving a copy of this Document is drawn to the Risk Factors set out in Part 2 of this Document. The AIM Rules are less demanding than those of the Official List. Neither the London Stock Exchange nor the UK Listing Authority has itself examined or approved the contents of this Document.

Sandford Plc

(To be renamed TSE Group Plc)

*(Registered in England and Wales under the Companies Act 1985 (as amended)
with Registered Number 5353387)*

Proposed Acquisition of Wilton International Consulting Limited Proposed Approval of Waiver of Obligations under Rule 9 of the City Code Admission of Enlarged Ordinary Share Capital to trading on AIM Proposed Change of Name to TSE Group Plc

Nominated Adviser and Broker

Beaumont Cornish Limited

The New Ordinary Shares issued pursuant to the Proposals will, subject to and on completion of the Proposals, rank in full for all dividends or other distributions hereafter declared, made or paid on the ordinary share capital of the Company and will rank *pari passu* in all other respects with the Existing Ordinary Shares.

Beaumont Cornish, which is authorised and regulated by the Financial Services Authority, is acting for Sandford Plc as its nominated adviser and broker in connection with the Proposals. Beaumont Cornish's responsibility as nominated adviser under the AIM Rules is owed solely to London Stock Exchange and is not owed to Sandford Plc or to any Director or Proposed Director or to any other person in respect of his decision to acquire shares in Sandford Plc in reliance on any part of this Document. Beaumont Cornish will not be providing advice and will not otherwise be responsible to any person other than Sandford Plc for providing customer protections to recipients of this Document in connection with the Proposals.

Notice of an EGM of the Company to be held at the offices of Fasken Martineau Stringer Saul LLP, at 17 Hanover Square, London W1S 1HU, at 10.30 a.m. on 20 August 2007 is set out at the end of this Document. Shareholders will find enclosed a blue Form of Proxy for use at the EGM which, to be valid, must be completed and returned so as to be received by the Company's registrars, SLC Registrars, as soon as possible and in any event not later than 10.30 a.m. on 18 August 2007. Completion and return of the Form of Proxy will not preclude Shareholders from attending the meeting and voting in person should they subsequently wish to do so. The Independent Directors' recommendation is set out on page 30 of this Document.

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FORWARD-LOOKING STATEMENTS

This Document contains forward-looking statements. These statements relate to the Company's future prospects, developments and business strategies. Forward-looking statements are identified by their use of terms and phrases such as "believe", "could", "envisage", "estimate", "intend", "may", "plan", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These statements are primarily contained in Part 1 of this Document.

The forward-looking statements in this Document are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. Certain risks to and uncertainties for the Company are specifically described in Part 2 of this Document headed "Risk Factors". If one or more of these risks or uncertainties materialises, or if underlying assumptions prove incorrect, the Company's actual results may vary materially from those expected, estimated or projected. Given these risks and uncertainties, potential investors should not place any reliance on forward-looking statements. These forward-looking statements speak only as at the date of this Document. Neither the Directors, the Proposed Directors nor the Company undertake any obligation to update forward-looking statements or the Risk Factors described in Part 2 of this Document other than as required by the Prospectus Rules, the AIM Rules or by the rules of any other relevant securities regulatory authority, whether as a result of new information, future events or otherwise.

OVERSEAS SHAREHOLDERS

This Document does not constitute an offer to sell, or a solicitation to buy Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, this Document is not for distribution in or into the United States of America, Canada, Australia, the Republic of South Africa or Japan. The Ordinary Shares have not been nor will be registered under the United States Securities Act of 1933 (as amended) nor under the securities legislation of any state of the United States or any province or territory of Canada, Australia, the Republic of South Africa, or Japan or in any country, territory or possession where to do so may contravene local securities laws or regulations. Accordingly, the Ordinary Shares may not, subject to certain exceptions, be offered or sold directly or indirectly in or into the United States of America, Canada, Australia, the Republic of South Africa or Japan or to any national, citizen or resident of the United States of America, Canada, Australia, the Republic of South Africa or Japan. The distribution of this Document in certain jurisdictions may be restricted by law. No action has been taken by the Company or by Beaumont Cornish Limited that would permit a public offer of Ordinary Shares or possession or distribution of this Document where action for that purpose is required. Persons into whose possession this Document comes should inform themselves about, and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

DEFINITIONS

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

“Acquisition”	the proposed acquisition by the Company of the whole of the issued share capital of Wilton
“Acquisition Agreement”	the conditional agreement between WIMG (1), Robin Courage (2), Lars Haue-Pedersen (3), the WIMG Shareholders (4) and Sandford (5) relating to the Acquisition, a summary of the principal terms of which is set out in paragraph 11.1.25 of Part 8 of this Document
“Acquisition Shares”	the ordinary shares and the B ordinary shares in the capital of Wilton to be acquired by Sandford pursuant to the Acquisition Agreement
“Accountants’ Reports”	the reports on the financial information relating to the Company, Wilton and TSE prepared by Kingston Smith
“Act”	the Companies Act 1985 (as amended)
“Admission”	the admission of the First Enlarged Issued Share Capital to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules
“AIM”	the AIM Market of the London Stock Exchange
“AIM Rules”	the rules for AIM Companies and their Nominated Advisers issued by the London Stock Exchange from time to time
“Articles”	the articles of association of the Company
“Beaumont Cornish”	Beaumont Cornish Limited, a company registered in England and Wales with registered number 03311393
“Boldwood”	Boldwood Limited, a company registered in England and Wales with registered number 05232587
“Cash Consideration”	the First Cash Consideration and the Second Cash Consideration
“CREST”	the relevant system (as defined in the CREST Regulations) for the purpose of paperless settlement in respect of which CRESTCo Limited is the operator (as defined in the CREST Regulations)
“City Code”	the City Code on Takeover and Mergers
“Combined Code”	the Principles of Good Governance and Code of Best Practice published in June 2006 by the Financial Reporting Council
“Company” or “Sandford”	Sandford Plc, a company registered in England and Wales with registered number 5353387
“Completion”	completion of the Proposals
“Concert Party”	as defined in Part 3 of this Document
“Consideration Shares”	the First Consideration Shares and the Second Consideration Shares
“Continuing Inter Company Debt”	£100,000 which will remain owing by Wilton to WIMG and which is to be repaid as part of the Second Cash Consideration, as set out in paragraph 11.1.25 of Part 8 of this Document
“CREST”	the computerised settlement system used to facilitate the transfer of title to shares in uncertificated form operated by Euroclear

“CREST Regulations” or “Regulations”	The Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended)
“Directors” or “Board”	the directors of the Company at the date of this Document
“Document”	this admission document
“EGM” or “Extraordinary General Meeting”	the extraordinary general meeting of the Company to be held on 20 August 2007 at 10.30 a.m. (or any adjournment thereof), notice of which is set out at the end of this Document
“Enlarged Group”	Sandford, Wilton and TSE and any of their subsidiaries as at the date of Admission
“Enlarged Ordinary Share Capital”	the entire issued share capital of the Company as enlarged by the First Consideration Shares
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“Existing Ordinary Share Capital”	the entire issued ordinary share capital of the Company as at the date of this Document
“Existing Ordinary Shares”	the 493,900,000 issued Ordinary Shares at the date of this Document
“First Cash Consideration”	£750,000
“First Inter Company Debt”	£118,493 owed by Wilton to WIMG to be repaid by the Company, for and on behalf of Wilton, on Completion by WIMG applying £118,493 of the First Cash Consideration to such repayment
“First Consideration Shares”	the New Ordinary Shares to be issued to the Vendors on completion of the Acquisition
“First Enlarged Share Capital”	the issued ordinary share capital of the Company on Admission, comprising the Existing Ordinary Shares and the First Consideration Shares
“Form of Proxy”	the blue form of proxy to be used by holders of Existing Ordinary Shares in connection with the EGM
“FSA”	the Financial Services Authority
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“Group”	the Company and, prior to the sale of MSUK, its subsidiaries including but not limited to MSUK
“Hansard”	Hansard Communications.com Limited, a company registered in England and Wales with registered number 03928022
“Hansard Lock-in Agreement”	the lock-in agreement as set out in paragraph 11.2.3 of Part 8 of this Document
“Independent Director”	Neil McClure
“Independent Shareholders”	those shareholders entitled to vote on Resolution 1 pursuant to paragraph 2(d) of Appendix 1 of the City Code
“London Stock Exchange” or “Exchange”	London Stock Exchange plc
“March EGM”	the extraordinary general meeting of the Company held on 26 March 2007
“Member Account ID”	the identification code or number attached to any member account in CREST

“MSUK”	means Media Steps (UK) Limited, a company registered in England and Wales with registered number 4880448, the former subsidiary of the Company
“New Ordinary Shares”	the 90,000,000 new Ordinary Shares
“New Warrant Instrument”	means the deed poll dated 26 July 2007 creating the New Warrants and setting out the terms and conditions of the exercise of the New Warrants
“New Warrants”	warrants to subscribe for New Ordinary Shares granted to Beaumont Cornish (subject to Admission), details of which are set out in Paragraph 8.2 of Part 8 of this Document
“Notice of Extraordinary General Meeting”	the notice of Extraordinary General Meeting at the end of this Document
“Official List”	the official list of the UKLA
“Options”	the options to subscribe for Ordinary Shares at an exercise price of 1p per Ordinary Share to be granted by the Company, subject to Admission, to the Option Holders pursuant to the Share Option Plan
“Option Holders”	Greg Curchod, Caroline Anderson, Bettina Kuperman, Lindsay Nelson, Kenneth Quah, Dale Neuberger, Susanne Hedegaard, Young-Sook Lee, Orhan Gorbun and Victor Rabede
“Ordinary Shares”	the ordinary shares of 0.1 pence each in the share capital of the Company at the date of this Document
“Original Admission”	the admission of the share capital of the Company to AIM which took place on 24 June 2005
“Panel”	the Panel on Takeovers and Mergers, the regulatory body which administers the City Code
“Participant ID”	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
“Proposals”	the Acquisition, the Admission, the Resolutions and the Rule 9 Waiver
“Proposed Directors”	Robin Courage and Lars Haue-Pedersen
“Prospectus Rules”	the rules made by the FSA pursuant to sections 734A(1) and (3) of FSMA, as defined in section 417(1) of FSMA
“Purchase Option”	the option granted by Hansard to Neil McClure to acquire up to 8,800,000 Ordinary Shares, details of which are set out in paragraph 11.2.2 of Part 8 of this Document
“Resolutions”	the resolutions set out in the notice of EGM at the end of this Document and ‘Resolution’ shall mean any one of them as appropriate
“Second Cash Consideration”	£200,000 of which £100,000 is payable to the Proposed Directors and £100,000 is payable to WIMG in repayment of the Continuing Inter Company Debt
“Second Consideration Shares”	up to 24,000,000 new Ordinary Shares which may be issued and allotted to the Proposed Directors
“Second Enlarged Share Capital”	the Existing Ordinary Shares, the First Consideration Shares and the Second Consideration Shares
“Shareholders” or “Members”	holders of Existing Ordinary Shares

“Share Option Plan”	the Sandford Share Option Plan, details of which are set out in paragraph 9 of Part 8 of this Document
“Subscribers”	the subscribers to the Subscription Agreement as nominated by Hansard comprising Hansard, Adam Reynolds, Paul Foulger, Graham Chambers, Paul Lister, Penelope Horne, David Newton, Palan Settlements, Benjamin Simons and Andrew Tan
“Subscription Agreement”	the subscription agreement entered into on 20 December 2006 between Hansard (1) and the Company (2)
“Subscriber Lock-In Agreements”	the lock-in agreements between the Company (1) Beaumont Cornish (2) and each of the Subscribers (3) as set out in paragraph 11.1.22 of Part 8 of this Document
“TSE”	TSE Consulting S.A. a Swiss stock company (société anonyme), a wholly-owned subsidiary of Wilton
“UK”	the United Kingdom of Great Britain and Northern Ireland
“UKLA”	the FSA acting in its capacity as the competent authority for the purposes of Part 8 of FSMA
“Vendors”	Wilton International Management Group and the Proposed Directors
“Waiver”	the conditional waiver by the Panel of the obligation of the Concert Party that may otherwise arise under ‘Rule 9’ of the City Code to make a mandatory cash offer for the issued Ordinary Shares not already owned by the Concert Party on Completion
“Warrant Holder”	Neil James McClure, the holder of the Warrants
“Warrant Instrument”	the deed poll dated 28 February 2007 creating the Warrants and setting out the terms and conditions of the exercise of the Warrants
“Warrants”	warrants to subscribe for Ordinary Shares, full details of which are set out in paragraph 8 of Part 8 of this Document
“Wilton” or “WICL”	Wilton International Consulting Limited, a company registered in England and Wales with registered number 05504412, a wholly owned subsidiary of WIMG
“Wilton Lock-in Agreements”	the lock-in agreements as set out in paragraph 10 of Part 1 and paragraph 11.1.28 of Part 8 of this Document
“WIMG” or “Wilton International Management Group”	Wilton International Management Group Limited, a company registered in England and Wales with registered number 05416550
“WIMG Shareholders”	Adam Reynolds, Paul Foulger, David Keen and Ian Ainscow

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time and date for receipt of Forms of Proxy	10.30 a.m. on 18 August 2007
Extraordinary General Meeting	10.30 a.m. on 20 August 2007
Expected completion of the Acquisition (subject to Admission)	20 August 2007
Admission to AIM of the First Consideration Shares	8.00 a.m. on 21 August 2007
Admission to AIM of the First Enlarged Share Capital	8.00 a.m. on 21 August 2007

MARKET STATISTICS

Number of Existing Ordinary Shares	493,900,000
Number of First Consideration Shares to be issued pursuant to the terms of the Acquisition Agreement	90,000,000
Total number of Ordinary Shares in issue following the issue of the First Consideration Shares ("First Enlarged Share Capital")	583,900,000
Percentage of the First Enlarged Ordinary Share Capital represented by the First Consideration Shares	15.41 per cent.
Percentage of the First Enlarged Ordinary Share Capital not in public hands	71.05 per cent.
Maximum number of Second Consideration Shares to be issued pursuant to the terms of the Acquisition Agreement	24,000,000
Total number of Ordinary Shares following the issue of the Second Consideration Shares ("Second Enlarged Share Capital")	607,900,000
Percentage of the Second Enlarged Ordinary Share Capital represented by the Consideration Shares	18.75 per cent.
AIM Ticker Symbol	SFD
ISIN for the Ordinary Shares	GB00B0BFPD14

EXPECTED ACCOUNTING TIMETABLE

Latest date for publication of the interim results for the period ended 30 June 2007	30 September 2007
Latest date for publication of the audited results for the nine months ending 31 December 2007	30 June 2008
Latest date for publication of the interim results for the period ending 30 June 2008	30 September 2008

DIRECTORS, PROPOSED DIRECTORS, SECRETARY AND ADVISERS

Directors	Neil James McClure, <i>Non-Executive Chairman</i> Adam Reynolds, <i>Executive Director</i> Paul Andrew Peter Foulger, <i>Executive Director</i> All of 14 Kinnerton Place South, London SW1X 8EH
Proposed Directors	Robin Vandeleur Courage, <i>Proposed Chief Executive</i> (of 14 Kinnerton Place South, London SW1X 8EH) Lars Haue-Pedersen, <i>Proposed Executive Director</i> (of Rue du Petit-Chene 38, 1001 Lausanne, Switzerland)
Registered Office	14 Kinnerton Place South, London SW1X 8EH
Website and Company Telephone Number	www.tsegroupplc.com Tel: +44 (0)207 245 1100
Company Secretary	Paul Andrew Peter Foulger
Nominated Adviser and Broker	Beaumont Cornish Limited 5th Floor 10-12 Cophall Avenue London EC2R 7DE
Auditors	Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD
Registrars	SLC Registrars Limited 42-46 High Street Esher Surrey KT10 9QY
Solicitors to the Company as to English Law	Fasken Martineau Stringer Saul LLP 17 Hanover Square London W1S 1HU
Solicitors to the Company as to Swiss Law	Froiep Renggli 1 Knightrider Court London EC4V 5JP

PART 1

LETTER FROM THE INDEPENDENT DIRECTOR OF SANDFORD PLC

Sandford Plc

*(Incorporated and registered in England and Wales under the Companies Act 1985 (as amended)
with registered number 5353387)*

Directors:

Neil James McClure *(Non-Executive Chairman)*

Adam Reynolds *(Executive Director)*

Paul Foulger *(Executive Director)*

Registered Office:

14 Kinnerton Place South

London SW1X 8EH

Proposed Directors:

Robin Courage *(Executive Director)*

Lars Haue-Pedersen *(Executive Director)*

27 July 2007

To the holders of Existing Ordinary Shares, and for information only, to the Warrant Holder

Dear Shareholder,

**Proposed acquisition of Wilton International Consulting Limited
Proposed waiver of the requirements of Rule 9 of the City Code on Takeovers and Mergers
Proposed change of name to TSE Group Plc
and
Notice of Extraordinary General Meeting**

1. Introduction

Your Board announced earlier today that, subject to Shareholder approval, agreement has been reached for the proposed acquisition of Wilton International Consulting Limited ("Wilton"), which through its subsidiary TSE, is one of the leading providers of international strategic sports consultancy services. The principal current activity of Sandford is that of an investing company. The consideration comprises £750,000 in cash and 90,000,000 new Ordinary Shares ("First Consideration Shares") together with a deferred consideration of £200,000 and a further 24,000,000 new Ordinary Shares ("Second Consideration Shares") which are to be issued over the next three years. Based on the closing mid market price of 0.85p per Ordinary Share on 26 July 2007 (the last practicable date before the publication of this Document), the Consideration Shares together with the Cash Consideration, values Wilton in aggregate at £1,919,000.

The Acquisition will constitute a "reverse-takeover" under the AIM Rules and is therefore subject to the approval of Shareholders at the Extraordinary General Meeting, details of which are set out below. Following the Acquisition, the business of the Enlarged Group will constitute that of Wilton and TSE. The issue and allotment of the Consideration Shares to the Vendors as consideration for the Acquisition would normally give rise to an obligation on the Concert Party to make a Rule 9 offer pursuant to the City Code to the remaining Shareholders of the Company. The Panel has agreed, however, to waive this obligation to make a general offer to all Shareholders subject to the passing on a poll by the Independent Shareholders of Resolution 1 set out in the Notice of Extraordinary General Meeting.

Application will be made for the First Enlarged Ordinary Share Capital to be admitted to trading on AIM, subject to the Resolutions set out in the Notice of Extraordinary General Meeting being passed by the Independent Shareholders at the Extraordinary General Meeting. The Directors expect that Admission will become effective and that trading in the First Enlarged Ordinary Share Capital on AIM will commence on 21 August 2007.

The purpose of this letter is to provide Shareholders with, *inter alia*, the background to the Acquisition and to seek their approval for the Acquisition and the Rule 9 Waiver at the Extraordinary General Meeting.

2. Background

On 22 December 2006, the Company announced that negotiations had been successfully concluded for the recapitalisation of the Company. As part of those arrangements, an investor group led by Hansard conditionally agreed to subscribe £280,000 for 280 million new Ordinary Shares, the issue of which was approved at the extraordinary general meeting of the Company held on 26 March 2007. The funds raised pursuant to the Subscription Agreement were used by the Company to discharge its liabilities and to provide working capital to enable the Board to pursue its strategy of seeking a suitable reverse takeover. While the new funds provided by the Subscription Agreement stabilised the Company's financial position, the Board also stated at that time that it intended to raise further equity funding for the Company as soon as possible as the Board believed that the additional funds would enable the Company to consider a wider range of potential opportunities.

Accordingly, on 18 April 2007 the Company announced that it had completed a placing of 141,900,000 new Ordinary Shares with a number of investors at a price of 0.75 pence per Ordinary Share to raise a total of £1,064,250 before expenses. Following completion of this placing the Company had net cash balances of approximately £1.2 million. The Company has no assets other than these cash balances.

The Company's investment strategy was to seek opportunities to acquire established businesses with proven management teams operating in attractive markets which could secure sufficient funding to implement their designated business plan. The Board also intended to focus on businesses that operated in the UK or where the Board had sufficient knowledge about the jurisdiction in which the potential acquisition was incorporated or operated to make a fully informed assessment as to the merits of the acquisition.

Your Board has today agreed, subject to shareholder approval, to acquire Wilton, which, through its Lausanne-based subsidiary TSE, is a provider of strategic advice to international sports organisations, the public sector and private companies including advice to cities and governments on bidding and hosting major sports events such as the Olympic Games.

Adam Reynolds and Paul Foulger, directors of the Company, are also shareholders and directors of WIMG which is one of the Vendors of Wilton. Accordingly, pursuant to the AIM Rules, the acquisition of Wilton is being treated as a related party transaction and the recommendation set out in paragraph 20 of this letter has been provided solely by Neil McClure, the Independent Director.

Furthermore, as both Paul Foulger and Adam Reynolds are directors of the Company and directors and shareholders of WIMG, Section 320 of the Act will also apply to the Acquisition as the transaction amounts to a substantial property transaction involving a director of the Company. To this end, Section 320 provides that no agreement can be entered into with the Vendors without the prior approval of the Shareholders. The Company will seek this approval at the EGM, at which the Shareholders will be asked, *inter alia*, to approve the entering of the Acquisition Agreement for the purposes of Section 320 of the Act.

The Board reviewed a number of development opportunities and the Independent Director believes that Wilton is an attractive acquisition for the Company. In particular, the Independent Director believes that:

- TSE operates in a growing market and, with its brand and customer base, provides a platform for Sandford to establish a leading consultancy to sports bodies and host cities and regions across the world;
- there are a number of opportunities to develop TSE by both organic growth through the development of its international network of agents and by acquisition of complementary consultancy and events management businesses; and
- the proposed acquisition provides an opportunity to rebuild a potentially valuable business within Sandford for the benefit of its Existing Shareholders including those who invested in the Company at the time of its Original Admission.

3. Overview of Wilton and TSE

3.1 Introduction

Wilton was established in 2005 and in September 2005, acquired the entire issued share capital of TSE. Wilton has no other subsidiaries. Founded in 2000, TSE is a Swiss-registered company based in Lausanne, Canton de Vaud, Switzerland and provides strategic advice to international sports organisations, the public sector and private companies including advice to cities and governments on bidding and hosting major sports events such as the Olympic Games. TSE operates from its head office in Lausanne, and has a team of staff and consultants.

In 2006, TSE established an international network outside of Switzerland with local partners. TSE currently has a presence in the UK, USA, South Africa, Denmark and China.

3.2 Market Background

The governing bodies of international sport such as FIFA (football), IAAF (athletics) and major sports organisations such as the International Olympic Committee ("IOC") and Union of European Football Associations ("UEFA") own major sporting events such as athletic world championships and football world cups. These governing bodies and organisations both raise the profile of their sport and derive a substantial proportion of their revenues from the governments and cities which host each event. Governments and cities also benefit from hosting international sports events by:

- increasing tourism;
- attracting inward infrastructure investment;
- improving international branding of the city and /or country;
- enhancing community pride and coherence; and
- retaining young and educated workers.

The international sports market is well-established and the location for major events is generally decided up to seven years in advance. The bidding preparation by governments and cities typically commences 10 years prior to the event itself. Accordingly, TSE aims to secure contracts as early as possible within the event bidding cycle using its close relationships with both the sports organisations, many of which are located in Lausanne, and key individuals within governments and cities worldwide. European and North American cities have traditionally been the most active bidders to host major sporting events. However, more recently, an increasing number of cities from developing countries and in particular the Middle East and Asia have made bids to host major sporting events. Every new bid by these governments and cities provides an opportunity for a strategic sports consultancy such as TSE.

The Directors and Proposed Directors also expect that commercial and competitor pressure (from other sports) will continue to force sports organisations to be increasingly professional in the promotion and management of their organisations and in the way that they relate to their worldwide membership. The Directors and Proposed Directors expect that the demand by sports organisations for strategic consultants such as TSE to advise on selecting the event host, training and education, will also continue to grow as they seek to meet these challenges.

3.3 TSE's Services

TSE provides strategic consulting services to three groups of clients:

- National and international sports organisations
TSE's customers comprise national and international sports organisations such as the IOC, UEFA and a number of international federations (the international governing bodies for individual sports) such as athletics ("IAAF"), swimming ("FINA") and basketball ("FIBA"). Over 20 sporting governing bodies are located in Lausanne where TSE operates. TSE's services include providing advice in relation to:
 - change management processes;
 - performance measurement systems;
 - organisation of major conferences and meetings;

- research in the field of costs and benefits of the organisation of major sports events;
 - long term sport event strategies; and
 - strategic planning and implementation.
- **Cities, regions and countries**
TSE provides these customers with advice in relation to:
 - the costs and benefits of the organisation of major sports events;
 - long term sports event strategies;
 - the implementation of bidding campaigns for the right to host major sports events; and
 - maximising the benefits of the hosting of major sports events.
 - **Public and private sector clients**
TSE also provides consulting services to corporate customers who supply goods and services to sporting events, such as ticketing, hospitality, information technology services, transportation and infrastructure development. TSE provides a wide range of advice in relation to:
 - market analysis of commercial opportunities;
 - business development; and
 - implementation plans.

3.4 **International Network**

Given the increasing interest by developing countries in hosting major sporting events and the proliferation of potential events, TSE has begun to establish an international presence through a network of TSE appointed local agents. The Directors and Proposed Directors believe that a local presence is increasingly important in securing consultancy contracts with bidding cities and regions. The overseas network has been established through agency agreements with local partners. Under each agency agreement, TSE provides central support, brand support and marketing, training and, as necessary, consultancy services. The local partner is responsible for local operational costs and business development. TSE provides its agents with a standardised “Direction Manual” which sets out the basis of corporate procedures and branding.

To date, TSE has appointed agents in the USA (Indianapolis), UK (London), South Africa (Johannesburg), China (Beijing) and Denmark (Copenhagen).

TSE retains a fee of 25 per cent. of the gross revenue of the relevant agent. In addition, TSE receives a further proportion of the net revenue for each contract which is concluded based *pro rata* on the share of work to be undertaken between TSE in Lausanne and the local agent.

In due course, the Directors and Proposed Directors intend to develop its international presence by appointing a further 10 to 15 TSE branded agents throughout Europe, Asia and Australasia.

3.5 **Customers**

TSE has worked with a significant number of international sports organisations, cities and governments including the following:

International sports organisations

International Olympic Committee (IOC)
 Union of European Football Associations (UEFA)
 International Association of Athletics Federations (IAAF)
 International Rowing Federation (FISA)
 International Swimming Federation (FINA)
 International Basketball Federation (FIBA)
 International Hockey Federation (FIH)
 International Archery Federation (FITA)
 World Air Sports Federation (FIA)

Governments

Korean Olympic Committee
 Government of Bahrain
 Government of Denmark
 Government of Nigeria
 Government of Austria
 Government of Ukraine

Cities/other

City of Copenhagen
 City of New York
 City of Denver
 Meteksan System
 The University of Lausanne
 The Centre for International Studies in Sport (CIES)
 The University of Klagenfurt

TSE carries out work for its clients on a contractual basis. A number of clients have renewable annual contracts while the remainder relate to a specific project or service provided by TSE. The duration of consultancy services related to bidding campaigns are dependant on the length of the campaign and generally vary from 6 months to 3 years, depending on the timing of TSE's engagement. Consultancy fees are calculated on an agreed charge out rate for the executive time required on the project and are dependant upon the seniority of the consultants to be engaged on the project.

3.6 Competition

The Directors and Proposed Directors believe that TSE was one of the first specialist providers of strategic sports consulting services and accordingly has developed a recognised company brand in its market. TSE is not reliant on any other intellectual property rights, patents or licences. TSE has tendered against the large established multinational management consultancy firms who seek to operate in the world of international sport. In addition, TSE competes with other, specialist communications firms and individuals, together with multinational public relations consultancies, who have experience of working on bidding campaigns. The Directors and Proposed Directors believe however that TSE can be distinguished from such organisations as it is a management consultancy which operates exclusively in sport and has a developed international network aligned the close relationships it has with the sports organisations based in Lausanne.

3.7 TSE Development Strategy

TSE's business strategy is to become the leading specialist management consultancy operating only in national and international sport. Initially, TSE provided strategic consultancy and training services for sports organisations and governing bodies. Subsequently, TSE has provided services to the public sector, where it has been able to utilise its knowledge and close working relationships with the sports organisations to assist governments and cities to develop their own sports strategies and to attract major sporting events. TSE is now providing consultancy services to the commercial private sector to assist companies to develop sales of services to international sports events. The Directors and Proposed Directors intend to develop the international agency network further over the next 3 years. The Directors and Proposed Directors believe that the services of an experienced consultancy, such as TSE, with connections both internationally and locally will continue to be in demand given the benefits to host nations and cities provided by major sporting events and the competition between individual sports events. The Directors and Proposed Directors intend to develop TSE both organically and through selected acquisition of other complementary businesses. In particular, the Directors and Proposed Directors will consider extending TSE's business to provide event planning and management services.

3.8 Proposed Change of Name

To reflect the Group's new strategy and to reinforce the TSE brand, on completion of the Proposals the Directors propose to change the name of the Company to TSE Group Plc. A special resolution to this effect will be proposed at the EGM.

4. Selected Financial Information

4.1 Sandford's Audited Results for the Year Ended 31 March 2007

Sandford also announced today its audited results for the year ended 31 March 2007, which showed a profit before taxation of £122,770. The Chairman's statement contained within the audited results announcement is reproduced in full without material adjustment in Part A of Part 4 of this Document. Set out below is a summary of the audited results for Sandford for the two periods ended 31 March 2007.

The financial information has been extracted without material adjustment from Part B of Part 4 of this Document. Shareholders and potential purchasers of Ordinary Shares should read the whole of this Document and should not rely solely on the summary financial information which should be read in conjunction with "Current Trading and Prospects" set out below in this Part 1 of this Document and the Accountants' Report set out in Part 4 of this Document.

Sandford — Audited Profit and Loss Account

	Year to 31 March 2007 £	Period to 31 March 2006 £
Group revenue	—	172,949
Operating costs	(124,730)	(1,079,030)
Operating Loss	(124,730)	(906,081)
Finance revenue	—	24,101
Finance costs	—	(11,176)
Loss on sale of tangible assets	—	(500)
Settlement of liabilities	247,500	—
Profit/(loss) before tax	122,770	(893,656)
Taxation	—	—
Discontinued activities	104,243	(1,232,443)
Profit/(loss) for the year	227,013	(2,126,099)
Earnings/(loss) per share	0.3p	(2.9)p

The Company has not traded since it disposed of MSUK on 3 July 2006. Net assets as at 31 March 2007 were £111,949 and net cash was £203,871.

The Company's current accounting reference date is 31 March. On completion of the Proposals, the Directors intend to change the Company's accounting reference date to 31 December. Following this change, the Company's next results to be published in accordance with the AIM Rules will be for the six months ended 30 June 2007 which must be announced on or before 30 September 2007.

4.2 TSE's Historic Trading Record

Pursuant to the Acquisition Agreement, the Company has agreed, conditional, *inter alia*, on Shareholders' approval at the EGM, to purchase the entire issued share capital of Wilton.

Wilton is an intermediate holding company whose only asset is its wholly-owned subsidiary TSE, which it acquired in September 2005. The senior management of TSE, own 100 per cent. of the issued B ordinary shares of TSE. Set out below is a summary of the audited results for TSE for the three years ended 31 December 2006.

This summary financial information has been extracted without material adjustment from the Accountants' Report on TSE set out in Part 6 of this Document. Shareholders and potential purchasers of Ordinary Shares should read the whole of this Document and should not rely solely on the summary financial information which should be read in conjunction with "Current Trading and Prospects" set out below in this Part 1 of this Document and the Accountants' Report set out in Part 6 of this Document.

The Accountants' Report on Wilton for the three years ended 31 December 2006 is set out in Part 5 of this Document.

TSE — Audited Profit and Loss Account

	<i>Year ended 31 December</i>		
	<i>2004</i>	<i>2005</i>	<i>2006</i>
<i>CHF</i>			
Turnover	816,229	904,188	1,653,022
Cost and expenses	(791,317)	(866,269)	(1,411,451)
Operating profit before interest, tax, depreciation and amortisation	24,912	37,919	241,571
Depreciation	(8,155)	(11,392)	(11,598)
Operating profit before interest and tax	16,757	26,527	229,973
Net financing (costs)/income	(3,587)	6,091	(14,087)
Result before income taxation	13,170	32,618	215,886
Taxation	(3,147)	(7,614)	(51,570)
Net income	10,023	25,004	164,316

Turnover

TSE's turnover was broadly flat in 2004 and 2005 but increased by approximately 83 per cent. in 2006. The increase in 2006 was the result of additional marketing, new staff and the appointment of the first overseas agents which accounted for 15 per cent. of sales.

In 2005 TSE's top ten customers accounted for approximately 85 per cent. of total sales (2004: 79 per cent.) with the largest customer accounting for 21 per cent. of sales (2004: 19 per cent.). In 2006 TSE had a broader base of business and the proportion of sales accounted for by the top ten customers fell to 68.4 per cent. with the largest customer accounting for approximately 11.6 per cent. of sales.

An analysis of historic turnover by customer type is set out below:

	<i>Year ended 31 December</i>		
	<i>2004</i>	<i>2005</i>	<i>2006</i>
<i>CHF'000</i>			
Cities, regional and national governments:			
— Sports training	134	150	203
— Sports consultancy	198	245	324
International sports organisations:			
— City consultancy	205	224	532
— City bidding advice	279	285	269
Commercial sector	0	0	325
Total revenue	816	904	1,653

TSE appointed its first overseas agents during 2006 which accounted for 15 per cent. of sales in that year. Prior to 2006, all TSE's revenue was generated by TSE in Switzerland.

Cost of Sales

Cost of sales and expenses mainly comprises consultants' salaries and payments to additional external consultants. External consultants are used by TSE's overseas agents as well as for specific, short-term projects outside Europe. The costs of external consultants accounted for approximately 15 per cent. of total personnel costs.

The increase in costs in 2006 was primarily due to an increase in consultants' salaries and wages as a result of additional staff members employed to service the increased number of contracts.

Results Before Taxation

TSE has been consistently profitable over the last three years. Profits increased significantly in 2006 as a result of increased sales and cost control measures together with an increasing contribution from TSE's overseas offices.

4.3 TSE Capital Resources and Liquidity

In the three years ended 31 December 2006, TSE has financed its development entirely from internal resources. TSE has incurred no third party indebtedness or other borrowings.

As described above, Wilton is an intermediate holding company whose only asset is its interest in TSE which it acquired on 2 September 2005 for a cash consideration of £190,000 and which consists of its holding of shares representing 100 per cent. of the issued ordinary share capital of TSE. Wilton financed the acquisition of TSE by a debt facility of £190,000 provided to Wilton by WIMG, the parent company of Wilton (the "Initial Inter Company Debt"). On Completion of the Proposals, £100,000 will be owed by WICL to WIMG ("the Continuing Inter Company Debt") and will be repaid on the second anniversary of Completion.

4.4 Unaudited Pro Forma Statement of Net Assets for the Enlarged Group

Other than the Company's cash balances, prior to completion of the Acquisition, the Company has no other assets.

This summary of the unaudited pro forma statement of net assets has been extracted without material adjustment from the Accountants' Report set out in Part 7 of this Document. Shareholders and potential purchasers of Ordinary Shares should read the whole of this Document and should not rely solely on the summary financial information which should be read in conjunction with "Current Trading and Prospects" set out below in this Part 1 of this Document and the Accountants' Reports set out in Parts 4 to 7 of this Document.

<i>£'000</i>	<i>Sandford as at 31 March 2007 Audited</i>	<i>Unaudited pro forma for the Enlarged Group as at 31 March 2007</i>
Fixed assets		
Investments	—	—
Goodwill	—	2,061,871
Development costs	—	—
Tangible fixed and financial assets	—	22,672
	<u>—</u>	<u>2,084,543</u>
Current assets		
Debtors	12,631	170,153
Cash at bank and in hand	203,871	313,494
	<u>216,502</u>	<u>483,647</u>
Creditors due within one year	(54,553)	(172,991)
Net current assets/(liabilities)	<u>161,949</u>	<u>310,656</u>
Total assets less current liabilities	161,949	2,395,199
Creditors due in more than one year	(50,000)	(250,000)
Net assets	<u>111,949</u>	<u>2,145,199</u>
Share capital and share premium	2,011,035	3,840,285
Shares to be issued	—	204,000
Profit and loss account	(1,899,086)	(1,899,086)
Equity shareholders' funds	<u>111,949</u>	<u>2,145,199</u>

The unaudited pro forma statement of net assets for the Enlarged Group as at 31 March 2007 is based on the audited balance sheet of Sandford as at 31 March 2007 as adjusted, for illustrative purposes, to show the effect of the Acquisition and the placing by the Company as announced on 18 April 2007.

On 18 April 2007 the Company announced that it had placed 141,900,000 Ordinary Shares with a number of investors at a price of 0.75 pence per Ordinary Share which raised a total of £1,064,250 before expenses. The Company will finance the cash payments due pursuant to the Acquisition Agreement from these internal cash resources.

4.5 Working Capital

Following Completion of the Acquisition, the Company will have net cash balances of approximately £220,000 and no bank borrowings or indebtedness other than the obligation to pay the Second Cash Consideration of £100,000 and the Continuing Inter Company Debt of £100,000, as described more fully in Paragraph 5 below.

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

5. Summary of the Acquisition Agreement

Subject to the passing of Resolution 2 at the EGM, the Company will enter into the Acquisition Agreement.

Pursuant to the Acquisition Agreement, the Company will, subject only to Admission, acquire the entire issued share capital of Wilton in consideration for (a) the allotment of the First Consideration Shares and payment of the First Cash Consideration and (b) the allotment of the Second Consideration Shares and the payment of the Second Cash Consideration in the following proportions:

- (i) WIMG shall receive 70,000,000 New Ordinary Shares at Admission and the payment of £500,000 in cash of which £118,493 will be utilised to satisfy the First Inter Company Debt;
- (ii) Robin Courage shall receive 10,000,000 New Ordinary Shares at Admission and the payment of £125,000 in cash;
- (iii) Lars Haue-Pedersen shall receive 10,000,000 New Ordinary Shares at Admission and the payment of £125,000 in cash;
- (iv) Robin Courage shall receive 4,000,000 New Ordinary Shares on each of the first, second and third anniversaries of Admission, with a further payment of £50,000 in cash on the second anniversary of Admission; and
- (v) Lars Haue-Pedersen shall receive 4,000,000 New Ordinary Shares on each of the first, second and third anniversaries of Admission, with a further payment of £50,000 in cash on the second anniversary of Admission.

Under the terms of the Acquisition Agreement, and subject to the date upon which he ceases to be employed Mr Courage will only receive the consideration set out in (iv) and (v) above (the "Consideration") if he is, at the time the Consideration is payable, still employed by the Enlarged Group. The same arrangements shall also apply to Mr Pedersen.

Furthermore, in the event that Mr Courage ceases to be so employed, subject to the circumstances under which Mr Courage ceased to be employed, then he will have to repay to the Company a proportion of the Consideration (including the Consideration to be paid at Admission) already received. In such circumstances Robin Courage will only be entitled to keep the Consideration in the proportion of A/B where A is equal to 36 less the number of whole months from Admission until the date of termination of his employment; and B is 36. The same arrangement shall also apply to Mr Pedersen. In the case of Ordinary Shares to be allotted as part of the Consideration, any such shares already allotted will have to be sold through the broker of the Company, with the proceeds being paid to the Company for the benefit of the Company, and all shares which are still to be allotted will cease to be due.

The Acquisition Agreement, when entered into, will be conditional upon Admission taking place on or before 31 August 2007. The Acquisition Agreement contains various non-compete provisions which apply to WIMG, the shareholders of WIMG (including Paul Foulger and Adam Reynolds), Robin Courage and Lars Haue-Pedersen and also incorporates the warranties and indemnities which have been given by each of WIMG, the shareholders of WIMG (including Paul Foulger and Adam Reynolds), Robin Courage and Lars Haue-Pedersen, under the terms of

a Warranty Deed (further details of which are set out in paragraph 11.1.26 of Part 8 of this Document).

Furthermore, the Company has also agreed to repay on completion, on behalf of Wilton (which will then be a wholly owned subsidiary immediately after Completion), the First Inter Company Debt which is owed by Wilton. This will be paid to WIMG as part of the £500,000 First Cash Consideration. Furthermore, the Company has also agreed to repay, or arrange for Wilton to repay, the Continuing Inter Company Debt which is also owed by Wilton to WIMG on or before the second anniversary of Admission.

Further details of the Acquisition Agreement are set out at paragraph 11.1.25 of Part 8 of this Document.

6. Directors and Employees

6.1 Directors

Under the terms of the Acquisition Agreement, following Completion, the Proposed Directors will be appointed as directors. The existing Directors will all remain on the Board following completion. Following the aforesaid appointments, the Board will comprise the following Directors:

Neil McClure, Non-Executive Chairman (aged 53)

Neil McClure qualified as a chartered accountant with Coopers and Lybrand and then worked in corporate finance at Phillips & Drew before joining Saatchi & Saatchi as corporate finance director in 1985. Subsequently he has been a director of a number of publicly quoted companies, principally in the advertising and marketing service industries and is currently a non-executive chairman of Alan Brazil Leisure plc. Neil also currently advises a number of private companies in the media and sports related industries. Neil Co-founded Table Mountain Minerals plc (now Plectrum Petroleum plc) with Adam Reynolds and resigned as a director in July 2005.

Adam Reynolds, Executive Director (aged 45)

Adam began his career as a stockbroker in 1980, working first with Rowe Rudd and then Jacobson & Townsley as a commission salesman. In 1983, he established the London office of John Siddall & Son, becoming a director in 1987. In 1988, he brokered the sale of that office to Branston & Gothard, where he headed up the UK equity sales team that he had brought with him for the next five years. He remained at Branston & Gothard as a UK equity salesman until 1998, when he joined Basham & Coyle, a financial PR firm, as a director in charge of investor relations, specialising in developing the PR strategies of smaller companies. In February 2000, he established Hansard Group plc, a financial PR firm, listing it on AIM in November 2000, before successfully leading a management buy-out of the business in 2004 at which time Hansard group acquired a major division of Energem Resources Inc. which changed its name to FirstAfrica Oil plc. Adam is also the chairman of International Brand Licensing plc, owners of the Admiral sports clothing brand and a director of Wilton International Management Group Limited.

Paul Andrew Peter Foulger, Finance Director (aged 37)

Paul has considerable public and private company experience, most recently having acted as finance director in the reversal of First Africa Oil plc into Financial Development Corporation plc. Paul previously worked in the publishing industry with HarperCollins Publishers and subsequently became finance director at Elsevier Science, a subsidiary of Reed Elsevier plc. He led a management buy-out of previously quoted financial communications group Hansard in 2004, of which he remains a director. He also consulted on the AIM listing of Table Mountain Minerals plc in 2005 and its subsequent acquisition by Plectrum Petroleum plc. In 2005, he became a director of Cielo Holdings plc, now called Curidium Medica plc, and successfully completed an acquisition of Curidium Limited in July 2006. His other directorships include International Brand Licensing plc and Wilton International Management Group. Paul is a qualified certified accountant and is currently completing his MBA at Warwick Business School.

Robin Vandeleur Courage, Proposed Chief Executive (aged 62)

Robin began his career in advertising and later moved into television and film production. In the early 1970s he acted as impresario to present major international entertainment artistes in cabaret and on stage in London. In 1987 Robin joined The Rowland Company, a wholly-owned subsidiary of the Saatchi & Saatchi Group. In 1994 he founded the sports marketing company, Atkinson Courage, where he worked with his multinational clients to exploit their sponsorships of major international events. He ran Atkinson Courage for seven years prior to forming TSE. As the London-based Director of TSE, Robin focuses on developing long-term strategic plans and near-term marketing programmes for international sports federations and national and local governments. Robin is also Chairman of Fundraising and a member of the Executive Council of WheelPower, the governing body for wheelchair sport in the UK and owner of the UK’s national disability sports centre at Stoke Mandeville, the birthplace of the Paralympic Games.

Lars Haue-Pedersen, Proposed Executive Director (aged 46)

Lars was born and grew up in Copenhagen, Denmark. He now lives in Lausanne, Switzerland. Lars’s background is as an economist and he gained an MSc in economics from Odense University, Denmark. Lars was a sportsman who transferred into sports administration and from 1991 to 1995 was Secretary General of the Danish Volleyball Federation. In 1995 he joined the International Volleyball Federation (FIVB) in Lausanne as Development Director. In 1999 he formed Beaufort Sports Consulting SA, also based in Lausanne. He co-founded TSE in 2001, where he remains as the Director in charge of the Lausanne head office. In addition to managing the international growth of the company Lars provides consulting services to major international sports organisations. He develops management training courses for sports organisations and event owners, and works extensively with national and regional governments involved in bidding for and/or staging major sports events. Lars is an external lecturer in sport management and sport economics at Copenhagen Business School and is an external lecturer at a number of European universities including Klagenfurt (Austria), Lausanne (Switzerland), St Petersburg (Russia) and Neuchâtel (Switzerland).

6.2 Employees

The following table shows the number of employees (including the executive Directors but excluding the non-executive Directors) of the Enlarged Group as at Admission:

<i>Group Company</i>	<i>Jurisdiction</i>	<i>Number of employees (excluding non-executive directors)</i>
Sandford	United Kingdom	2
TSE	Switzerland	7

In addition, TSE currently engages 5 consultants and 5 agents.

7. Related Party Transaction and Section 320 Approval

As described above, Adam Reynolds and Paul Foulger, directors of the Company, are also shareholders and directors of Wilton International Management Group, a Vendor of Wilton. Accordingly, pursuant to the AIM Rules the acquisition of Wilton is being treated as a related party transaction. **As further set out in the recommendation in paragraph 20 of this Part 1 of this Document, the Independent Director considers, having consulted with the Company’s Nominated Adviser, that the terms of the Acquisition are fair and reasonable insofar as the Shareholders are concerned. In addition, as a consequence of their interest in WIMG, Adam Reynolds and Paul Foulger are also being treated as members of the Concert Party for the purposes of the City Code. Accordingly the recommendation set out in paragraph 20 of this letter has been provided only by Neil McClure, the Independent Director.**

As both Paul Foulger and Adam Reynolds are directors of the Company and directors and shareholders of WIMG, Section 320 of the Act also applies to the Acquisition as this transaction would amount to a substantial property transaction involving a director of the Company. To this end, Section 320 provides that no agreement can be entered into by the Company with WIMG without the prior approval of the Shareholders. The Company will seek this approval at the EGM, at which the Shareholders will be asked *inter alia* to approve the entering into of the Acquisition Agreement.

8. Information on the Concert Party

A description of the Concert Party is set out in Part 3 of this Document.

9. The City Code

The Investment gives rise to certain considerations under the City Code.

The City Code is issued and administered by the Panel. The City Code applies to all takeovers and merger transactions, however effected, where the offeree company is, *inter alia*, a public company with its registered office in the UK and whose place of central management and control is in the UK. Sandford is such a company and its Shareholders are entitled to the protections afforded by the City Code.

Under Rule 9 of the City Code ("Rule 9") when (a) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company; or (b) any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of a company but does not hold shares carrying more than 50 per cent. of such voting rights and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, then such person shall extend offers, on the basis set out in Rules 9.3, 9.4 and 9.5 of the City Code, to the holders of any class of security whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights.

An offer under Rule 9 must be in cash and at the highest price paid within the preceding twelve months for any shares in the company by the person required to make the offer or any person acting in concert with him.

The Panel has deemed the Concert Party to be acting in concert for the purposes of the City Code.

Adam Reynolds and Paul Foulger, who are Directors of the Company, are also shareholders and directors of Wilton International Management Group which is one of the Vendors. Adam Reynolds and Paul Foulger each own 42,500,000 Existing Ordinary Shares which they subscribed for on 27 March 2007 pursuant to the issue of new Ordinary Shares by the Company (as approved by Shareholders at the extraordinary general meeting of the Company held on 26 March 2007 (the "March EGM") and on 17 April 2007 pursuant to a placing of new Ordinary Shares as announced on 18 April 2007.

In addition, Adam Reynolds and Paul Foulger are the only executive directors of Boldwood and in aggregate are interested in 36.13 per cent. of Boldwood's current issued share capital. Boldwood, through its wholly owned subsidiary Hansard, owns a further 113,333,333 Existing Ordinary Shares which Hansard acquired on 27 March 2007 pursuant to the issue of new Ordinary Shares by the Company (as approved by Shareholders at the March EGM) and on 17 April 2007 pursuant to a placing of new Ordinary Shares as announced on 18 April 2007. Messrs Reynolds and Foulger effectively control the Board of Boldwood and the day-to-day running of Boldwood and Hansard and are able to instruct Hansard to vote on its holding of Existing Ordinary Shares in accordance with their instructions without recourse to the other Boldwood shareholders or the Board of Boldwood.

Accordingly, for the purposes of the Waiver described further below in this paragraph 9, Adam Reynolds, Paul Foulger and Hansard are being treated as members of the Concert Party. Other than Adam Reynolds, Paul Foulger and Hansard's interest in the share capital of the Company, no other member of the Concert Party currently has any interests, rights to subscribe or short positions in the share capital of the Company.

On completion of the Acquisition, the Concert Party will hold 288,333,333 Ordinary Shares in aggregate, representing approximately 49.38 per cent. of the First Enlarged Issued Share Capital. Following the issue of the maximum number of Second Consideration Shares on the first, second and third anniversaries of Admission, the Concert Party will hold 312,333,333 Ordinary Shares in aggregate, representing approximately 51.38 per cent. of the Second Enlarged Issued Share Capital. The shareholdings of each member of the Concert Party

immediately following completion of the Acquisition and following the issue of the Second Consideration Shares are set out in Part A of Part 3 of this Document and in Table 1 below:

Table 1

	Current holding of Ordinary Shares	First Consideration Shares	Holding of Ordinary Shares and First Consideration Shares	Percentage of First Enlarged Ordinary Share Capital on Completion	Second Consideration Shares	Holding of Ordinary Shares, First Consideration Shares and Second Consideration Shares	Percentage of Second Enlarged Ordinary Share Capital following Completion
Concert Party							
WIMG	0	70,000,000	70,000,000	11.99%	0	70,000,000	11.52%
Robin Courage	0	10,000,000	10,000,000	1.71%	12,000,000	22,000,000	3.62%
Lars Haue-Pedersen	0	10,000,000	10,000,000	1.71%	12,000,000	22,000,000	3.62%
Adam Reynolds	42,500,000	0	42,500,000	7.28%	0	42,500,000	6.99%
Paul Foulger	42,500,000	0	42,500,000	7.28%	0	42,500,000	6.99%
Ian Ainscow	0	0	0	n.a.	0	0	n.a.
David Keen	0	0	0	n.a.	0	0	n.a.
Norah Turnbull	0	0	0	n.a.	0	0	n.a.
Hansard	113,333,333	0	113,333,333	19.41%	0	113,333,333	18.64%
Total	198,333,333	90,000,000	288,333,333	49.38%	24,000,000	312,333,333	51.38%

Notes

- (i) Adam Reynolds, Paul Foulger, Ian Ainscow and David Keen are all shareholders of WIMG, one of the Vendors of Wilton.
- (ii) Adam Reynolds and Paul Foulger are both shareholders and executive directors of Boldwood which owns the entire issued share capital of Hansard.
- (iii) The interests are shown before the distribution by WIMG of its holding of 70,000,000 Ordinary Shares as described in paragraph 12 of Part B of Part 3 of this Document.
- (iv) David Keen has agreed to transfer up to 7,970,648 Ordinary Shares to Norah Turnbull immediately following a distribution by WIMG of its entire holding of Ordinary Shares to the WIMG Shareholders.

Following Completion of the Proposals, the directors of WIMG intend to wind up WIMG pursuant to which, *inter alia*, any Ordinary Shares then held by WIMG would be distributed to the shareholders of WIMG *pro rata* to their percentage shareholding in WIMG. **Should such a distribution occur and on the basis that there are no changes to the shareholdings of WIMG, then the shareholdings of each member of the Concert Party immediately following completion of the Acquisition, the issue of the Second Consideration Shares and the distribution by WIMG of its entire shareholding in the Company to the WIMG Shareholders as set out in paragraph 12 of Part B of Part 3 of this Document, will be as set out in Table 2 below:**

Table 2

	Current holding of Ordinary Shares	First Consideration Shares	Holding of Ordinary Shares and First Consideration Shares	Percentage of First Enlarged Ordinary Share Capital on Completion	Second Consideration Shares	Holding of Ordinary Shares, First Consideration Shares and Second Consideration Shares	Percentage of Second Enlarged Ordinary Share Capital following Completion
Concert Party							
WIMG	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Robin Courage	0	10,000,000	10,000,000	1.71%	12,000,000	22,000,000	3.62%
Lars Haue-Pedersen	0	10,000,000	10,000,000	1.71%	12,000,000	22,000,000	3.62%
Adam Reynolds	42,500,000	15,941,295	58,441,295	10.01%	0	58,441,295	9.61%
Paul Foulger	42,500,000	15,941,296	58,441,296	10.01%	0	58,441,296	9.61%
Ian Ainscow	0	6,234,818	6,234,818	1.07%	0	6,234,818	1.03%
David Keen	0	23,911,943	23,911,943	4.10%	0	23,911,943	3.93%
Norah Turnbull	0	7,970,648	7,970,648	1.37%	0	7,970,648	1.31%
Hansard	113,333,333	0	113,333,333	19.41%	0	113,333,333	18.64%
Total	198,333,333	90,000,000	288,333,333	49.38%	24,000,000	312,333,333	51.38%

Notes

- (i) Adam Reynolds, Paul Foulger, Ian Ainscow and David Keen are all shareholders of WIMG, one of the Vendors of Wilton. The interests of each of the WIMG Shareholders shown above assumes that WIMG distributes its entire holding of Ordinary Shares to the WIMG Shareholders in proportion to their current shareholding in WIMG.
- (ii) Adam Reynolds and Paul Foulger are both shareholders and executive directors of Boldwood which owns the entire issued share capital of Hansard.
- (iii) David Keen has agreed to transfer up to 7,970,648 Ordinary Shares to Norah Turnbull immediately following a distribution by WIMG of its entire holding of Ordinary Shares to the WIMG Shareholders.

Under the terms of the Acquisition Agreement Robin Courage will only receive, *inter alia*, the Second Consideration Shares if he is, at the time the Second Consideration Shares are due, still employed by TSE and/or a Director of the Company. The same arrangement shall also apply to Lars Haue-Pedersen.

Furthermore, in the event that Robin Courage ceases to be so employed, then he will have to repay to the Company a proportion of the First Consideration Shares already received. In such circumstances Robin Courage will only be entitled to keep such number of First Consideration Shares received in the proportion of A/B where: A is equal to 36 less the number of whole months from Admission until the date of termination of his employment; and B is 36. The same arrangement shall also apply to Lars Haue-Pedersen.

Any such First Consideration Shares subject to this claw-back by the Company, will be sold through the broker of the Company, with the proceeds being paid to the Company for the benefit of the Company, and all Second Consideration Shares which are still to be allotted will cease to be due.

Accordingly, on completion of the Acquisition, and assuming the maximum number of First Consideration Shares subject to claw-back as described above are returned by Robin Courage and Lars Haue-Pedersen to the Company and that no Second Consideration Shares are thereafter issued, the Concert Party will hold 268,333,333 new Ordinary Shares in aggregate, representing approximately 45.96 per cent. of the First Enlarged Issued Share Capital and, as no Second Consideration Shares would be issued thereafter, representing approximately 45.96 per cent. of the Second Enlarged Issued Share Capital.

In such circumstances and following the distribution by WIMG of its entire shareholding in the Company to the WIMG Shareholders as set out in paragraph 12 of Part B of Part 3 of this Document, the shareholdings of each member of the Concert Party will be as set out in Table 3 below:

	Current holding of Ordinary Shares	First Consideration Shares	Holding of Ordinary Shares and First Consideration Shares	Percentage of First and Second Enlarged Ordinary Share Capital on Completion
<i>Concert Party</i>				
WIMG	n.a	n.a	n.a	n.a
Robin Courage	0	0	0	0.00%
Lars Haue-Pedersen	0	0	0	0.00%
Adam Reynolds	42,500,000	15,941,295	58,441,295	10.01%
Paul Foulger	42,500,000	15,941,296	58,441,296	10.01%
Ian Ainscow	0	6,234,818	6,234,818	1.07%
David Keen	0	23,911,943	23,911,943	4.10%
Norah Turnbull	0	7,970,648	7,970,648	1.37%
Hansard	113,333,333	0	113,333,333	19.41%
Total	198,333,333	70,000,000	268,333,333	45.96%

Notes

- (i) Adam Reynolds, Paul Foulger, Ian Ainscow and David Keen are all shareholders of WIMG, one of the Vendors of Wilton. The interests of each of the WIMG Shareholders shown above assumes that WIMG distributes its entire holding of Ordinary Shares to the WIMG Shareholders in proportion to their current shareholding in WIMG.
- (ii) Adam Reynolds and Paul Foulger are both shareholders and executive directors of Boldwood which owns the entire issued share capital of Hansard.
- (iii) David Keen has agreed to transfer up to 7,970,648 Ordinary Shares to Norah Turnbull immediately following a distribution by WIMG of its entire holding of Ordinary Shares to the WIMG Shareholders.

As described in paragraph 13 of this Part 1, Neil McClure has an option to purchase from Hansard up to 8,800,000 Existing Ordinary Shares at a purchase price of 0.1p per Existing Ordinary Share at any time during the period ending on the 27 March 2010 (the "Purchase Option").

Accordingly, on completion of the Acquisition and assuming the maximum number of First Consideration Shares subject to claw-back as described above are returned by Robin Courage and Lars Haue-Pedersen to the Company and no Second Consideration Shares are thereafter issued and the exercise in full by Neil McClure of the Purchase Option, the Concert Party will hold 259,533,333 new Ordinary Shares in aggregate, representing approximately 44.45 per cent. of the First Enlarged Issued Share Capital and as no Second Consideration Shares would be

issued thereafter, representing approximately 44.45 per cent. of the Second Enlarged Issued Share Capital.

In such circumstances and following the distribution by WIMG of its entire shareholding in the Company to the WIMG Shareholders as set out in paragraph 12 of Part B of Part 3 of this Document, the shareholdings of each member of the Concert Party will be as set out in Table 4 below:

Table 4

	Current holding of Ordinary Shares	First Consideration Shares	Holding of Ordinary Shares and First Consideration Shares	Percentage of First Enlarged Ordinary Share Capital on Completion	Exercise of the Purchase Option by Neil McClure	Holding of Ordinary Shares and First Consideration Shares assuming exercise of the Purchase Option	Percentage of First and Second Enlarged Ordinary Share Capital following Completion
<i>Concert Party</i>							
WIMG	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Robin Courage	0	0	0	0.00%	0	0	0.00%
Lars Haue-Pedersen	0	0	0	0.00%	0	0	0.00%
Adam Reynolds	42,500,000	15,941,295	58,441,295	10.01%	0	58,441,295	10.01%
Paul Foulger	42,500,000	15,941,296	58,441,296	10.01%	0	58,441,296	10.01%
Ian Ainscow	0	6,234,818	6,234,818	1.07%	0	6,234,818	1.07%
David Keen	0	23,911,943	23,911,943	4.10%	0	23,911,943	4.10%
Norah Turnbull	0	7,970,648	7,970,648	1.37%	0	7,970,648	1.37%
Hansard	113,333,333	0	113,333,333	19.41%	(8,800,000)	104,533,333	17.90%
Total	198,333,333	70,000,000	268,333,333	45.96%	(8,800,000)	259,533,333	44.45%

Notes

- (i) Adam Reynolds, Paul Foulger, Ian Ainscow and David Keen are all shareholders of WIMG, one of the Vendors of Wilton. The interests of each of the WIMG Shareholders shown above assumes that WIMG distributes its entire holding of Ordinary Shares to the WIMG Shareholders in proportion to their current shareholding in WIMG.
- (ii) Adam Reynolds and Paul Foulger are both shareholders and executive directors of Boldwood which owns the entire issued share capital of Hansard.
- (iii) David Keen has agreed to transfer up to 7,970,648 Ordinary Shares to Norah Turnbull immediately following a distribution by WIMG of its entire holding of Ordinary Shares to the WIMG Shareholders.

Further information on the members of the Concert Party is set out below and in paragraph 9 of Part B of Part 3 of this Document.

Accordingly, the issue of New Ordinary Shares to the Concert Party on completion of the Acquisition would normally give rise to an obligation on the Concert Party to make a Rule 9 offer to Shareholders immediately before the Proposals are implemented.

The Panel has agreed, however, to waive this obligation on the Concert Party to make a general offer to all Shareholders that would otherwise arise as a result of the Proposals subject to the passing on a poll by the Independent Shareholders (who for the avoidance of doubt do not include members of the Concert Party) of Resolution 1 set out in the Notice of Extraordinary General Meeting at the end of this Document.

Following completion of the Acquisition and the issue of the maximum number of Second Consideration Shares, the Concert Party will own or control 50 per cent. or more of the Second Enlarged Issued Share Capital of the Company and accordingly, under the City Code, whilst they continue to be treated as acting in concert, each member would ordinarily be able to increase further their respective percentage shareholding in the voting rights of the Company without incurring an obligation under Rule 9 to make a general offer to Shareholders to acquire the entire issued share capital of the Company. However, there could be certain circumstances as described above and illustrated in Tables 3 and 4 in which the Concert Party may not own or control 50 per cent. or more of the Second Enlarged Share Capital and each member of the Concert Party has undertaken only to acquire any further Ordinary Shares in strict accordance with the Rules of the City Code. In addition, individual members of the Concert Party will not be able to increase their percentage shareholding without the consent of the Panel.

As described above, Adam Reynolds and Paul Foulger each currently own 42,500,000 Existing Ordinary Shares. In addition, Adam Reynolds and Paul Foulger are shareholders and directors of Boldwood which, through its wholly owned subsidiary Hansard, owns a further 113,333,333 Existing Ordinary Shares. Other than Adam Reynolds, Paul Foulger and Hansard's

interest in the share capital of the Company, no other member of the Concert Party has had any interest in securities of the Company in the 12 months preceding the date of this Document. The Rule 9 Waiver will be invalid if any member of the Concert Party acquires an interest in securities of the Company in the period between the date of this Document and the EGM. Accordingly, each member of the Concert Party has undertaken to the Company that he will not acquire an interest in securities in the Company during such period.

The Independent Director has irrevocably committed to the Concert Party to vote in favour of the Resolutions to be proposed at the EGM set out in the Notice of EGM contained at the end of this Document. The Independent Director has an aggregate holding of 83,333 Ordinary Shares representing approximately 0.02 per cent. of the Existing Ordinary Shares. Further details of the irrevocable undertaking are set out in paragraph 11.1.19 of Part 8 of this Document.

10. Lock-in Arrangements

10.1 Vendor Lock-in Arrangements

Each of the Vendors and the WIMG Shareholders, who at Admission will be regarded as being interested in aggregate in 288,333,333 Ordinary Shares, representing 49.38 per cent. of the First Enlarged Issued Share Capital (and on allotment of the maximum number of Second Consideration Shares as being interested in aggregate in 312,333,333 Ordinary Shares, representing 51.38 per cent. of the Second Enlarged Issued Share Capital), have under the terms of the Wilton Lock-In Agreements undertaken to the Company and Beaumont Cornish that (and subject to the exceptions permitted by the AIM Rules) they will not dispose of any interest in Ordinary Shares as set out below:

WIMG

Subject to the exceptions permitted by the AIM Rules and as set out in paragraph 10.2 of this Part 1, WIMG will not dispose of any interest in the Ordinary Shares for a period of 12 months from Admission. During the period of one year following the first anniversary of Admission, WIMG will only sell or dispose of any interest in the Ordinary Shares through Sandford's broker (or with the broker's prior consent, a third party broker nominated by WIMG) from time to time so as to allow the maintenance of an orderly market in Sandford's Ordinary Shares.

Paul Foulger, Adam Reynolds and Hansard

Subject to the exceptions permitted by the AIM Rules and as set out in paragraph 10.2 of this Part 1, each of Paul Foulger, Adam Reynolds and Hansard will not dispose of any interest in the Ordinary Shares which they are currently interested in, or which Paul Foulger and Adam Reynolds become interested in by virtue of their shareholding in WIMG, for a period of 12 months from Admission. During the period of one year following the first anniversary of Admission, each of Paul Foulger, Adam Reynolds and Hansard will only sell or dispose of any interest in the Ordinary Shares through Sandford's broker (or with the broker's prior consent, a third party broker nominated by each of Paul Foulger, Adam Reynolds or Hansard) from time to time so as to allow the maintenance of an orderly market in Sandford's Ordinary Shares.

Ian Ainscow, David Keen and Norah Betty Turnbull

Subject to the exceptions permitted by the AIM Rules and as set out in paragraph 10.2 of this Part 1, each of Messrs Ainscow, Keen and Norah Betty Turnbull will not dispose of any interest in any Ordinary Shares they become interested in by virtue of their interest in WIMG:

- (i) for a period of four months following admission of the enlarged ordinary share capital to AIM ("Admission"); and
- (ii) in respect of David Keen and Norah Betty Turnbull only, thereafter until the publication by Sandford of its audited results for the nine month period ending 31 December 2007 or 30 June 2008, whichever is the earlier, without the prior written consent of Beaumont Cornish.

Robin Courage and Lars Haue-Pedersen

Subject to the exceptions permitted by the AIM Rules and as set out in paragraph 10.2 of this Part 1, Messrs Courage and Haue-Pedersen will not dispose of any Ordinary Shares for a period of 36 months from Admission. During the period of one year following the third anniversary of

Admission, Messrs Courage and Haue-Pedersen will only sell or dispose of any interest in Ordinary Shares through Sandford's broker (or with the broker's prior consent, a third party broker nominated by Messrs Courage and Haue-Pedersen) from time to time so as to allow the maintenance of an orderly market in Sandford's Ordinary Shares.

10.2 Lock-ins Agreements Exemptions

The Lock-in agreements described in paragraph 10.1 of this Part 1 shall not apply to a disposal made:

- (a) in acceptance of a general offer for the whole of the issued equity share capital of Sandford (other than any equity share capital held by or committed to the offeror and/or persons acting in concert with the offeror) made in accordance with the City Code or the provision of an irrevocable undertaking to accept such an offer; or
- (b) pursuant to any compromise or arrangement under Section 425 of the Act providing for the acquisition by any person (or group of persons acting in concert) of 50 per cent. or more of the equity share capital of the Company and which compromise or arrangement has been sanctioned by the courts;
- (c) under any scheme or reconstruction under Section 110 of the Insolvency Act 1986 in relation to Sandford;
- (d) by the personal representatives of the covenantor if the covenantor shall die during the period of such restrictions provided that the sale of any shares in Sandford by such personal representatives pursuant to this sub-clause during such period shall be effected in accordance with the reasonable requirements of Sandford so as to ensure an orderly market for the issued share capital of Sandford; or
- (e) pursuant to any sale or transfer required by an order made by a court with competent jurisdiction.

In addition, the WIMG Lock-in Agreement will not apply to any disposal by WIMG with the prior written consent of Beaumont Cornish or pursuant to any scheme or reconstruction under Section 110 of the Insolvency Act 1986 and distribution of its assets to its shareholders, provided that WIMG procures that the WIMG Shareholders enter into the Lock-in agreements described in paragraph 10.1 above.

10.3 Other Lock-in Arrangements

In addition, Shareholders (other than Adam Reynolds, Paul Foulger and Hansard) who subscribed for new Ordinary Shares pursuant to the Subscription Agreement, are interested in aggregate in 126,416,666 Existing Ordinary Shares, representing 21.65 per cent. of the First Enlarged Issued Share Capital, have under the terms of the Subscriber Lock-In Agreements undertaken to the Company and Beaumont Cornish that (and subject to the exceptions permitted by the AIM Rules) they will not dispose of any interest in their holding of Existing Ordinary Shares until 27 March 2008 without the prior written consent of Beaumont Cornish. Further details of the Subscriber Lock-In Agreements are set out in paragraph 11.1.21 of Part 8 of this Document.

There are, however, a number of circumstances when the aforementioned lock-in restrictions shall not apply and a full list of these exceptions is set out in paragraph 11.1.21 of Part 8 of this Document.

11. Dividend Policy

In the short term, the Directors and the Proposed Directors do not intend to declare a dividend but will reconsider this as and when the growth and profitability of the Group allows. The declaration and payment of any future dividends by the Company and the quantum thereof will be dependent upon the Group's results, financial position, cash requirements, future prospects, profits available for distribution and other factors deemed by the Directors and the Proposed Directors to be relevant at the time.

12. Current Trading and Prospects

As disclosed in the audited results of the Company for the year ended 31 March 2007, the Company has not traded since it disposed of MSUK on 3 July 2006.

TSE continues to develop its international client base as its new international agency network is expanded. In July 2007 TSE entered into a third party agency agreement with a Copenhagen based agent which will provide the Company with a presence in Denmark. In the current year TSE has secured new public sector clients in North America, including the cities of Philadelphia and Denver. In May 2007 TSE advised the bidding committee from the Poland and Ukraine Football Associations on their successful bid to host the European Football Championships in 2012. TSE is currently trading in line with budget and the Directors and Proposed Directors are confident about its prospects for the remainder of the year.

Your attention is drawn to the risk factors set out in Part 2 of this Document. Shareholders and potential purchasers of Ordinary Shares should carefully consider the risks, some of which are described in Part 2 of this Document, before making any decision to invest in the Company.

13. Share Options

Company

The Company has, conditional on Completion of the Proposals, adopted a share option scheme to incentivise both the senior employees and consultants of the Group.

On Admission, the Company intends to award up to 24 million Options to the Option Holders, with an intention to issue a further 8 million Options to the Option Holders on the first anniversary of Admission. In addition, the Company intends to award a further 8 million Options to new employees and consultants during the next 12 months. Further details of the Share Option Plan are set out in paragraph 9 of Part 8 of this Document.

Other Options

Pursuant to the Purchase Option, Hansard granted an option to Neil McClure to purchase from Hansard up to 8,800,000 Ordinary Shares at a purchase price of 0.1p per Ordinary Share at any time on or before the 28 March 2010.

Further details of the Purchase Option Agreement are set out in paragraph 11.1.22 of Part 8 of this Document.

Warrants

Neil McClure currently holds 8,800,000 Warrants. Each Warrant entitles Neil McClure to receive, upon exercise of the Warrants, one Ordinary Share at an exercise price of 0.1p per Ordinary Share. The Warrants may be exercised at anytime before the expiry of a three year period from the date of grant. Further details of the Warrants are set out in paragraph 8.1 of Part 8 of this Document.

The Company has, conditional on Admission, issued 7,500,000 New Warrants to Beaumont Cornish. Each New Warrant entitles Beaumont Cornish to receive, upon exercise of the New Warrants, one Ordinary Share at an exercise price of 0.85p per Ordinary Share. The New Warrants may be exercised at anytime before the expiry of a five year period from the date of grant. Further details of the New Warrants are set out in paragraph 8.2 of Part 8 of this Document.

14. Corporate Governance

The Directors and the Proposed Directors acknowledge the importance of the Principles of the Combined Code. Although the Combined Code is not compulsory for AIM companies, the Directors have applied it to date, and the Directors and Proposed Directors intend to continue to apply, the principles as far as practicable and appropriate for a relatively small public company as follows:

14.1 The Board of Directors

The Board meets regularly and is responsible for strategy, performance, approval of major capital projects and the framework of internal controls. The Board has a formal schedule of matters specifically reserved to it for decision. To enable the Board to discharge its duties, all Directors receive appropriate and timely information. Briefing papers are distributed to all Directors in advance of Board meetings. All Directors have access to the advice and services of the Company Secretary, who is responsible for ensuring that Board procedures are followed

and that applicable rules and regulations are complied with. The Articles of Association provide that Directors will be subject to re-election at the first opportunity after their appointment and the Board will voluntarily submit to re-election at intervals of three years.

14.2 *Audit Committee and Remuneration Committee*

The Audit Committee will initially comprise Neil McClure and Paul Foulger and will be chaired by Neil McClure. The Audit Committee will be responsible for ensuring that the financial performance, position and prospects of the Company are properly monitored and reported on and for meeting the auditors and reviewing their reports relating to accounts and internal controls.

The Remuneration Committee will initially comprise Neil McClure and Adam Reynolds and will be chaired by Neil McClure. The Remuneration Committee will review the performance of executive directors and set their remuneration, determine the payment of bonuses to executive directors and consider the future allocation of share options to directors and employees so as to demonstrate to the Company's shareholders that the remuneration of the executive directors and employees of the Company is set by a board committee whose members have no personal interest in the outcome of the committee's decision and who will have appropriate regard to the interests of the shareholders.

14.3 *Internal Financial Control*

The Board is responsible for establishing and maintaining the Group's system of internal financial control and places importance on maintaining a strong control environment. The key procedures which the Directors have established and which the Board will continue to apply after Admission with a view to providing effective internal financial control are as follows:

- (a) the Company's, and following implementation of the Proposals, the Enlarged Group's organisational structure has clear lines of responsibility;
- (b) the Company prepares a comprehensive annual budget for the Enlarged Group that is approved by the Board. Monthly results are reported against the budget and variances are closely monitored by the Directors;
- (c) the Board is responsible for identifying the major business risks faced by the Enlarged Group and for determining the appropriate courses of action to manage those risks; and
- (d) oversight of and involvement in regular subsidiary company board meetings, complete with structured operational reporting requirements.

The Directors and the Proposed Directors recognise, however, that such a system of internal financial control can only provide reasonable, not absolute, assurance against material misstatement or loss. The Directors and the Proposed Directors have reviewed the effectiveness of the system of internal financial control as will be operated by the Enlarged Group. Following implementation of the Proposals, the Board intends to continue to provide effective internal financial control.

14.4 *Service Contracts*

The Proposed Directors have entered into service contracts which require not more than 12 months' notice of termination. Details of the Proposed Directors' service contracts which are subject to Admission and are set out in paragraph 5.2 of Part 8 of this Document.

On 1 March 2007 as part of the refinancing proposals of the Company approved at the extraordinary general meeting of the Company held on 26 March 2007, the Directors agreed to serve without remuneration until a further equity fundraising raising a minimum of £1 million had been completed. On 18 April 2007 the Company announced that it had successfully completed a placing of new Ordinary Shares which raised £1,064,250 before expenses. Accordingly, the Company has in respect of Neil McClure only, commenced payment of the Directors' remuneration in accordance with his letter of appointment as summarised in paragraph 5.1 of Part 8 of this Document. Payment of the other Directors' remuneration in accordance with their letters of appointment or service agreement is expected to commence shortly.

14.5 *Model Code*

The Company has adopted and will continue to operate a share dealing code for Directors and senior executives on the same terms as Rule 21 of the AIM Rules for companies whose shares have been admitted to AIM.

14.6 *AIM Rules Compliance Committee*

The Directors and Proposed Directors intend to put in place for the Company an AIM Rules Compliance Committee which will initially comprise Neil McClure and Paul Foulger and will be chaired by Neil McClure. The AIM Rules Compliance Committee is responsible for ensuring that the Company:

- (a) has in place sufficient procedures, resources and controls to enable its compliance with the AIM Rules;
- (b) seeks advice from its Nominated Adviser regarding its compliance with the AIM Rules whenever it is appropriate and take advice into account;
- (c) provides its Nominated Adviser with any information it requests in order for the Nominated Adviser to carry out its responsibilities under the AIM Rules;
- (d) ensures that each of the Proposed Directors accepts full responsibility, collectively and individually, for compliance with the AIM Rules; and
- (e) ensures that each Proposed Director discloses without delay all information which it needs in order to comply with Rule 17 of the AIM Rules insofar as that information is known to the Proposed Directors or could with reasonable diligence be ascertained.

15. **Taxation**

General information relating to UK taxation with regards to the Admission is summarised in paragraph 13 of Part 8 of this Document. **A Shareholder or a potential Shareholder who is in any doubt as to his or her tax position, or is subject to tax in a jurisdiction other than the UK, should consult his or her professional advisers immediately.**

16. **Admission to AIM and dealings**

The Acquisition will constitute a "reverse-takeover" under the AIM Rules and is therefore dependant upon the approval of the Shareholders being given at the EGM, details of which are set out below. Application will be made for the Ordinary Shares and the First Consideration Shares to be admitted to trading on AIM and it is anticipated that Admission will become effective and that trading in the First Enlarged Ordinary Share Capital on AIM will commence on the trading day following the EGM, namely 21 August 2007.

17. **Extraordinary General Meeting**

A notice convening the EGM and proposing the resolutions set out below is set out at the end of this Document. The EGM will be held at the offices of Fasken Martineau Stringer Saul LLP at 10.30 a.m. on 20 August 2007 at which resolutions will be proposed as follows:

- (i) Resolution 1, an ordinary resolution to approve the waiver of the obligations on the Concert Party (or any member of it) to make a general offer to Shareholders pursuant to Rule 9 of the City Code in the event of the issue of New Ordinary Shares to the Concert Party on completion of the Acquisition (subject to Independent Shareholders approval by voting on a poll);
- (ii) Resolution 2, conditional upon Resolution 1, an ordinary resolution to approve the entering into of the Acquisition Agreement for the purposes of Section 320 of the Act;
- (iii) Resolution 3, conditional upon Resolutions 1 and 2, which will be proposed as an ordinary resolution, to renew the authority of the Directors to issue New Ordinary Shares in the capital of the Company pursuant to section 80 of the Act;
- (iv) Resolution 4, conditional upon Resolutions 1, 2 and 3, which will be proposed as a special resolution, to dis-apply the statutory pre-emption rights contained in section 89(1) of the Act in the circumstances specified in the resolution; and

- (v) Resolution 5, conditional upon Resolutions 1, 2, 3 and 4 to change the name of the Company to TSE Group plc.

18. Action to be taken

A blue Form of Proxy is enclosed for use at the EGM. You are requested to complete, sign and return the blue Form of Proxy, whether or not you intend to be present at the EGM, as soon as possible but in any event so as to arrive not later than 10.30 a.m. on 18 August 2007. The completion and return of a blue Form of Proxy will not preclude you from attending the EGM and voting in person should you subsequently wish to do so.

19. Further information

Your attention is drawn to Parts 2 to 8 of this Document, which provide additional information on the matters discussed above.

20. Recommendation

As Adam Reynolds and Paul Foulger are also shareholders of WIMG (one of the Vendors), both Adam Reynolds and Paul Foulger are being treated as members of the Concert Party. Accordingly, the recommendation in this paragraph 20 is provided by the Independent Director only.

The Independent Director, having been so advised by Beaumont Cornish, considers that the Proposals described in this Document, including the Acquisition and the waiver granted by the Panel of the obligation by the Concert Party (or any member of it) to make a general offer to Shareholders pursuant to Rule 9 of the City Code on completion of the Acquisition and the issue of the New Ordinary Shares to the Concert Party, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole. In providing its advice, Beaumont Cornish has taken into account the commercial assessment of the Independent Director.

The Independent Director has irrevocably committed to the Concert Party to vote in favour of the Resolutions to be proposed at the EGM set out in the Notice of EGM contained at the end of this Document.

The Independent Director has an aggregate holding of 83,333 Ordinary Shares representing approximately 0.02 per cent. of the Existing Ordinary Shares.

The Independent Director therefore recommends to Shareholders to vote in favour of the Resolutions as he has irrevocably agreed to do in respect of his own beneficial holdings of Ordinary Shares referred to above.

Yours sincerely

Neil McClure
Non-Executive Chairman

PART 2

RISK FACTORS

The attention of shareholders and potential purchasers of shares is drawn to the fact that ownership of shares in the Company involves a variety of risks. Purchasers should be aware of the risks associated with an investment in a business in the early stages of development. Shareholders should carefully consider the entire contents of this Document including, but not limited to, the factors described below before deciding whether or not to vote in favour of the Acquisition or to invest in the Company.

The information below does not purport to be an exhaustive list or summary of the risks affecting the Enlarged Group. There may be additional risks of which the Directors and Proposed Directors are not aware. Shareholders and potential purchasers should consider carefully whether they wish to approve the Acquisition or whether an acquisition of shares in the Company is suitable for them, in the light of the matters referred to in this Document, their personal circumstances and the financial resources available to them.

Considerations relating to the AIM

Volatility of share price

The price at which the Ordinary Shares trade may be highly volatile. In addition, international stock markets have from time to time experienced significant price and volume fluctuations that affect the market prices for securities. These fluctuations are likely to recur so that fluctuations in the price of Ordinary Shares may be unrelated to the Enlarged Group's operating performance or prospects. General economic, political and market conditions may materially adversely affect the Company's share price. Furthermore, the Enlarged Group's operating results and prospects may from time to time be below the expectations of management, market analysts and investors. Any of these events could result in a material decline in the price of Ordinary Shares.

Marketability

The value of the Enlarged Group's shares may go down as well as up. Investors may, therefore, realise less than their original investment. The market price of the Ordinary Shares may not reflect the underlying value of the Enlarged Group's net assets or operations.

Suitability

An investment in the Company may not be suitable for all recipients of this Document. Accordingly, potential investors are advised to consult an investment adviser authorised under the Financial Services and Markets Act 2000 who specialises in investments of this kind before making their decision.

Because of the risks involved, investment in the Company may only be suitable for those: who are able to lose a substantial portion or even all the money they invest in the Company; understand the high degree of risk involved; believe that the investment is suitable based upon their investment objectives and financial needs and have no need for liquidity of investment. Investors are accordingly advised to consult an independent adviser authorised under relevant local securities laws and regulations who specialises in investments of this kind before making any decision. A prospective investor should consider carefully whether an investment in the Company is suitable for him in the light of his personal circumstances and available financial resources.

Considerations relating to the Acquisition

The future performance of the Enlarged Group will depend, amongst other things, upon market conditions in those markets within which TSE operates and TSE's ability to attract and retain staff of the highest calibre.

Client relationships

As a management consultancy TSE is reliant upon developing its relationships with its clients. The success of the Enlarged Group will therefore depend on the personal relationships established by

TSE's consultants with key individuals within sports organisations. The loss of any of these key relationships could have an adverse effect on the Company.

Management, employees and overseas consultants

The success of the Enlarged Group depends to a significant extent on key directors and employees and in particular Robin Courage and Lars Haue-Pedersen. In addition, the Directors expect that the overseas offices will contribute an increasing proportion of the Company's sales. Although the Directors and Proposed Directors believe they have access to strength and depth in the expanded management team, the loss of one or more of the key Directors or overseas office consultants could have an adverse effect on the Company.

The Enlarged Group faces competition in attracting and retaining qualified employees. The Enlarged Group's ability to continue to compete effectively in its businesses will depend upon its ability to attract new employees and retain and motivate existing employees.

Future acquisitions

The Directors and Proposed Directors intend to grow the Enlarged Group both organically and by acquisition. There can be no guarantee that the Directors and Proposed Directors will be able to agree the acquisitions of further suitable companies and/or businesses on acceptable terms nor any guarantee that the Enlarged Group will be able to raise sufficient future finance at such time. Insofar as the Directors do agree further acquisitions on behalf of the Company, while they will seek to protect the Company by conducting full due diligence and agreeing suitable warranties and indemnities from the vendors, there can be no assurance that such new acquisitions could be successfully integrated into the Enlarged Group. Finally, under the AIM Rules, acquisitions over a certain size would constitute a reverse takeover, and therefore in the event that the Company announced such an acquisition prior to the publication of an admission document, the Company's Ordinary Shares would be suspended from trading on AIM.

Dilution of existing shareholders

The Directors and Proposed Directors intend that the Enlarged Group should be able to issue new Ordinary Shares as consideration for further acquisitions and/or raise additional working capital for the Enlarged Group as required. Insofar as such new Ordinary Shares are not offered first to existing Shareholders, then their interests in the Enlarged Group will be diluted.

Agent network

The Company continues to expand into new international markets through the establishment of local agents under a common brand. In the event that the local agent underperforms or does not comply with TSE's Direction Manual setting out the Company's operating procedures, then there is a risk that TSE's brand may be undermined. In such circumstance, TSE's operations would be adversely affected and it may be unable to secure new consulting contracts.

Political risk

A significant proportion of TSE's revenues are accounted for by contracts with governments and cities. Accordingly, a change of national or regional administration following local or national elections could result in a loss of a contract which could have an adverse effect on the Company.

Currency risk

TSE's international agents invoice for a proportion of their services in their local currency. TSE's costs are mainly payable in Swiss Francs. Accordingly, TSE's financial operations could be adversely effected by exchange rate volatility which results in a shortfall in revenue in Swiss Francs.

Considerations relating to future prospects

Commercial agreements

TSE has a number of commercial agreements in place. However these agreements are terminable on notice (the periods of which vary) and there can be no guarantee that the TSE's customers will not withdraw from these commercial agreements in the future.

Financial projections

There can be no guarantee that the Company's objectives will be achieved. The Directors and Proposed Directors have prepared the financial projections internally. These financial projections are based on many assumptions, of which some are described. These include assumptions on the timing and success of the Company's future development efforts, the increased acceptance of its services, its ability to successfully implement its hiring goals, the size of the market, general industry conditions and other matters. Many of these assumptions relate to matters beyond the Company's control and they are susceptible to wide variation. To the extent that the Company's actual experience differs from any one or more of these assumptions, the actual financial results will differ. Such differences are likely to be material.

Lack of dividends for the foreseeable future

For the foreseeable future, the Company intends to retain any future earnings for the business and therefore the Company does not anticipate paying dividends in the short term.

Market forces

The market may not grow as rapidly as anticipated. The Enlarged Group may lose clients to its competitors. The Enlarged Group's major competitors may have significantly greater financial resources than those available to the Enlarged Group. There is no certainty that the Enlarged Group will be able to achieve its projected levels of sales or profitability.

PART 3

INFORMATION ON THE CONCERT PARTY

PART A: THE CONCERT PARTY

The Concert Party comprises the parties described below. They comprise a concert party under the Rules of the City Code. As a result of the Acquisition the Concert Party will be interested in the Ordinary Shares from Completion of the Acquisition, further details of which are set out below.

Adam Reynolds and Paul Foulger, who are Directors of the Company, are also shareholders and directors of Wilton International Management Group which is one of the Vendors. Adam Reynolds and Paul Foulger each own 42,500,000 Existing Ordinary Shares which they subscribed for on 27 March 2007 pursuant to the issue of new Ordinary Shares by the Company (as approved by Shareholders at the March EGM) and on 17 April 2007 pursuant to a placing of new Ordinary Shares as announced on 18 April 2007.

In addition, Adam Reynolds and Paul Foulger are the only executive directors of Boldwood and in aggregate are interested in 36.13 per cent. of Boldwood's current issued share capital. Boldwood, through its wholly owned subsidiary Hansard, owns a further 113,333,333 Existing Ordinary Shares which Hansard acquired on 27 March 2007 pursuant to the issue of new Ordinary Shares by the Company (as approved by Shareholders at the March EGM) and on 17 April 2007 pursuant to a placing of new Ordinary Shares as announced on 18 April 2007. Messrs Reynolds and Foulger effectively control the Board of Boldwood and the day-to-day running of Boldwood and Hansard and are able to instruct Hansard to vote its holding of Existing Ordinary Shares in accordance with their instructions and without recourse to the other Boldwood shareholders or the Board of Boldwood.

Accordingly, for the purposes of the Waiver, Adam Reynolds, Paul Foulger and Hansard are being treated as members of the Concert Party. Other than Adam Reynolds, Paul Foulger and Hansard's interest in the share capital of the Company, no other member of the Concert Party currently has any interests, rights to subscribe or short positions in the share capital of the Company.

On completion of the Acquisition, the Concert Party will hold 288,333,333 new Ordinary Shares in aggregate, representing approximately 49.38 per cent. of the First Enlarged Issued Share Capital. Following the issue of the maximum number of Second Consideration Shares on the first, second and third anniversaries of Admission, the Concert Party will hold 312,333,333 new Ordinary Shares in aggregate, representing approximately 51.38 per cent. of the Second Enlarged Issued Share Capital. The shareholdings of each member of the Concert Party immediately following completion of the Acquisition and following the issue of the Second Consideration Shares are set out in Part A of Part 3 of this Document and in Table 1 below:

Table 1

	Current holding of Ordinary Shares	First Consideration Shares	Holding of Ordinary Shares and First Consideration Shares	Percentage of First Enlarged Ordinary Share Capital on Completion	Second Consideration Shares	Holding of Ordinary Shares, First Consideration Shares and Second Consideration Shares	Percentage of Second Enlarged Ordinary Share Capital following Completion
<i>Concert Party</i>							
WIMG	0	70,000,000	70,000,000	11.99%	0	70,000,000	11.52%
Robin Courage	0	10,000,000	10,000,000	1.71%	12,000,000	22,000,000	3.62%
Lars Haue-Pedersen	0	10,000,000	10,000,000	1.71%	12,000,000	22,000,000	3.62%
Adam Reynolds	42,500,000	0	42,500,000	7.28%	0	42,500,000	6.99%
Paul Foulger	42,500,000	0	42,500,000	7.28%	0	42,500,000	6.99%
Ian Ainscow	0	0	0	n.a.	0	0	n.a.
David Keen	0	0	0	n.a.	0	0	n.a.
Norah Turnbull	0	0	0	n.a.	0	0	n.a.
Hansard	113,333,333	0	113,333,333	19.41%	0	113,333,333	18.64%
Total	198,333,333	90,000,000	288,333,333	49.38%	24,000,000	312,333,333	51.38%

Notes

- (i) Adam Reynolds, Paul Foulger, Ian Ainscow and David Keen are all shareholders of WIMG, one of the Vendors of Wilton.
- (ii) Adam Reynolds and Paul Foulger are both shareholders and executive directors of Boldwood which owns the entire issued share capital of Hansard.
- (iii) The interests are shown before the distribution by WIMG of its proposed holding of 70,000,000 Ordinary Shares as described in paragraph 12 of Part B of Part 3 of this Document.
- (iv) David Keen has agreed to transfer up to 7,970,648 Ordinary Shares to Norah Turnbull immediately following a distribution by WIMG of its entire holding of Ordinary Shares to the WIMG Shareholders.

Following Completion of the Proposals, the directors of WIMG intend to wind up WIMG pursuant to which, *inter alia*, any Ordinary Shares then held by WIMG would be distributed to the shareholders of WIMG *pro rata* to their percentage shareholding in WIMG. **Should such a distribution occur and on the basis that there are no changes to the shareholdings of WIMG, then the shareholdings of each member of the Concert Party immediately following completion of the Acquisition, the issue of the Second Consideration Shares and the distribution by WIMG of its entire shareholding in the Company to the WIMG Shareholders as set out in paragraph 12 of Part B of Part 3 of this Document, will be as set out in Table 2 below:**

Table 2

	Current holding of Ordinary Shares	First Consideration Shares	Holding of Ordinary Shares and First Consideration Shares	Percentage of First Enlarged Ordinary Share Capital on Completion	Second Consideration Shares	Holding of Ordinary Shares, First Consideration Shares and Second Consideration Shares	Percentage of Second Enlarged Ordinary Share Capital following Completion
Concert Party							
WIMG	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Robin Courage	0	10,000,000	10,000,000	1.71%	12,000,000	22,000,000	3.62%
Lars Haue-Pedersen	0	10,000,000	10,000,000	1.71%	12,000,000	22,000,000	3.62%
Adam Reynolds	42,500,000	15,941,295	58,441,295	10.01%	0	58,441,295	9.61%
Paul Foulger	42,500,000	15,941,296	58,441,296	10.01%	0	58,441,296	9.61%
Ian Ainscow	0	6,234,818	6,234,818	1.07%	0	6,234,818	1.03%
David Keen	0	23,911,943	23,911,943	4.10%	0	23,911,943	3.93%
Norah Turnbull	0	7,970,648	7,970,648	1.37%	0	7,970,648	1.31%
Hansard	113,333,333	0	113,333,333	19.41%	0	113,333,333	18.64%
Total	198,333,333	90,000,000	288,333,333	49.38%	24,000,000	312,333,333	51.38%

Notes

- (i) Adam Reynolds, Paul Foulger, Ian Ainscow and David Keen are all shareholders of WIMG, one of the Vendors of Wilton. The interests of each of the WIMG Shareholders shown above assumes that WIMG distributes its entire holding of Ordinary Shares to the WIMG Shareholders in proportion to their current shareholding in WIMG.
- (ii) Adam Reynolds and Paul Foulger are both shareholders and executive directors of Boldwood which owns the entire issued share capital of Hansard.
- (iii) David Keen has agreed to transfer up to 7,970,648 Ordinary Shares to Norah Turnbull immediately following a distribution by WIMG of its entire holding of Ordinary Shares to the WIMG Shareholders.

Under the terms of the Acquisition Agreement, and subject to the date on which he ceases to be employed, Robin Courage will only receive, *inter alia*, the Second Consideration Shares if he is, at the time the Second Consideration Shares are due, still employed by the Enlarged Group. The same arrangements also apply to Lars Haue-Pedersen.

Furthermore, in the event that Robin Courage ceases to be so employed, then he will have to repay to the Company a proportion of the First Consideration Shares already received. In such circumstances Robin Courage will only be entitled to keep such number of First Consideration Shares received in the proportion of A/B where: A is equal to 36 less the number of whole months from Admission until the date of termination of his employment; and B is 36. The same arrangement also applies to Lars Haue-Pedersen.

Any such First Consideration Shares subject to this claw-back by the Company, will be sold through the broker of the Company, with the proceeds being paid to the Company for the benefit of the Company, and all Second Consideration Shares which are still to be allotted will cease to be due.

Accordingly, on completion of the Acquisition and assuming the maximum number of First Consideration Shares subject to claw-back as described above are returned by Robin Courage and Lars Haue-Pedersen to the Company and no Second Consideration Shares are thereafter issued, the Concert Party will hold 268,333,333 new Ordinary Shares in aggregate, representing approximately 45.96 per cent. of the First Enlarged Issued Share Capital and as no Second Consideration Shares would be issued thereafter, representing approximately 45.96 per cent. of the Second Enlarged Issued Share Capital.

In such circumstances and following the distribution by WIMG of its entire shareholding in the Company to the WIMG Shareholders as set out in paragraph 12 of Part B of Part 3 of this Document, the shareholdings of each member of the Concert Party will be as set out in Table 3 below:

Table 3

	<i>Current holding of Ordinary Shares</i>	<i>First Consideration Shares</i>	<i>Holding of Ordinary Shares and First Consideration Shares</i>	<i>Percentage of First and Second Enlarged Ordinary Share Capital on Completion</i>
<i>Concert Party</i>				
WIMG	n.a	n.a	n.a	n.a
Robin Courage	0	0	0	0.00%
Lars Haue-Pedersen	0	0	0	0.00%
Adam Reynolds	42,500,000	15,941,295	58,441,295	10.01%
Paul Foulger	42,500,000	15,941,296	58,441,296	10.01%
Ian Ainscow	0	6,234,818	6,234,818	1.07%
David Keen	0	23,911,943	23,911,943	4.10%
Norah Turnbull	0	7,970,648	7,970,648	1.37%
Hansard	113,333,333	0	113,333,333	19.41%
Total	198,333,333	70,000,000	268,333,333	45.96%

Notes

- (i) Adam Reynolds, Paul Foulger, Ian Ainscow and David Keen are all shareholders of WIMG, one of the Vendors of Wilton. The interests of each of the WIMG Shareholders shown above assumes that WIMG distributes its entire holding of Ordinary Shares to the WIMG Shareholders in proportion to their current shareholding in WIMG.
- (ii) Adam Reynolds and Paul Foulger are both shareholders and executive directors of Boldwood which owns the entire issued share capital of Hansard.
- (iii) David Keen has agreed to transfer up to 7,970,648 Ordinary Shares to Norah Turnbull immediately following a distribution by WIMG of its entire holding of Ordinary Shares to the WIMG Shareholders.

As described in paragraph 13 of Part 1 of this Document, Neil McClure has an option to purchase from Hansard up to 8,800,000 Existing Ordinary Shares at a purchase price of 0.1p per Existing Ordinary Share at any time during the period ending on the 27 March 2010 (the "Purchase Option").

Accordingly, on completion of the Acquisition and assuming the maximum number of First Consideration Shares subject to claw-back as described above are returned by Robin Courage and Lars Haue-Pedersen to the Company and no Second Consideration Shares are thereafter issued and the exercise in full by Neil McClure of the Purchase Option, the Concert Party will hold 259,533,333 new Ordinary Shares in aggregate, representing approximately 44.45 per cent. of the First Enlarged Issued Share Capital and as no Second Consideration Shares would be issued thereafter, representing approximately 44.45 per cent. of the Second Enlarged Issued Share Capital.

In such circumstances and following the distribution by WIMG of its entire shareholding in the Company to the WIMG Shareholders as set out in paragraph 12 of Part B of Part 3 of this Document, the shareholdings of each member of the Concert Party will be as set out in Table 4 below:

Table 4

	<i>Current holding of Ordinary Shares</i>	<i>First Consideration Shares</i>	<i>Holding of Ordinary shares and First Consideration Shares</i>	<i>Percentage of First Enlarged Ordinary Share Capital on Completion</i>	<i>Exercise of the Purchase Option by Neil McClure</i>	<i>Holding of Ordinary Shares and First Consideration Shares assuming exercise of the Purchase Option</i>	<i>Percentage of First and Second Enlarged Ordinary Share Capital following Completion</i>
<i>Concert Party</i>							
WIMG	n.a	n.a	n.a	n.a	n.a.	n.a	n.a
Robin Courage	0	0	0	0.00%	0	0	0.00%
Lars Haue-Pedersen	0	0	0	0.00%	0	0	0.00%
Adam Reynolds	42,500,000	15,941,295	58,441,295	10.01%	0	58,441,295	10.01%
Paul Foulger	42,500,000	15,941,296	58,441,296	10.01%	0	58,441,296	10.01%
Ian Ainscow	0	6,234,818	6,234,818	1.07%	0	6,234,818	1.07%
David Keen	0	23,911,943	23,911,943	4.10%	0	23,911,943	4.10%
Norah Turnbull	0	7,970,648	7,970,648	1.37%	0	7,970,648	1.37%
Hansard	113,333,333	0	113,333,333	19.41%	(8,800,000)	104,533,333	17.90%
Total	198,333,333	70,000,000	268,333,333	45.96%	(8,800,000)	259,533,333	44.45%

Notes

- (i) Adam Reynolds, Paul Foulger, Ian Ainscow and David Keen are all shareholders of WIMG, one of the Vendors of Wilton. The interests of each of the WIMG Shareholders shown above assumes that WIMG distributes its entire holding of Ordinary Shares to the WIMG Shareholders in proportion to their current shareholding in WIMG.
- (ii) Adam Reynolds and Paul Foulger are both shareholders and executive directors of Boldwood which owns the entire issued share capital of Hansard.
- (iii) David Keen has agreed to transfer up to 7,970,648 Ordinary Shares to Norah Turnbull immediately following a distribution by WIMG of its entire holding of Ordinary Shares to the WIMG Shareholders.

Further details of each member of the Concert Party are set out in paragraph 9 of Part B of this Part 3 overleaf.

PART B: THE CITY CODE

1. Other than as set out in paragraph 6.1 of Part 1 and paragraph 12 of this Part B of Part 3 of this Document there are no agreements, arrangements or understandings between any member of the Concert Party or anyone in Concert with it and any of the Directors, recent Directors, shareholders or recent shareholders of the Company, or any person interested or recently interested in shares of the Company or any of them, or any other person, having any connection with or dependence upon the Proposals.
2. Save as disclosed in this Part B of Part 3 and in paragraph 4 of Part 8 of this Document, neither the Company nor any of the Directors nor any member of their immediate families owned, controlled or (in the case of the Directors and their immediate families) was interested, directly or indirectly (whether by interests, rights to subscribe or short positions), in any relevant securities on 26 July 2007 (the latest practicable date prior to the posting of this Document), nor has any such person dealt for value in any relevant securities during the disclosure period.
3. Adam Reynolds and Paul Foulger who are Executive Directors of the Company, are also shareholders and directors of WIMG which is one of the Vendors. Adam Reynolds and Paul Foulger each own 42,500,000 Existing Ordinary Shares which they acquired on 27 March 2007 pursuant to the issue of new Ordinary Shares by the Company (as approved by Shareholders at the March EGM) and on 17 April 2007 pursuant to a placing of new Ordinary Shares as announced on 18 April 2007.

In addition, Adam Reynolds and Paul Foulger are significant shareholders and executive directors of Boldwood which, through its wholly owned subsidiary Hansard, owns a further 113,333,333 Existing Ordinary Shares which Hansard also acquired on 27 March 2007 pursuant to the issue of new Ordinary Shares by the Company (as approved by Shareholders at the March EGM) and on 17 April 2007 pursuant to a placing of new Ordinary Shares as announced on 18 April 2007.

Accordingly, Adam Reynolds, Paul Foulger and Hansard are being treated as members of the Concert Party. Other than Adam Reynolds, Paul Foulger and Hansard's interest in the share capital of the Company, and save as set out in this Part B of Part 3, no associate of the Company or member of the Concert Party owned, controlled or was interested, directly or indirectly, in any relevant securities (whether by interests, rights to subscribe or short positions) on 26 July 2007 (the latest practicable date prior to the posting of this Document), nor has any such person dealt for value therein during the disclosure period nor has any such person borrowed or lent any such securities.

4. As described in Paragraph 13 of Part 1 of this Document, Hansard (a member of the Concert Party) granted Neil McClure the Purchase Option to acquire up to 8,800,000 Ordinary Shares from Hansard at an exercise price of 0.1p per Ordinary Share. Other than the Purchase Option, no member of the Concert Party or the Company or any associate (as defined in sub-paragraph 5 below) of any member of the Concert Party or the Company has any arrangement with any person in relation to any relevant securities. For the purposes of this paragraph, "arrangement" includes any indemnity or option arrangement and any agreement or understanding, formal or informal, of whatever nature which may be an inducement to deal or refrain from dealing.
5. In this Part B:
 - 5.1 references to an "associate" of the Company are to:
 - 5.1.1 its subsidiaries and associated companies and companies of which any such subsidiaries or associated companies are associated companies;
 - 5.1.2 any connected adviser (as defined in the City Code) to the Company or to a company covered in paragraph 5.1.1 above, or any person controlling, controlled by or under the same control as any such connected adviser;
 - 5.1.3 its directors and the directors of any company listed in paragraph 5.1.1 above (together in each case with their immediate families and related trusts);

- 5.1.4 an employee benefit trust of the Company or of a company covered in paragraph 5.1.1); and
- 5.1.5 its pension funds or of a company covered in paragraph 5.1.1 above.
- 5.2 ownership or control of 20 per cent. or more of the equity share capital of a company is regarded as the test of associated company status and "control" means a holding, or aggregate holdings, of shares carrying 30 per cent. or more of the voting rights attributable to the share capital of the company which are currently exercisable at a general meeting, irrespective of whether the holding gives *de facto* control;
- 5.3 "relevant securities" means the Ordinary Shares (or as the context requires the ordinary shares of Hansard and/or Boldwood and /or WIMG) and other securities convertible into, or exchangeable for, rights to subscribe for the options (including traded options) in respect of, or derivatives referenced to, any of the foregoing;
- 5.4 "disclosure period" is the period commencing on 26 July 2006 and ending on 26 July 2007 (being the last practicable date prior to the posting of this Document).
6. None of the members of the Concert Party, nor anyone acting in concert with them, was interested or had any short positions in any relevant securities on 26 July 2007 nor has any such person dealt therein during the disclosure period being the 12 months preceding date of this Document.
7. Save as disclosed in paragraph 4 above neither the Directors or associates of any of them nor any person acting in concert with the Directors has any arrangement in relation to relevant securities. For these purposes "arrangement" includes an indemnity or option arrangement and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing.
8. None of the Director's or Proposed Directors or any member of the Concert Party or anyone acting in concert with them has borrowed or lent any relevant securities during the disclosure period being the 12 months preceding the date of this Document. No securities acquired in pursuance to the Proposals will be transferred to any other persons.
9. Concert Party Information:
- 9.1 The addresses for Adam Reynolds and Paul Foulger and the Proposed Directors of the Company who are also the members of the Concert Party and whose biographies are set out in paragraph 6 of Part 1 of this Document are as follows:
- 9.1.1 Adam Reynolds of 14 Charles Harrod Court, 2 Somerville Avenue, Harrods Village, London SW13 8HH;
- 9.1.2 Paul Andrew Peter Foulger of 114 Engadine Street, London SW18 5DT;
- 9.1.3 Robin Vandeleur Courage of Park Farm, Bullen Road, Ryde, Isle of Wight, PO33 1QE; and
- 9.1.4 Lars Haue-Pedersen of Chemin du Caudoz 72, 1009 Pully, Switzerland.
- 9.2 In addition to Adam Reynolds, Paul Foulger and the Proposed Directors, the Concert Party comprises the following.
- 9.2.1 **WIMG**
- Directors:* Adam Reynolds, Paul Andrew Peter Foulger, David Robert Keen
- Company Secretary:* Paul Andrew Peter Foulger
- Activity:* Holding Company incorporated in the United Kingdom on 7 April 2005 with Company No. 05416550
- Registered Office:* 14 Kinnerton Place South, London SW1X 8EH
- Trading Office:* 14 Kinnerton Place South, London SW1X 8EH

Shareholders: See table below:

<i>Shareholder</i>	<i>Number of WIMG ordinary shares</i>	<i>Percentage of WIMG's issued share capital</i>
Adam Reynolds	22,500	22.77%
Paul Andrew Peter Foulger	22,500	22.77%
Ian Ainscow	8,800	8.91%
David Keen	45,000	45.55%
Total	98,800	100.00%

David Keen holds 11,250 WIMG ordinary shares in trust for Norah Betty Turnbull. Accordingly, Norah Betty Turnbull is interested in 11,250 WIMG ordinary shares representing 11.39 per cent. of WIMG's issued share capital.

Financials: For the year ended 31 December 2005, WIMG had a turnover of £1,118,843, loss before tax of £379,621 and loss after tax of £385,295 and net liabilities of £398,567. This information has been extracted without material adjustment from the financial information on WIMG set out in Part D(i) of Part 3 of this Document.

Website: None

9.2.2 **Hansard**

Directors: Adam Reynolds, Paul Andrew Peter Foulger, Graham Chambers (Chairman).

Company Secretary: Paul Andrew Peter Foulger.

Activity: Financial public relations and investor relations company incorporated in the United Kingdom on 17 February 2000 with Company No. 03928022.

Registered Office: 14 Kinnerton Place South, London SW1X 8EH.

Trading Office: 14 Kinnerton Place South, London SW1X 8EH.

Shareholders: Boldwood Limited is the beneficial owner of the entire issued share capital of Hansard.

Financials: For the year ended 28 February 2006, Hansard had a turnover of £795,840, net liabilities of £341,221, loss before tax of £7,308 and profit after tax of £16,051. This information has been extracted without material adjustment from the financial information on Hansard set out in Part D(ii) of Part 3 of this Document.

Website: www.hansardgroup.co.uk

9.2.3 **Boldwood**

Directors: Adam Reynolds, Paul Andrew Peter Foulger, Graham Chambers (Chairman), Oliver Vaughn

Company Secretary: Paul Andrew Peter Foulger

Activity: Holding Company incorporated in the United Kingdom on 15 September 2004 with Company No. 05232587

Registered Office: 14 Kinnerton Place South, London SW1X 8EH

Trading Office: 14 Kinnerton Place South, London SW1X 8EH

Shareholders: See table below:

<i>Name</i>	<i>Number of existing Boldwood ordinary shares</i>	<i>Percentage of Boldwood's existing issued share capital</i>	<i>Number of enlarged Boldwood ordinary shares</i>	<i>Percentage of Boldwood's enlarged issued share capital</i>
Adam Reynolds	5,350	26.75%	5,995	25.04%
Paul Foulger	1,875	9.38%	2,520	10.52%
David Newton	1,875	9.38%	1,875	7.83%
Palan Settlements	1,500	7.50%	1,500	6.27%
Arbroath Investments Inc	1,500	7.50%	1,500	6.27%
Ronald Stirling	150	0.75%	150	0.62%
Andrew Tan	750	3.75%	1,500	6.27%
Benjamin Simons	750	3.75%	1,500	6.27%
Glyn Hirsch	1,125	5.62%	1,125	4.70%
Paul Lister	2,500	12.50%	3,000	12.53%
Penelope Horne	2,500	12.50%	3,000	12.53%
Fort Trustees Ltd	125	0.62%	125	0.52%
Chris Roberts	—	n.a.	150	0.63%
Total	20,000	100.0%	23,940	100.00%

Financials: For the year ended 28 February 2006, Boldwood had a turnover of £1,117,782, net assets of £363,364, loss before tax of £20,705 and loss after tax of £87,111. This information has been extracted without material adjustment from the financial information on Boldwood set out in Part D(iii) of Part 3 of this Document.

Website: www.hansardgroup.co.uk

9.2.4 Ian Ainscow of Abbotslea, Culross Avenue, Haywards Heath, West Sussex RH16 1JF, a shareholder of WIMG. Ian Ainscow, aged 50, began his career with Commercial Union in 1979 after graduating from the University of Warwick. His positions have included Fund Manager, Head of Mutual Funds and Head of International Retail. He is currently Head of Alternatives Business Development at Morley, an Aviva company. Ian Ainscow has in the past sat on Aviva company boards in Poland, Luxembourg, Guernsey and the UK.

9.2.5 David Keen of 37 Castlemaine Avenue, South Croydon, Surrey CR2 7HU, a director and shareholder of WIMG. David Keen, aged 56, began his career with Commercial Union Investment Management (later Morley Fund Management) in 1971 until his retirement at the end of 2001. His positions included Head of UK Equities, Pension and Performance Fund Director, Chairman of the Strategy Committee and Corporate Development Director. Under David's direction, Morley Fund Management launched several quoted Investment companies covering both traditional investment themes along with other exposures including Collateralised Bond Obligations and Hedge Funds. David Keen currently sits on the board of a number of private companies.

9.2.6 Mrs Norah Betty Turnbull of The Rowans, Inn Lane Hartlebury, Kidderminster, Worcestershire DY11 7TA. Pursuant to an agreement between David Keen and Norah Betty Turnbull, David Keen has agreed to transfer up to 7,970,648 Ordinary Shares to Norah Turnbull immediately following a distribution by WIMG of its entire holding of Ordinary Shares to the WIMG Shareholders. Mrs Norah Turnbull is a private investor.

- Due to the Acquisition and as set out more fully in Part 1, upon completion of the Proposals changes will be introduced to the Company's business as a result of completion of the Proposals. The Concert Party, the Directors and the Proposed Directors support the new business strategy for the Group.

11. On completion of the Proposals, the Proposed Directors will be appointed as directors and the Directors will all remain on the Board. The Company has no employees other than the current Directors and, as such, there will be no changes to their status as a result of the transaction.
12. Other than as described in this paragraph 12, there are no arrangements in place or envisaged where any member of the Concert Party will transfer any of Ordinary Shares to another person pursuant to the approval of the Proposals by Shareholders and completion of the investment.

Following Completion of the Proposals, the directors of WIMG intend to wind up WIMG pursuant to which, *inter alia*, any Ordinary Shares then held by WIMG would be distributed to the shareholders of WIMG *pro rata* to their percentage shareholding in WIMG. Should such a distribution occur and on the basis that there are no changes to the shareholdings of WIMG, then WIMG would distribute in aggregate 70,000,000 Ordinary Shares to the following persons:

12.1 15,941,295 Ordinary Shares to Adam Reynolds;

12.2 15,941,296 Ordinary Shares to Paul Foulger;

12.3 6,234,818 Ordinary Shares to Ian Ainscow;

12.4 23,911,943 Ordinary Shares to David Keen; and

12.5 7,970,648 Ordinary Shares to Norah Betty Turnbull.

13. None of the Concert Party intends that the payment of interest on, repayment of or security for any liability of theirs will depend to any significant extent on the business of the Company.
14. The Independent Director has irrevocably committed to the Concert Party to vote in favour of the Resolutions to be proposed at the EGM set out in the Notice of EGM contained at the end of this Document. The Independent Director has a holding of 83,333 Ordinary Shares representing approximately 0.017 per cent. of the Existing Ordinary Shares. Further details of the irrevocable undertaking is set out in paragraph 12.10 of Part 8 of this Document. Save as disclosed in this paragraph 14 there are no Shareholders who have given irrevocable undertakings to the Company to vote in favour of the Proposals.
15. As far as the Existing Directors are aware, save than as described in paragraphs 2, 4 and 12 of Part 1 of this Document and disclosed in Part 4 of this Document, there have been no known material changes in the financial or trading position of the Company subsequent to 31 March 2007 the date to which the last published audited accounts were prepared.
16. As far as the Concert Party are aware, save than as described in paragraphs 11.2, 11.3 and 11.4 of Part 8, there have been no known material changes in the financial or trading position of either Hansard or Boldwood subsequent to 28 February 2006, the date to which the last published audited accounts were prepared or in the financial or trading position of WIMG subsequent to 31 December 2005, the date to which the last published audited accounts were prepared.

PART C: MARKET QUOTATIONS

The following table shows the closing middle market quotations for Existing Ordinary Shares as derived from the AIM Appendix to the Daily Official List on the first dealing day of each month for the six months immediately preceding the date of this Document and on 26 July 2007 (the last practicable day before the publication of this Document):

<i>Date</i>	<i>Price</i>
2 January 2007	1.75p
1 February 2007	1.25p
1 March 2007	0.85p
2 April 2007	0.9p
1 May 2007	0.7p
1 June 2007	0.85p
2 July 2007	0.85p
26 July 2007	0.85p

PART D(i): FINANCIAL INFORMATION RELATING TO WIMG

The financial information contained in this Part D(i) of Part 3 does not constitute statutory accounts within the meaning of section 240 of the Act and has been extracted without material adjustment from the consolidated statutory accounts of WIMG for the period ended 31 December 2005. Copies of the accounts for the period ended 31 December 2005 have been delivered to the Registrar of Companies in England and Wales in respect of which WIMG's auditors, Gerald Edelman, Chartered Accountants and Registered Auditors, made unqualified reports under section 235 of the Act, and such reports did not contain any statements under section 237(2) or (3) of the Act.

WILTON INTERNATIONAL MANAGEMENT GROUP LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the period ended 31 December 2005

		<i>Period ended 31 December 2005</i>
	<i>Notes</i>	<i>£</i>
Turnover	2	1,118,843
Cost of sales		<u>(827,927)</u>
Gross profit		290,916
Administrative expenses		<u>(670,537)</u>
Operating loss	3	(379,621)
Other interest receivable and similar income		18
Interest payable and similar charges	4	<u>(18)</u>
Loss on ordinary activities before taxation		(379,621)
Tax on loss on ordinary activities	5	<u>(5,674)</u>
Loss on ordinary activities after taxation		(385,295)
Minority interests		<u>77,735</u>
Loss for the financial period	6	<u><u>(307,560)</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

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

WILTON INTERNATIONAL MANAGEMENT GROUP LIMITED**BALANCE SHEETS**

as at 31 December 2005

	<i>Notes</i>	<i>Group 2005 £</i>	<i>Company 2005 £</i>
Fixed assets			
Intangible assets	7	159,055	—
Tangible assets	8	34,399	—
Investments	9	—	4
		<u>193,454</u>	<u>4</u>
Current assets			
Debtors	10	244,568	334,677
Cash at bank and in hand		<u>27,846</u>	<u>—</u>
		272,414	334,677
Creditors: amounts falling due within one year	11	<u>(864,435)</u>	<u>(334,673)</u>
Net current (liabilities)/assets		<u>(592,021)</u>	<u>4</u>
Total assets less current liabilities		<u>(398,567)</u>	<u>8</u>
Capital and reserves			
Called up share capital	12	8	8
Profit and loss account	13	<u>(307,560)</u>	<u>—</u>
Shareholders' funds	15	<u>(307,552)</u>	<u>8</u>
Minority interests	14	<u>(91,015)</u>	<u>—</u>
		<u>(398,567)</u>	<u>8</u>

Approved by the Board and authorised for issue on 29 January 2007

P Foulger
Director

WILTON INTERNATIONAL MANAGEMENT GROUP LIMITED
CONSOLIDATED CASH FLOW STATEMENT
for the period ended 31 December 2005

	<i>Period ended 31 December 2005</i>	
	<i>£</i>	<i>£</i>
Net cash inflow from operating activities		222,352
Returns on investments and servicing of finance		
Interest received	18	
Interest paid	(18)	
Net cash movement for returns on investments and servicing of finance		—
Taxation		(3,357)
Capital expenditure		
Payments to acquire tangible assets	(26,119)	
Net cash outflow for capital expenditure		(26,119)
Acquisitions and disposals		
Purchase of subsidiary undertakings (net of cash acquired)	(210,288)	
Net cash outflow for acquisitions and disposals		(210,288)
Net cash outflow before management of liquid resources and financing		(17,412)
Financing		
Issue of ordinary share capital	8	
Net cash inflow from financing		8
Decrease in cash in the period		<u>(17,404)</u>

WILTON INTERNATIONAL MANAGEMENT GROUP LIMITED
NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the period ended 31 December 2005

1. Reconciliation of operating loss to net cash inflow from operating activities

	2005 £
Operating loss	(379,621)
Depreciation of tangible assets	8,487
Amortisation of intangible assets	6,679
Increase in debtors	(39,159)
Increase in creditors within one year	625,966
Net cash inflow from operating activities	<u>222,352</u>

2. Analysis of net debt

	7 April 2005 £	Cash flow	31 December 2005 £
Net cash:			
Cash at bank and in hand	—	27,846	27,846
Bank overdrafts	—	(45,250)	(45,250)
Net debt	<u>—</u>	<u>(17,404)</u>	<u>(17,404)</u>

3. Reconciliation of net cash flow to movement in net debt

	2005 £
Decrease in cash in the period	(17,404)
Movement in net debt in the period	<u>(17,404)</u>
Opening net debt	—
Closing net debt	<u>(17,404)</u>

WILTON INTERNATIONAL MANAGEMENT GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the period ended 31 December 2005

1. Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The financial statements have been prepared on the assumption that the group is a going concern. The financial statements of the group for the period ended 31 December 2005 show a loss after taxation of £385,295 and net liabilities of £398,567. The directors believe that measures have been taken following the year end to provide further funding and in their opinion the financial statements have been properly prepared on the assumption that the group is a going concern.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 December 2005. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

1.4 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.5 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of ten years.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment 3–5 years

1.7 Investments

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

1.8 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. Recognition of a deferred tax asset is limited to the extent the group anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing difference. The deferred tax balance has not been discounted.

1.9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2. Turnover

The total turnover of the group for the period has been derived from its principal activity.

Segmental analysis by geographical area

The analysis by geographical area of the group's turnover is set out as below:

	2005 £
Geographical segment	
Europe	187,218
Rest of the world	931,625
	<u>1,118,843</u>

3. Operating loss

	2005 £
Operating loss is stated after charging:	
Depreciation of intangible assets	6,679
Depreciation of tangible assets	8,487
Loss on foreign exchange transactions	726
Auditors' remuneration	7,500
	<u>7,500</u>

4. Interest payable

	2005 £
On bank loans and overdrafts	18
	<u>18</u>

5. Taxation

	2005 £
Domestic current year tax	
UK corporation tax	—
Foreign corporation tax	
Foreign corporation tax	5,674
Current tax charge	<u>5,674</u>
Factors affecting the tax charge for the period	
Loss on ordinary activities before taxation	<u>(379,621)</u>
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00 per cent.	<u>(113,886)</u>
Effects of:	
Depreciation and amortisation add back	8,170
Tax losses carried forward	89,797
Foreign tax adjustments	21,593
	<u>119,560</u>
Current tax charge	<u>5,674</u>

6. Loss for the financial year

As permitted by section 230 of the Companies Act 1985, the holding company's profit and loss account has not been included in these financial statements. The loss for the financial year is nil.

7. Intangible fixed assets

Group	<i>Goodwill</i> £
Cost	
At 7 April 2005	—
Additions	165,734
At 31 December 2005	<u>165,734</u>
Amortisation	
At 7 April 2005	—
Charge for the period	6,679
At 31 December 2005	<u>6,679</u>
Net book value	
At 31 December 2005	<u><u>159,055</u></u>

8. Tangible fixed assets

Group	<i>Fixtures, fittings & equipment</i> £
Cost	
At 7 April 2005	—
Additions	42,886
At 31 December 2005	<u>42,886</u>
Depreciation	
At 7 April 2005	—
Charge for the period	8,487
At 31 December 2005	<u>8,487</u>
Net book value	
At 31 December 2005	<u><u>34,399</u></u>

9. Fixed asset investments

Company	<i>Shares in group undertakings</i> £
Cost	
At 7 April 2005	—
Additions	4
At 31 December 2005	<u><u>4</u></u>

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Holdings of more than 20 per cent.

The company holds more than 20 per cent. of the share capital of the following companies:

<i>Company</i> <i>Subsidiary undertakings</i>	<i>Country of registration</i> <i>or incorporation</i>	<i>Shares held</i>	
		<i>Class</i>	<i>%</i>
Subsidiary undertakings			
Wilton International Marketing Limited	England	Ordinary	100
Wilton International Consulting Limited	England	Ordinary	100
SP Middle East WLL*	Bahrain	Ordinary	51
TSE Consulting S.A.*	Switzerland	Ordinary	100

The principal activity of these undertakings for the last relevant financial year was as follows:

	<i>Principal activity</i>
Wilton International Marketing Limited	Sports Marketing
Wilton International Consulting Limited	Sports Consultancy
SP Middle East WLL*	Sports Events Management
TSE Consulting S.A.*	Sports Consultancy

* indirectly held

In June 2005, the group acquired 51 per cent. interest in SP Middle East WLL. The analysis of the acquisition is as follows:

	<i>£</i>
Debtors	49,021
Bank and cash	30,842
Creditors	(106,966)
	<u>(27,103)</u>
Fair value of net liabilities acquired (51%)	(13,823)
Goodwill arising on consolidation	46,183
Fair value of consideration	<u>32,360</u>
Satisfied by:	
To vendor by cash	20,000
Legal fees on acquisition	12,360
	<u>32,360</u>

SP Middle East WLL made a pre-acquisition loss of £57,945 and post acquisition loss of £136,756.

In September 2005, the group acquired the entire share capital of TSE Consulting S.A. The analysis of the acquisition is as follows:

	<i>£</i>
Fixed assets	16,767
Debtors	156,388
Bank and cash	9,725
Creditors	(83,936)
Fair value of net assets acquired	98,944
Goodwill arising on consolidation	119,551
Fair value of consideration	<u>218,495</u>
Satisfied by:	
To vendor by cash	190,000
Legal fees on acquisition	28,495
	<u>218,495</u>

TSE Consulting S.A. made a pre-acquisition profit of £66,760 and post acquisition loss of £36,850.

10. Debtors	<i>Group</i> 2005 £	<i>Company</i> 2005 £
Trade debtors	228,697	—
Amounts owed by group undertakings	—	334,677
Other debtors	13,219	—
Prepayments and accrued income	2,652	—
	<u>244,568</u>	<u>334,677</u>

11. Creditors: amounts falling due within one year	<i>Group</i> 2005 £	<i>Company</i> 2005 £
Bank loans and overdrafts	45,250	—
Trade creditors	324,275	—
Corporation tax	2,317	—
Taxes and social security costs	66,573	—
Directors current accounts	334,673	334,673
Accruals and deferred income	91,347	—
	<u>864,435</u>	<u>334,673</u>

The bank loans and overdrafts have been secured over the fixed and floating assets of the company. In addition the directors, D Keen, A Reynolds and P Foulger have provided personal guarantees limited to £50,000, £25,000 and £25,000 respectively over the bank borrowings.

12. Share capital	2005 £
Authorised	
1,000 Ordinary shares of £1 each	<u>1,000</u>
Allotted, called up and fully paid	
8 Ordinary shares of £1 each	<u>8</u>

On incorporation the company issued 2 ordinary shares of £1 each at par. On 10 June 2005 the company issue a further 6 ordinary shares of £1 each at par.

13. Statement of movements on profit and loss account	<i>Profit and loss account</i> £
Group	
Loss for the period	<u>(307,560)</u>

14. Minority interests	2005 £
Minority interests' share of net liabilities in subsidiary undertakings on acquisition	(13,280)
Share of loss for the period	<u>(77,735)</u>
At 31 December 2005	<u>(91,015)</u>

15. Reconciliation of movements in shareholders' funds

	2005
	£
Group	
Loss for the financial period	(307,560)
Proceeds from issue of shares	8
	<hr/>
Net depletion in shareholders' funds	(307,552)
Opening shareholders' funds	—
	<hr/>
Closing shareholders' funds	<u>(307,552)</u>
	2005
	£
Company	
Loss for the financial year	—
Proceeds from issue of shares	8
	<hr/>
Net addition to shareholders' funds	8
Opening shareholders' funds	—
	<hr/>
Closing shareholders' funds	<u>8</u>

16. Employees

Number of employees

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

	2005
	Number
Sales and administration	31
	<hr/> <hr/>

Employment cost

	2005
	£
Wages and salaries	312,335
Social security costs	23,702
	<hr/>
	<u>336,037</u>

17. Related party transactions

During the year Alan Bailey Studios Limited, a company in which A Reynolds and P Foulger are directors, charged the company £5,075 for the use of office services. At the year end the balance owed to the Alan Bailey Studios Limited was £5,963.

The company owed the directors, D Keen, A Reynolds and P Foulger £166,633, £84,021 and £84,021 respectively at the year end. There are no specific terms as to interest or repayment in respect of these balances.

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

PART D(ii): FINANCIAL INFORMATION RELATING TO HANSARD

The financial information contained in this Part D(ii) of Part 3 does not constitute statutory accounts within the meaning of section 240 of the Act and has been extracted without material adjustment from the consolidated statutory accounts of Hansard for the two years ended 28 February 2006. Copies of the consolidated accounts for the two years ended 28 February 2006 have been delivered to the Registrar of Companies in England and Wales in respect of which Hansard's auditors, Gerald Edelman, Chartered Accountants and Registered Auditors, made unqualified reports under section 235 of the Act, and such reports did not contain any statements under section 237(2) or (3) of the Act.

HANSARD COMMUNICATIONS.COM LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 28 February 2006

	<i>Notes</i>	2006 £	2005 £
Turnover	2	795,840	1,259,117
Cost of sales		(53,204)	(382,658)
Gross profit		742,636	876,459
Administrative expenses		(684,948)	(697,883)
Exceptional employments costs associated with unapproved share schemes exercised		(108,128)	—
Other operating income		20,000	—
Operating (loss)/profit	3	(30,440)	178,576
Exceptional write-off of amount owed by former parent undertaking		—	(396,115)
Loss on ordinary activities before interest		(30,440)	(217,539)
Other interest receivable and similar income	4	1,653	1,168
Amounts written back/(off) investments		28,000	(28,000)
Interest payable and similar charges	5	(6,521)	(441)
Loss on ordinary activities before taxation		(7,308)	(244,812)
Tax on loss on ordinary activities	6	23,359	(64,624)
Profit/(loss) on ordinary activities after taxation	14	16,051	(309,436)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

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

HANSARD COMMUNICATIONS.COM LIMITED**BALANCE SHEET**

as at 28 February 2006

		<u>2006</u>		<u>2005</u>	
	<i>Notes</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Fixed assets					
Tangible assets	7		26,064		43,470
Current assets					
Debtors	8	220,632		188,534	
Investments	9	58,548		13,333	
Cash at bank and in hand		16,424		49,039	
		<u>295,604</u>		<u>250,906</u>	
Creditors: amounts falling due within one year	10	<u>(662,825)</u>		<u>(649,048)</u>	
Net current liabilities			<u>(367,221)</u>		<u>(398,142)</u>
Total assets less current liabilities			<u>(341,157)</u>		<u>(354,672)</u>
Provisions for liabilities	11		<u>—</u>		<u>(2,536)</u>
			<u>(341,157)</u>		<u>(357,208)</u>
Capital and reserves					
Called up share capital	13		1,000		1,000
Share premium account	14		19,800		19,800
Profit and loss account	14		<u>(361,957)</u>		<u>(378,008)</u>
Shareholders' funds	15		<u>(341,157)</u>		<u>(357,208)</u>

Approved by the Board and authorised for issue on 16 June 2006

A Reynolds
Director

HANSARD COMMUNICATIONS.COM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 28 February 2006

1. Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	over the term of the lease
Motor vehicle	25% straight line
Fixtures, fittings and office equipment	25% straight line
Website costs	25% straight line

1.5 Investments

Current asset investments are stated at the lower of cost and net realisable value.

1.6 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.7 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. Recognition of deferred tax asset is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. The deferred tax balance has not been discounted.

2. Turnover and loss on ordinary activities before taxation

	2006 £	2005 £
Class of business		
Public relations	743,214	750,383
Sale of investments	52,626	508,734
	<u>795,840</u>	<u>1,259,117</u>

Geographical market

	2006 £	2005 £
United Kingdom	634,077	1,160,117
Rest of the world	161,763	99,000
	<u>795,840</u>	<u>1,259,117</u>

3. Operating (loss)/profit

	2006 £	2005 £
Operating profit is stated after charging:		
Depreciation of tangible assets	29,018	31,934
Auditors' remuneration	12,496	12,504
and after crediting:		
Rents receivable	20,000	—
	<u>20,000</u>	<u>—</u>

4. Investment income

	2006 £	2005 £
Bank interest	1,653	1,168
	<u>1,653</u>	<u>1,168</u>

5. Interest payable

	2006 £	2005 £
On bank loans and overdrafts	411	441
On overdue tax	6,110	—
	<u>6,521</u>	<u>441</u>

6. Taxation

	2006 £	2005 £
Domestic current year tax		
U.K. corporation tax	5,630	68,266
Adjustment for prior years	(24,847)	—
Current tax charge	(19,217)	68,266
Deferred tax		
Deferred tax credit current year	(4,142)	(3,642)
	<u>(23,359)</u>	<u>64,624</u>
Factors affecting the tax charge for the year		
Loss on ordinary activities before taxation	(7,308)	(244,812)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00 per cent. (2005 — 30.00 per cent.)	(1,389)	(73,444)
Effects of:		
Non deductible expenses	3,190	21,545
Depreciation add back	5,513	9,581
Capital allowances	(1,684)	(1,388)
Adjustments to previous periods	(24,847)	—
Marginal tax relief	—	(6,863)
Other tax adjustments	—	118,835
	<u>(17,828)</u>	<u>141,710</u>
Current tax charge	<u>(19,217)</u>	<u>68,266</u>

7. Tangible fixed assets

	<i>Land and buildings Leasehold</i> £	<i>Motor vehicle</i> £	<i>Fixtures, fittings and office equipment</i> £	<i>Website costs</i> £	<i>Total</i> £
Cost					
At 1 March 2005	21,104	21,530	70,519	22,700	135,853
Additions	—	—	11,612	—	11,612
At 28 February 2006	<u>21,104</u>	<u>21,530</u>	<u>82,131</u>	<u>22,700</u>	<u>147,465</u>
Depreciation					
At 1 March 2005	6,493	7,081	56,476	22,333	92,383
Charge for the year	3,247	5,383	20,021	367	29,018
At 28 February 2006	<u>9,740</u>	<u>12,464</u>	<u>76,497</u>	<u>22,700</u>	<u>121,401</u>
Net book value					
At 28 February 2006	<u>11,364</u>	<u>9,066</u>	<u>5,634</u>	<u>—</u>	<u>26,064</u>
At 28 February 2005	<u>14,611</u>	<u>14,449</u>	<u>14,043</u>	<u>367</u>	<u>43,470</u>

8. Debtors

	2006	2005
	£	£
Trade debtors	101,956	116,264
Amounts owed by group undertakings	66,252	66,252
Corporation tax	3,072	—
Other debtors	47,746	6,018
Deferred tax asset (see note 11)	1,606	—
	<u>220,632</u>	<u>188,534</u>

9. Current asset investments

	2006	2005
	£	£
Listed investments	<u>58,548</u>	<u>13,333</u>

The market value of the listed investments at 28 February 2006 amounted to £58,547 (2005: £13,610). Investments traded on the Alternative Investment Market have been treated as listed investments.

10. Creditors: amounts falling due within one year

	2006	2005
	£	£
Trade creditors	27,880	26,023
Amounts owed to group undertakings	454,104	421,085
Corporation tax	—	59,563
Other taxes and social security costs	25,450	33,180
Other creditors	—	20,021
Accruals and deferred income	155,391	89,176
	<u>662,825</u>	<u>649,048</u>

11. Provisions for liabilities and charges

The deferred tax asset (included in debtors, note 8) is made up as follows:

	2006	2005
	£	£
Balance at 1 March 2005	2,536	
Profit and loss account	<u>(4,142)</u>	
Balance at 28 February 2006	<u>(1,606)</u>	
	<u>2006</u>	<u>2005</u>
	£	£
Decelerated capital allowances	<u>(1,606)</u>	<u>2,536</u>

12. Pension costs

Defined contribution

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. The pension cost charge represents contributions payable by the company to the fund.

	2006	2005
	£	£
Contributions payable by the company for the year	<u>4,969</u>	<u>—</u>

13. Share capital

	2006 £	2005 £
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000

14. Statement of movements on reserves

	<i>Share premium account</i> £	<i>Profit and loss account</i> £
Balance at 1 March 2005	19,800	(378,008)
Profit for the year	—	16,051
Balance at 28 February 2006	19,800	(361,957)

15. Reconciliation of movements in shareholders' funds

	2006 £	2005 £
Profit/(Loss) for the financial year	16,051	(309,436)
Opening shareholders' funds	(357,208)	(47,772)
Closing shareholders' funds	(341,157)	(357,208)

16. Directors' emoluments

	2006 £	2005 £
Emoluments for qualifying services	200,000	193,084
Company pension contributions to money purchase schemes	4,969	—
	204,969	193,084

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2005: 0).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	125,000	139,583
------------------------------------	---------	---------

17. Employees

Number of employees

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

	2006 <i>Number</i>	2005 <i>Number</i>
Administrative	6	6

Employment costs

	2006 £	2005 £
Wages and salaries	407,327	348,992
Social security costs	47,970	37,455
Other pension costs	4,969	—
	460,266	386,447

18. Control

The ultimate parent company is Boldwood Limited, a company registered in England and Wales. Boldwood Limited prepares consolidated financial statements and copies can be obtained from its registered office at 14 Kinnerton Place South, London, SE1X 8EH.

19. Related party transactions

<i>Party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>2006</i>	<i>2005</i>	<i>2006</i>	<i>2005</i>
			<i>Value</i>	<i>Value</i>	<i>Balance Due (to)/</i>	<i>Balance Due (to)/</i>
			<i>£</i>	<i>£</i>	<i>from at</i>	<i>from at</i>
					<i>year end</i>	<i>year end</i>
					<i>£</i>	<i>£</i>
Financial Development Corporation Plc (formerly known as Hansard Group Plc)	Former parent company	Inter company loan account written off	—	396,115	—	—
A Reynolds	Director	Loan account movements	29,807	14,987	44,794	518
P Foulger	Director	Loan account movements	5,500	5,500	—	5,500
International Brand Licensing Plc	A Reynolds and P Foulger are directors of International Brand Licensing Plc	Turnover, rent and other receivables	18,393	—	—	—
Plectrum Petroleum Plc	A Reynolds is a director of Plectrum Petroleum Plc	Rent receivable	9,000	—	—	—
Wilton International Management Group Limited	A Reynolds and P Foulger are directors of Wilton International Management Group Limited	Rent and other receivables	1,509	—	—	—
Cielo Holdings Plc	A Reynolds and P Foulger are directors of Cielo Holdings Plc	Rent and other receivables	10,189	—	—	—

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

PART D(iii): FINANCIAL INFORMATION RELATING TO BOLDWOOD

The financial information contained in this Part D(iii) of Part 3 does not constitute statutory accounts within the meaning of section 240 of the Act and has been extracted without material adjustment from the consolidated statutory accounts of Boldwood for the period ended 28 February 2006. A copy of the [consolidated accounts] for the period ended 28 February 2006 has been delivered to the Registrar of Companies in England and Wales in respect of which Boldwood's auditors, Gerald Edelman, Chartered Accountants and Registered Auditors, made unqualified reports under section 235 of the Act, and such reports did not contain any statements under section 237(2) or (3) of the Act.

BOLDWOOD LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the period ended 28 February 2006

	<i>Notes</i>	<i>Period ended 28 February 2006 £</i>
Turnover	2	1,117,782
Cost of sales		(55,134)
Gross profit		<u>1,062,648</u>
Administrative expenses		(1,005,414)
Exceptional employment costs associated with unapproved share schemes exercised		(108,128)
Other operating income		<u>37,817</u>
Operating loss	3	(13,077)
Other interest receivable and similar income		1,653
Interest payable and similar charges	4	(9,281)
Loss on ordinary activities before taxation		<u>(20,705)</u>
Tax on loss on ordinary activities	5	(66,406)
Loss on ordinary activities after taxation		<u><u>(87,111)</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

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

BOLDWOOD LIMITED**BALANCE SHEETS**

as at 28 February 2006

	<i>Notes</i>	<i>Group 2006 £</i>	<i>Company 2006 £</i>
Fixed assets			
Intangible assets	7	250,838	—
Tangible assets	8	44,627	—
Investments	9	—	100,406
		<u>295,465</u>	<u>100,406</u>
Current assets			
Debtors	10	188,005	365,648
Investments	11	58,548	—
Cash at bank and in hand		55,999	—
		<u>302,552</u>	<u>365,648</u>
Creditors: amounts falling due within one year	12	<u>(234,653)</u>	<u>(15,579)</u>
Net current assets/(liabilities)		<u>67,899</u>	<u>350,069</u>
Total assets less current liabilities		<u><u>363,364</u></u>	<u><u>450,475</u></u>
Capital and reserves			
Called up share capital	15	1,000	1,000
Share premium account	16	449,475	449,475
Profit and loss account	16	(87,111)	—
Shareholders' funds — equity interests	17	<u><u>363,364</u></u>	<u><u>450,475</u></u>

The financial statements were approved by the board on 16 June 2006

A Reynolds
Director

BOLDWOOD LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the period ended 28 February 2006

1. Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small group.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards, which have been applied consistently (except as otherwise stated).

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 28 February 2006. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

1.4 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.5 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	Over the term of the lease
Motor vehicles	25% straight line basis
Fixtures, fittings & equipment	25% straight line basis
Website cost	25% straight line basis

1.7 Leasing

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

1.8 Investments

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

Current asset investments are stated at the lower of cost and net realisable value.

1.9 Pensions

The Group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the period they are payable.

1.10 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. Recognition of deferred tax asset is limited to the extent that the company anticipates

making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. The deferred tax balance has not been discounted.

1.11 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2. Turnover

The total turnover of the group for the period has been derived from its principal activity wholly undertaken in the United Kingdom.

3. Operating loss	2006 £
Operating loss is stated after charging:	
Depreciation of intangible assets	42,826
Depreciation of tangible assets	53,160
Operating lease rentals	31,364
Auditors' remuneration	16,664
and after crediting:	
Rents receivable	37,817
	<u>37,817</u>
4. Interest payable	2006 £
On bank loans and overdrafts	3,171
On overdue tax	6,110
	<u>9,281</u>
5. Taxation	2006 £
Domestic current year tax	
U.K. corporation tax	80,670
Adjustment for prior years	(24,847)
Current tax charge	<u>55,823</u>
Deferred tax	
Deferred tax charge current year	10,583
	<u>66,406</u>
Factors affecting the tax charge for the period	
Loss on ordinary activities before taxation	(20,705)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00%	<u>(3,934)</u>
Effects of:	
Non deductible expenses	77,819
Amortisation and depreciation add back	18,237
Capital allowances	(1,874)
Tax losses utilised	(9,503)
Adjustments to previous periods	(24,847)
Other tax adjustments	(75)
	<u>59,757</u>
Current tax charge	<u>55,823</u>

The overall group loss arises because a subsidiary company has written off £396,115 due to its former parent company as part of the agreed transaction between Boldwood Limited and Financial Development Corporation (Note 9). The amount written off is not an allowable deduction for corporation tax purposes and as a consequence the subsidiary has incurred a corporation tax charge on its losses.

6. Holding company's result for the financial period

As permitted by section 230 of the Companies Act 1985, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial period is nil.

7. Intangible fixed assets

Group

	<i>Goodwill</i> £
Cost	
At 15 September 2004	—
Additions	293,664
At 28 February 2006	<u>293,664</u>
Amortisation	
At 15 September 2004	—
Charge for the period	42,826
At 28 February 2006	<u>42,826</u>
Net book value	
At 28 February 2006	<u><u>250,838</u></u>

8. Tangible fixed assets

Group

	<i>Land and buildings</i> <i>Leasehold</i> £	<i>Motor vehicles</i> £	<i>Fixtures, fittings & equipment</i> £	<i>Website cost</i> £	<i>Total</i> £
Cost					
On acquisition of subsidiary undertakings	75,425	21,530	70,519	22,700	190,174
Additions	—	—	11,612	—	11,612
At 28 February 2006	<u>75,425</u>	<u>21,530</u>	<u>82,131</u>	<u>22,700</u>	<u>201,786</u>
Depreciation					
On acquisition of subsidiary undertakings	27,672	5,287	50,598	20,442	103,999
Charge for the period	17,826	7,177	25,899	2,258	53,160
At 28 February 2006	<u>45,498</u>	<u>12,464</u>	<u>76,497</u>	<u>22,700</u>	<u>157,159</u>
Net book value					
At 28 February 2006	<u><u>29,927</u></u>	<u><u>9,066</u></u>	<u><u>5,634</u></u>	<u><u>—</u></u>	<u><u>44,627</u></u>

9. Fixed asset investments

Company

	<i>Shares in group undertakings</i>
	<i>£</i>
Cost	
At 15 September 2004	—
Additions	100,406
At 28 February 2006	<u>100,406</u>

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Holdings more than 20%

The company holds more than 20 per cent. of the share capital of the following companies:

<i>Company</i>	<i>Country of registration or incorporation</i>	<i>Shares held</i>	
		<i>Class</i>	<i>%</i>
<i>Subsidiary undertakings</i>			
Hansard Communications.com Limited	England and Wales	Ordinary	100
Alan Bailey (Studios) Limited	England and Wales	Ordinary	100
Hansard Corporate Limited	England and Wales	Ordinary	100
Hansard Group Limited	England and Wales	Ordinary	100

The principal activity of these undertakings for the last relevant financial year was as follows:

	<i>Principal activity</i>
Hansard Communications.com Limited	Public relations
Alan Bailey (Studios) Limited	Public relations
Hansard Corporate Limited	Investment holding
Hansard Group Limited	Dormant

In October 2004 the company acquired all the subsidiary undertakings listed above. The analysis of the acquisition of these subsidiary undertakings is as follows:

	<i>£</i>
Purchase price	75,000
Legal fees on acquisition	25,406
Total purchase price	<u>100,406</u>
Add: Consolidated net liabilities of subsidiary undertakings acquired	193,258
Goodwill on consolidation	<u>293,664</u>

10. Debtors

	<i>Group</i>	<i>Company</i>
	<i>2006</i>	<i>2006</i>
	<i>£</i>	<i>£</i>
Trade debtors	125,639	—
Amounts owed by group undertakings	—	365,173
Corporation tax	3,072	—
Called up share capital not paid	475	475
Other debtors	47,746	—
Prepayments and accrued income	9,467	—
Deferred tax asset (see note 13)	1,606	—
	<u>188,005</u>	<u>365,648</u>

11. Current asset investments

	<i>Group</i> 2006 £	<i>Company</i> 2006 £
Listed investments	58,548	—

The market value of these listed investments, which are traded on the Alternative Investment Market, at 28 February 2006, amounted to £58,548.

12. Creditors: amounts falling due within one year

	<i>Group</i> 2006 £	<i>Company</i> 2006 £
Trade creditors	37,638	—
Amounts owed to group undertakings	—	15,579
Corporation tax	6,774	—
Taxes and social security costs	27,184	—
Accruals and deferred income	163,057	—
	<u>234,653</u>	<u>15,579</u>
	<u>(1,606)</u>	<u>—</u>

13. Provisions for liabilities and charges

The deferred tax assets (included in the debtors, note 10) is made up as follows:

	<i>Group</i> 2006 £	<i>Company</i> 2006 £
Excess depreciation over capital allowances	<u>(1,606)</u>	<u>—</u>

14. Pension costs

Defined contribution

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. The pension cost charge represents contributions payable by the company to the fund.

	2006 £
Contributions payable by the group for the period	<u>4,969</u>

15. Share capital

	2006 £
Authorised 500,000 Ordinary shares of £1 each	<u>500,000</u>
Allotted, called up and fully paid 1,000 Ordinary shares of £1 each	<u>1,000</u>

During the period the company increased its authorised share capital from £1,000 to £500,000 by creation of 499,000 ordinary shares of £1 each ranking *pari passu* in all respects with the existing ordinary shares of the company.

During the period the company issued two ordinary shares of £1 each on incorporation on 15 September 2004 at par. The company subsequently issued 998 ordinary shares of £1 each on 5 November 2004 at a premium of £466,475.

16. Statement of movements on reserves

	<i>Share premium account £</i>	<i>Profit and loss account £</i>
<i>Group</i>		
Retained loss for the period	—	(87,111)
Premium on shares issued during the year	449,475	—
Balance at 28 February 2006	<u>449,475</u>	<u>(87,111)</u>
	<i>Share premium account £</i>	<i>Profit and loss account £</i>
<i>Company</i>		
Premium on shares issued during the year	449,475	—
Balance at 28 February 2006	<u>449,475</u>	<u>—</u>

17. Reconciliation of movements in shareholders' funds

	<i>2006 £</i>
<i>Group</i>	
Loss for the financial period	(87,111)
Proceeds from issue of shares	450,475
Net addition to/(depletion in) shareholders' funds	363,364
Opening shareholders' funds	—
Closing shareholders' funds	<u>363,364</u>
	<i>2006 £</i>
<i>Company</i>	
Loss for the financial year	—
Proceeds from issue of shares	450,475
Net addition to shareholders' funds	450,475
Opening shareholders' funds	—
Closing shareholders' funds	<u>450,475</u>

18. Financial commitments

At 28 February 2006 the group had annual commitments under non-cancellable operating leases as follows:

	<i>Land and buildings 2006 £</i>
Expiry date:	
Between two and five years	<u>27,536</u>

19. Directors' emoluments

	<i>2006 £</i>
Emoluments for qualifying services	257,291
Company pension contributions to money purchase schemes	4,969
	<u>262,260</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1.

20. Employees

Number of employees

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

	2006
	<i>Number</i>
Administrative and sales	<u>6</u>

Employment costs

	2006
	<i>£</i>
Wages and salaries	624,511
Social security costs	72,801
Other pension costs	4,969
	<u>702,281</u>

21. Related party transactions

<i>Party</i>	<i>Relationship</i>	<i>Transaction</i>	<u>2006</u>	
			<i>Value</i>	<i>Balance due (to)/ from at year end</i>
			<i>£</i>	<i>£</i>
A Reynolds	Director	Loan account movements	44,794	44,794
International Brand Licensing Plc	A Reynolds and P Foulger are directors of International Brand Licensing Plc	Turnover, rent and other receivables	24,606	—
Plectrum Petroleum Plc	A Reynolds is a director of Plectrum Petroleum Plc	Rent receivable	9,000	—
Wilton International Management Group Limited	A Reynolds and P Foulger are directors of Wilton International Management Group Limited	Rent and other receivables	9,113	—
Cielo Holdings Plc	A Reynolds and P Foulger are directors of Cielo Holdings Plc	Rent and other receivables	10,189	—

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

PART 4

FINANCIAL INFORMATION ON THE COMPANY

PART A: AUDITED RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2007

Nature of financial information

The Chairman's Statement contained below in this Part A of Part 4 has been extracted without material adjustment from the audited results for Sandford for the year ended 31 March 2007 as announced to the London Stock Exchange on 27 July 2007.

"Chairman's Statement

I am pleased to report on our results for the 12 months ended 31 March 2007, a period which has seen very significant changes in our activities. We have also separately announced today the proposed acquisition of Wilton International Consulting Limited which, through its wholly-owned subsidiary TSE Consulting S.A., is one of the leading providers of international sports consultancy services.

Following the disappointment of having to dispose of the Group's trading activities in June 2006 in order to prevent the Company from becoming insolvent, significant efforts went into both containing and minimising actual and potential liabilities. In addition, we undertook a rigorous review of funding alternatives going forward.

New investors were eventually forthcoming in December at which time arrangements were concluded with the Group's principal creditors. These changes were all approved by Shareholders in a General Meeting held in March 2007, heralding the way for a new future.

Subsequently, the Group raised additional finance to enable us to attract a suitable Company acquisition.

The results for last year reflect principally the release of provisions made at the time of the last Report and Accounts and the effect of agreeing a reduction in the amount repayable to the Loan Note holders.

I would take the opportunity of thanking our shareholders for their patience in difficult times, my colleagues who left the Board in December and March for their tireless efforts and support and our new Directors Adam Reynolds and Paul Foulger for providing us with the opportunity to plan for the future with some certainty and with a stable financial background.

Neil McClure
Chairman

**PART B: FINANCIAL INFORMATION ON THE COMPANY FOR THE TWO PERIODS ENDED
31 MARCH 2007**



The Board of Directors
Sandford Plc
14 Kinnerton Place South
London SW1X 8EH

The Board of Directors
Beaumont Cornish Limited
5th Floor
10-12 Copthall Avenue
London EC2R 7DE

27 July 2007

Dear Sirs

SANDFORD PLC (THE "COMPANY")

We report on the financial information set out below relating to the Company. This financial information has been prepared for inclusion in the Admission Document of Sandford Plc, of today's date (the "Admission Document") on the basis of the accounting policies set out in Note 1 to the financial information. This report is required by the AIM Rules and is given for the purpose of complying with Schedule 2 of Section 20.1 of Annex 1 to the AIM Rules and for no other purpose.

Basis of preparation

The financial information below is based on the financial statements of the Company for the period ended 31 March 2006 and the year ended 31 March 2007.

Responsibility

The Directors of Sandford Plc are responsible for the financial statements.

The Directors of Sandford Plc are responsible for preparing the financial information on the basis of preparation set out in Note 1 to the financial information and in accordance with International Financial Reporting Standards. It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purpose of the Admission Document, and to report our opinion to you.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting 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 previously recorded by us relating to the audit of the financial information. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting

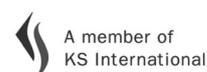
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Also at: Hayes, Redhill, Romford, St Albans, West End (London)

Partners: Michael Snyder Peter Holgate Emile Woolf Peter Timms Martin Muirhead Steven Neal Julie Walsh Graham Fildes Nicholas Brooks Martin Burchmore Nigel Birch Maureen Penfold Michael Sinclair Robert Surman Richard Garrick Parveen Chadda Amanda Merron Sidney Bright Adrian Houstoun David Masterson Janice Riches Christopher Lane David Goodridge Keith Halstead Cliff Ireton Andrew Shaw Paul Samrah Geraint Howells Graham Morgan David Benton Christopher Hughes Jonathan Sutcliffe Jonathan Seymour David Montgomery Neil Finlayson Moira Hindson Esther Carder Mark Bridge John Staniforth Marc Fecher (FCCA) Daniel Djanogly

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policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed.

We planned and performed our examination 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 information contained in our report is free from material misstatement, whether caused by fraud, other irregularity or error.

However, because the subsidiary undertakings' financial statements had not been audited for the comparative period due to their having been disposed of on 30 June 2006, when reporting on the Group's financial statements for the period ended 31 March 2006 we were unable to state that the financial statements of the Group gave a true and fair view of the state of affairs as at 31 March 2006 and of the loss for the year then ended. We were able to state however, that, in our opinion the financial statements of the parent company gave a true and fair view of the state of its affairs as at 31 March 2006 and had been properly prepared in accordance with the Companies Act 1985.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

Except for the financial effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the accuracy of the subsidiary undertakings' financial statements for the comparative period, in our opinion the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the Company as at the dates stated and of its profits, cash flows and changes in equity for the periods then ended in accordance with the basis of preparation set out in Note 1 to the financial information and in accordance with International Financial Reporting Standards.

Declaration

For the purposes of the AIM Rules we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

Kingston Smith LLP
Chartered Accountants & Registered Auditors

Devonshire House
60 Goswell Road
London EC1M 7AD

CONSOLIDATED INCOME STATEMENT

		Year to 31 March 2007	Period to 31 March 2006
	Notes	£	£
Group revenue		—	172,949
Operating costs		(124,730)	(1,079,030)
Operating loss	3	(124,730)	(906,081)
Finance revenue		—	24,101
Finance costs	4	—	(11,176)
Loss on sale of tangible assets		—	(500)
Settlement of liabilities	5	247,500	—
Profit/(loss) before tax		122,770	(893,656)
Taxation	6	—	—
Discontinued activities	7	104,243	(1,232,443)
Profit/(loss) for the year		<u>227,013</u>	<u>(2,126,099)</u>
Earnings/(loss) per share	15	<u>0.3p</u>	<u>(2.9)p</u>

COMPANY BALANCE SHEET

		At 31 March 2007 £	At 31 March 2006 £
	<i>Notes</i>		
Current assets			
Trade and other receivables	10	12,631	162,010
Cash and cash equivalents		203,871	140
		<u>216,502</u>	<u>162,150</u>
Current liabilities			
Trade and other payables	11	(54,553)	(5,934)
Net current assets		<u>161,949</u>	<u>156,216</u>
Total assets less current liabilities		<u>161,949</u>	<u>156,216</u>
Non-current liabilities			
Long term payables	12	—	(330,000)
Provision for liabilities and charges	13	(50,000)	(210,000)
Net assets		<u>111,949</u>	<u>(383,784)</u>
Equity			
Issued share capital	14	1,000,000	720,000
Share premium account		1,011,035	1,022,315
Retained losses		(1,899,086)	(2,126,099)
Shareholders' funds		<u>111,949</u>	<u>(383,784)</u>

CONSOLIDATED BALANCE SHEET

		At 31 March 2007 £	At 31 March 2006 £
	<i>Notes</i>		
Non-current assets			
Intangible assets	8	—	171,438
Tangible assets	9	—	221,145
Current assets			
Trade and other receivables	10	12,631	79,047
Cash and cash equivalents		203,871	320,918
		<u>216,502</u>	<u>399,965</u>
Current liabilities			
Trade and other payables	11	(54,553)	(251,069)
Net current assets		<u>161,949</u>	<u>148,896</u>
Total assets less current liabilities		<u>161,949</u>	<u>541,479</u>
Non-current liabilities			
Long term payables	12	—	(347,953)
Provision for liabilities and charges	13	(50,000)	(577,310)
Net assets		<u>111,949</u>	<u>(383,784)</u>
Equity			
Issued share capital	14	1,000,000	720,000
Share premium account		1,011,035	1,022,315
Retained losses		(1,899,086)	(2,126,099)
Shareholders' funds		<u>111,949</u>	<u>(383,784)</u>

CASH FLOW STATEMENT

	Year to 31 March 2007 £	Period to 31 March 2006 £
Cash flow from operating activities		
Profit/(loss) before taxation	(124,730)	(906,081)
Adjusted for:		
Depreciation of tangible assets	—	59,164
Amortisation of intangible assets	—	5,000
(Increase)/decrease in trade and other receivables	66,416	(77,797)
(Decrease)/increase in trade payables	(224,512)	210,976
Tax refunded/(paid)	—	(1,250)
Net cash from operating activities	<u>(282,826)</u>	<u>(709,988)</u>
Cash flows from investing activities		
Receipts from disposal of subsidiaries	1	—
Cash expended on discontinued activities of subsidiaries	(20,112)	—
Acquisitions	—	(400,000)
Goodwill written off	—	(655,133)
Interest received	—	24,101
Interest paid	—	(11,176)
Receipts from sales of tangible assets	—	470
Net cash inflow/(outflow) from investing activities	<u>(20,111)</u>	<u>(1,041,738)</u>
Cash flows from financing activities		
Issue of shares (net of issue costs)	268,720	1,742,315
Redemption of loan notes/new loan notes issued	(82,500)	330,000
Net cash used in financing activities	<u>186,220</u>	<u>2,072,315</u>
Net increase in cash and cash equivalents	(116,718)	320,589
Cash and cash equivalents at 1 April 2006	<u>320,589</u>	—
Cash and cash equivalents at 31 March 2007	<u><u>203,871</u></u>	<u><u>320,589</u></u>

STATEMENT OF CHANGES IN EQUITY

	<i>Share Capital £</i>	<i>Share premium £</i>	<i>Profit and loss account £</i>	<i>Total equity £</i>
At 4 February 2005	—	—	—	1,742,315
Profit for the period	—	—	(2,126,099)	(2,126,099)
Issue of share capital	720,000	1,022,315	—	—
At 31 March 2006	<u>720,000</u>	<u>1,022,315</u>	<u>(2,126,099)</u>	<u>(383,784)</u>
At 1 April 2006	720,000	1,022,315	(2,126,099)	(383,784)
Profit for the period	—	—	227,013	227,013
Issue of share capital	280,000	(11,280)	—	268,720
At 31 March 2007	<u>1,000,000</u>	<u>1,011,035</u>	<u>(1,899,086)</u>	<u>111,949</u>

NOTES TO THE FINANCIAL INFORMATION

1. GENERAL INFORMATION

Sandford Plc is a public limited company incorporated in the United Kingdom under the Companies Act 1985 (Registration Number 5353387).

The principal activities of the Group were that of advertising, up to the date the trading subsidiaries were sold, from which time the principal activity of the Company was that of an investment company.

STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and their interpretations issued or adopted by the International Accounting Standards Board as adopted for use in the European Union ("IFRS").

These are the Company's first financial statements prepared under IFRSs and IFRS1 "First Time Adoption of IFRS" has been applied. An explanation of how the transition from UK Generally Accepted Accounting Principles ("UK GAAP") to IFRSs has affected the reported financial position, financial performance and cashflows of the Company is provided in Note 16.

ACCOUNTING POLICIES

(a) Basis of preparation of the financial statements

The financial statements have been prepared in accordance with International Financial Reporting Standards including standards and interpretations issued by the International Accounting Standards Board, and have been prepared using the historical cost convention.

The financial statements are prepared in Pounds Sterling rounded to the nearest pound.

Following the disposal of the companies trading subsidiaries the directors have been in successful discussions pursuing alternative sources of finance.

(b) Basis of consolidation

The consolidated income statement and balance sheet include the financial statements of the Company up to 31 March 2007. The results of subsidiaries sold or acquired are included in the income statement up to, or from the date control passes.

(c) Depreciation

Depreciation on fixed assets is provided at rates estimated to write off the cost, less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	20% reducing balance
Computer equipment	25% reducing balance
Fixtures, fittings & equipment	25% reducing balance
Motor vehicles	25% reducing balance

(d) Cash and cash equivalents

Cash and cash equivalents comprise current bank balances which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. This definition is also used for the cash flow statement.

(e) Revenue

Revenue represents the invoiced value of goods and services provided net of valued added tax.

(f) Deferred tax

Deferred tax is provided, using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets relating to the carry-forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

(g) *Goodwill*

Goodwill is determined by comparing the amount paid on the acquisition of a business and the aggregate fair value of its separable net assets, and is written off over its estimated economic life.

(h) *Patents*

Patents are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful life of 20 years.

(i) *Leasing commitments*

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

2. STAFF COSTS

	<i>Year to 31 March 2007 £</i>	<i>Period to 31 March 2006 £</i>
Wages and salaries	—	232,291
Directors remuneration	57,061	212,740
Social security costs	6,515	26,048
	<u>63,576</u>	<u>471,079</u>

The average monthly number of employees was as follows:

	<i>Year to 31 March 2007 No.</i>	<i>Period to 31 March 2006 No.</i>
Administration (including Directors)	<u>5</u>	<u>11</u>

3. OPERATING LOSS

The operating loss is stated after charging:

	<i>Year to 31 March 2007 £</i>	<i>Period to 31 March 2006 £</i>
Auditors' remuneration — audit	<u>7,500</u>	<u>7,500</u>

4. FINANCE COSTS

	<i>Year to 31 March 2007 £</i>	<i>Period to 31 March 2006 £</i>
Bank interest	—	1,362
Loan interest	—	9,814
	<u>—</u>	<u>11,176</u>

5. SETTLEMENT OF LIABILITIES

	<i>Year to 31 March 2007 £</i>	<i>Period to 31 March 2006 £</i>
Amounts waived on redemption of loan notes	<u>247,500</u>	<u>—</u>

6. TAXATION

	<i>Year to 31 March 2007 £</i>	<i>Period to 31 March 2006 £</i>
Analysis of charge in the year:		
Current tax	—	—

The tax assessed for the year differs from the standard rate of corporation tax in the UK at 30%. The differences are explained below:

Profit/(loss) before tax	277,013	(2,126,099)
Profit/(loss) before tax multiplied by the standard rate of corporation tax in the UK of 30%	83,104	(637,830)
Tax losses and disallowable items	(83,104)	637,830
	—	—

The total amount of unused tax losses for which no deferred tax asset is recognised in the balance sheet is approximately £160,000 (2006: £495,000).

7. DISCONTINUED ACTIVITIES

	<i>Year to 31 March 2007 £</i>	<i>Period to 31 March 2006 £</i>
Provision for loss on disposal of subsidiaries	20,112	367,310
Goodwill written off	—	655,133
Potential claim for breach of contract — see Note 13	(124,355)	210,000
	(104,243)	1,232,443

8. INTANGIBLE FIXED ASSETS — GROUP

	<i>Patents £</i>	<i>Goodwill £</i>	<i>Total £</i>
Cost			
At 4 February 2005	—	—	—
Additions	176,438	655,133	831,571
At 1 April 2006	176,438	655,133	831,571
Disposals	(176,438)	(655,133)	(831,571)
At 31 March 2007	—	—	—
Amortisation			
At 4 February 2005	—	—	—
Charge for the period	5,000	—	5,000
Written off	—	655,133	655,133
At 1 April 2006	5,000	655,133	660,133
Disposals	(5,000)	(655,133)	(660,133)
At 31 March 2007	—	—	—
Net Book Value			
At 31 March 2006	171,438	—	171,438
At 31 March 2007	—	—	—

Goodwill was disposed of in the year on the sale of the subsidiary companies.

9. TANGIBLE ASSETS — GROUP

	<i>Plant and Machinery</i>	<i>Fixtures, Fittings & Equipment</i>	<i>Motor Vehicles</i>	<i>Total</i>
	£	£	£	£
Cost				
At 4 February 2005	—	—	—	—
Additions	261,741	5,264	14,274	281,279
Disposals	(970)	—	—	(970)
At 1 April 2006	260,771	5,264	14,274	280,309
Disposals	(260,771)	(5,264)	(14,274)	(280,309)
At 31 March 2007	—	—	—	—
Amortisation				
At 4 February 2005	—	—	—	—
Charge for the period	54,189	1,407	3,568	59,164
At 1 April 2006	54,189	1,407	3,568	59,164
Disposals	(54,189)	(1,407)	(3,568)	(59,164)
At 31 March 2007	—	—	—	—
Net Book Value				
At 31 March 2006	206,582	3,857	10,706	221,145
At 31 March 2007	—	—	—	—

10. TRADE AND OTHER RECEIVABLES — GROUP

	<i>At 31 March 2007</i>	<i>At 31 March 2006</i>
	£	£
Trade debtors	—	28,437
Corporation tax	—	1,250
Other debtors	—	23,169
Prepayments and accrued income	12,631	26,191
	<u>12,631</u>	<u>79,047</u>

TRADE AND OTHER RECEIVABLES — COMPANY

	<i>At 31 March 2007</i>	<i>At 31 March 2006</i>
	£	£
Other debtors	—	1,499
Prepayments and accrued income	12,631	—
Amount due from subsidiary	—	160,511
	<u>12,631</u>	<u>162,010</u>

11. TRADE AND OTHER PAYABLES — GROUP

	<i>At</i>	<i>At</i>
	<i>31 March</i>	<i>31 March</i>
	<i>2007</i>	<i>2006</i>
	<i>£</i>	<i>£</i>
Bank loans and overdrafts	—	40,329
Net obligations under finance lease and hire purchase contracts	—	3,087
Trade creditors	27,053	137,164
Taxes and social security costs	—	44,161
Other creditors	20,000	549
Accrued expenses	7,500	25,779
	<u>54,553</u>	<u>251,069</u>

TRADE AND OTHER PAYABLES — COMPANY

	<i>At</i>	<i>At</i>
	<i>31 March</i>	<i>31 March</i>
	<i>2007</i>	<i>2006</i>
	<i>£</i>	<i>£</i>
Trade creditors	27,053	934
Other creditors	20,000	—
Accrued expenses	7,500	5,000
	<u>54,553</u>	<u>5,934</u>

12. LONG TERM PAYABLES — GROUP

	<i>At</i>	<i>At</i>
	<i>31 March</i>	<i>31 March</i>
	<i>2007</i>	<i>2006</i>
	<i>£</i>	<i>£</i>
Amounts falling due after one year:		
Bank loan — included in current liabilities	—	16,667
Loan notes — wholly repayable within 5 years	—	330,000
Net obligations under finance lease and hire purchase agreements	—	1,286
	<u>—</u>	<u>347,953</u>

LONG TERM PAYABLES — COMPANY

	<i>At</i>	<i>At</i>
	<i>31 March</i>	<i>31 March</i>
	<i>2007</i>	<i>2006</i>
	<i>£</i>	<i>£</i>
Amounts falling due after one year:		
Loan notes — wholly repayable within 5 years	—	330,000
	<u>—</u>	<u>330,000</u>

13. PROVISION FOR LIABILITIES AND CHARGES — GROUP

	At 31 March 2007 £	At 31 March 2006 £
Provision for loss on disposal of subsidiaries	—	367,310
Provision for claim for breach of contract (see below)	50,000	210,000
	<u>50,000</u>	<u>577,310</u>

PROVISION FOR LIABILITIES AND CHARGES — COMPANY

	At 31 March 2007 £	At 31 March 2006 £
Provision for claim for breach of contract (see below)	50,000	210,000
	<u>50,000</u>	<u>210,000</u>

At 31 March 2006, a provision was made to allow for a potential claim for breach of contract (see Note 7) regarding J E Farmer, a former director of the Company. During the year an amount of £35,645 was paid in relation to this claim and the Directors consider that it is appropriate to maintain a provision of £50,000 until the claim is finally concluded. The balance of the provision, £124,355, has been released during the year ended 31 March 2007.

14. SHARE CAPITAL

	At 31 March 2007 £	At 31 March 2006 £
Authorised		
1,352,000,000 Ordinary shares of 0.1p each (previously 100,000,000 Ordinary shares of 1p each)	1,352,000	1,000,000
72,000,000 Deferred shares of 0.9p each	648,000	—
	<u>2,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid		
352,000,000 Ordinary shares of 0.1p each (previously 72,000,000 Ordinary shares of 1p each)	352,000	720,000
72,000,000 Deferred shares of 0.9p each	648,000	—
	<u>1,000,000</u>	<u>720,000</u>

During the year the issued share capital of the Company was subdivided, each Ordinary 1p share being subdivided into 1 new Ordinary share of 0.1p each and 1 new Deferred share of 0.9p each, with the authorised share capital being increased to £2,000,000.

During the year 280,000,000 shares were issued at the value of 0.1p each, raising £280,000.

15. EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the profit for the financial year attributable to shareholders by the weighted average number of shares in issue.

	Year to 31 March 2007 Number	Period to 31 March 2006 Number
Weighted average number of shares	<u>72,460,300</u>	<u>72,000,000</u>
	£	£
Profit/(loss) for the year/period	<u>227,013</u>	<u>(2,126,099)</u>
Basic earnings per share	<u>0.3p</u>	<u>(2.9)p</u>

Basic earnings per share and diluted earnings per share are the same as there are no dilutive instruments in existence at the year end date.

16. EXPLANATION OF TRANSITION TO IFRS

This is the first period that the Company has presented its financial statements under IFRS. The accounting policies set out in Note 1 have been applied in preparing the financial statements for the period ended 31 March 2007, the comparative information presented in these financial statements for the period ended 31 March 2006 and in preparation of an opening IFRS Balance Sheet as at 1 April 2005 (the Company's date of transition to IFRS).

Paragraph 38 of IFRS1 states that there needs to be reconciliations between the Company's equity as stated under UK GAAP and as stated under IFRS, as well as a reconciliation of the profit and loss and any impairment losses. The figures in the financial statements, specifically the areas mentioned above, remain the same under IFRS as under UK GAAP.

17. RELATED PARTY TRANSACTIONS

During the year Media Steps Group PLC changed its name to Sandford PLC, following the sale of the two trading subsidiaries for a total consideration of £1.

As disclosed in Note 7, the Company has written off £20,112 (2006: £367,310) relating to inter-company balances due from its subsidiary Companies, Media Steps (UK) Limited and Media Steps (Sports) Limited.

Both subsidiaries were disposed of for £1 on 30 June 2006.

18. POST BALANCE SHEET EVENTS

On 18 April 2007 the Group placed 141,900,000 ordinary shares of nominal value 0.1p each (Ordinary Shares) with a number of investors at a price of 0.75p per Ordinary Share to raise a total of £1,064,250 before expenses.

19. PROFIT ACCOUNTED FOR IN THE PARENT COMPANY

As permitted by section 230 of the Companies Act 1985, the profit and loss account of the parent Company is not presented as part of the financial statements. The parent Company's profit for the financial year was £227,013 (2006: loss £2,126,099).

PART 5

FINANCIAL INFORMATION ON WILTON INTERNATIONAL CONSULTING LIMITED FOR THE PERIOD ENDED 31 DECEMBER 2006



The Board of Directors
Sandford Plc
14 Kinnerton Place South
London SW1X 8EH

The Board of Directors
Beaumont Cornish Limited
5th Floor
10-12 Cophall Avenue
London EC2R 7DE

27 July 2007

Dear Sirs

WILTON INTERNATIONAL CONSULTING LTD ("WILTON")

We report on the financial information set out below relating to Wilton. This financial information has been prepared for inclusion in the Admission Document of Sandford Plc, of today's date (the "Admission Document") on the basis of the accounting policies set out in Note 1 to the financial information. This report is required by the AIM Rules and is given for the purpose of complying with Schedule 2 of Section 20.1 of Annex 1 to the AIM Rules and for no other purpose.

Basis of preparation

The financial information set out below is based on the financial statements of Wilton for the period ended 31 December 2006.

Responsibility

The Directors of Wilton International Consulting Limited are responsible for the financial statements.

The Directors of Sandford Plc are responsible for preparing the financial information on the basis of preparation set out in Note 1 to the financial information and in accordance with International Financial Reporting Standards. It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purpose of the Admission Document, and to report our opinion to you.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting 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 previously recorded by the auditors relating to the audit of the financial information. It also included an

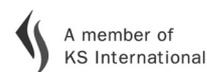
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assessment of the significant estimates and judgements made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate to Wilton's circumstances and have been consistently applied and adequately disclosed.

We planned and performed our examination 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 information contained in our report is free from material misstatement, whether caused by fraud, other irregularity or error.

Opinion

In our opinion the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of Wilton as at the date stated and of its cash flows and changes in equity for the period then ended in accordance with the basis of preparation set out in Note 1 to the financial information and in accordance with International Financial Reporting Standards.

Declaration

For the purposes of the AIM Rules we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

Kingston Smith LLP
Chartered Accountants & Registered Auditors

Devonshire House
60 Goswell Road
London EC1M 7AD

BALANCE SHEET

		<i>At</i> <i>31 December</i> <i>2006</i> <i>£</i>
	<i>Notes</i>	
ASSETS		
Non-current assets		
Investment in subsidiary undertaking	6	406,494
Total assets		<u>406,494</u>
EQUITY		
Share capital	7	1
Total equity		<u>1</u>
LIABILITIES		
Current liabilities		
Trade and other payables	8	406,493
Total liabilities		<u>406,493</u>
Total liabilities and equity		<u>406,494</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS

	<i>Share</i> <i>Capital</i> <i>£</i>
Balance at 11 July 2005	—
Proceeds from shares issued	<u>1</u>
Balance at 31 December 2006	<u>1</u>

CASH FLOW STATEMENT

		<i>Period Ended</i> <i>31 December</i> <i>2006</i>
	<i>Notes</i>	<i>£</i>
Cash flows from operating activities		
Cash generated from operations	10	218,493
Net cash flows generated from operating activities		<u>218,493</u>
Cash flows from investing activities		
Acquisition of shares in subsidiaries		<u>(218,494)</u>
Net cash used in investing activities		<u>(218,494)</u>
Cash flows from financing activities		
Issue of share capital		<u>1</u>
Net cash generated from financing activities		<u>1</u>
Net movement in cash and cash equivalents		—
Cash and cash equivalents at beginning of the period		<u>—</u>
Cash and cash equivalents at end of the period		<u><u>—</u></u>

NOTES TO THE FINANCIAL INFORMATION

1. GENERAL INFORMATION

Wilton International Consulting Limited was registered on 11 July 2005 as a limited liability company. The financial statements have been prepared for a period of 18 months from date of incorporation. The authorised share capital of Wilton is £1,000 comprising of 1,000 ordinary shares of £1 each. The issued and paid up share capital is £1 and issued to Wilton International Management Group Limited.

Wilton is an investment holding company. The group's principal activity is that of sports consultancy.

GOING CONCERN

In the opinion of the directors the financial statements have been prepared on a going concern basis which assumes that the parent company, Wilton International Management Group Limited, will continue to provide financial support in the foreseeable future.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied during the period presented in these financial statements.

2.1 Basis of preparation

The financial statements of Wilton have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The financial statements have been prepared under the historical cost convention and expressed in British Pounds (£).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying Wilton's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

2.2 Investment in subsidiary undertaking

Investments are stated at cost less provision for impairment.

2.3 Impairment

The carrying amounts of Wilton's assets are reviewed at each balance sheet date to determine whether the assets have been impaired during the year. Where an asset has been impaired, the recoverable amount of the asset (or cash-generating unit where applicable) is determined. Where the carrying amount exceeds the recoverable amount, the asset is written down to its recoverable amount. The resultant loss is recognised as an expense in the income statement.

2.4 Trade and other payables

Trade and other payables are stated at cost.

2.5 Group accounts

The financial statements present the information about Wilton as an individual undertaking and not about its group. Wilton has not prepared group accounts as it is exempt from the requirement to do so by section 228 of the Companies Act 1985 as it is a subsidiary undertaking of Wilton International Management Group Limited, a company incorporated in England and Wales and is included in the consolidated financial statements of that company.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments comprise financial assets and financial liabilities. Financial assets of Wilton comprise investments and financial liabilities comprise related party payables and deferred consideration.

Liquidity risk

Liquidity risk is the risk that Wilton will encounter difficulty in raising funds to meet commitments associated with the financial instruments.

Wilton manages its liquidity requirements mainly by financial support from the majority shareholder. Wilton expects to increase its cash flow from its future operations.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

All the transactions of Wilton are in Pounds Sterling. However Wilton's investment is based in Switzerland. Wilton's currency risk arises mainly from the change in foreign exchange rates with Switzerland. Wilton does not hedge against this risk.

Fair values

Fair value is the amount for which an asset could be exchanged or a liability settled, between knowledgeable willing parties in an arm's length transaction. Differences can therefore arise between book values under the historical cost method and fair value estimates.

Underlying the definition of fair value is a presumption that an enterprise is a going concern without any intention or need to liquidate, curtail materially the scale of its operations or undertake a transaction on adverse terms.

The fair values of financial assets and liabilities of Wilton are not materially different from their carrying values.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Wilton makes estimates and assumptions that affect the reported assets and liabilities. Estimates are continually evaluated and are based on historical experience and factors, including expectations of future events that are believed to be reasonable under the circumstances.

Impairment of investment

Wilton reviews the carrying amounts of the investment at each reporting date to determine whether the investment has been impaired.

Deferred consideration

The deferred consideration is based on the future profits of the acquired company. Wilton has made a reasonable estimate of these future profits and adjustments are made to these profits at the end of each year once the actual results are known.

5. INCOME STATEMENT

Wilton has not traded during the period ended 31 December 2006. Therefore no income statement is attached.

6. INVESTMENT IN SUBSIDIARY UNDERTAKING

	<i>£</i>
Balance at 11 July 2005	—
Additions	406,494
Balance at 31 December 2006	<u>406,494</u>

Subsidiary undertaking

The following company was a subsidiary undertaking of Wilton International Consulting Limited at the end of the period:

	<i>Country of incorporation</i>	<i>Proportion of ordinary shares</i>	<i>Nature of business</i>
TSE Consulting S.A.	Switzerland	100%	Sports consultancy

The aggregate amount of capital and reserves and the results of this subsidiary undertaking for the last relevant year were as follows:

	<i>Capital and reserves 2006 CHF</i>	<i>Profit for the period 2006 CHF</i>
TSE Consulting S.A	<u>226,962</u>	<u>85,243</u>

7. SHARE CAPITAL

	<i>At 31 December 2006 £</i>
Authorised 1,000 Ordinary shares of £1 each	<u>1,000</u>
Allotted, called up and fully paid 1 Ordinary share of £1	<u>1</u>

On incorporation Wilton issued 1 ordinary share at par.

8. TRADE AND OTHER PAYABLES

	<i>At 31 December 2006 £</i>
Amounts payable to related party	218,493
Deferred consideration	188,000
	<u>406,493</u>

The carrying amount of trade and other payables approximates to their fair value, which is based on amounts payable.

Deferred consideration relates to the acquisition of TSE Consulting S.A., which is based on an agreed formula applied to future profits of the acquired company.

9. INCOME TAX EXPENSE

There is no provision for UK corporation tax due to no trading during the period.

10. CASH GENERATED FROM OPERATIONS

	<i>Period ended 31 December 2006 £</i>
Changes in working capital:	
— Amounts payable	406,493
Adjustment in respect of deferred consideration	<u>(188,000)</u>
Cash generated from operations	<u><u>218,493</u></u>

11. RELATED-PARTY TRANSACTIONS

The amount payable to the related party shown under trade and other payables is payable to the parent company, Wilton International Management Group Limited. There are no terms as to interest or repayment in respect of this balance.

The deferred consideration is payable to key management.

12. CONTROL

The ultimate parent company is Wilton International Management Group Limited, which is registered in England and Wales. Wilton International Management Group Limited prepares consolidated financial statements and copies can be obtained from its registered office at 14 Kinnerton Place South, London SW1X 8EH.

PART 6

FINANCIAL INFORMATION ON TSE CONSULTING S.A. FOR THE THREE YEARS ENDED 31 DECEMBER 2006



The Board of Directors
Sandford Plc
14 Kinnerton Place South
London SW1X 8EH

The Board of Directors
Beaumont Cornish Limited
5th Floor
10-12 Cophall Avenue
London EC2R 7DE

27 July 2007

Dear Sirs

TSE CONSULTING SA ("TSE")

We report on the financial information set out below relating to TSE. This financial information has been prepared for inclusion in the Admission Document of Sandford Plc (the "Company"), of today's date (the "Admission Document") on the basis of the accounting policies set out in Note 1 to the financial information. This report is required by the AIM Rules and is given for the purpose of complying with Schedule 2 of Section 20.1 of Annex 1 to the AIM Rules and for no other purpose.

Basis of preparation

The financial information set out below is based on the financial statements of TSE for the three year period ended 31 December 2006.

Responsibility

The Directors of TSE Consulting SA are responsible for the financial statements.

The Directors of Sandford Plc are responsible for preparing the financial information on the basis of preparation set out in Note 1 to the financial information and in accordance with International Financial Reporting Standards. It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purpose of the Admission Document, and to report our opinion to you.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting 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 previously recorded by the auditors relating to the audit of the financial information. It also included an assessment of the significant estimates and judgements made by those responsible for the

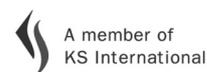
Devonshire House, 60 Goswell Road, London EC1M 7AD

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Also at: Hayes, Redhill, Romford, St Albans, West End (London)

Partners: Michael Snyder Peter Holgate Emile Woolf Peter Timms Martin Muirhead Steven Neal Julie Walsh Graham Fildes Nicholas Brooks Martin Burchmore Nigel Birch Maureen Penfold Michael Sinclair Robert Surman Richard Garrick Parveen Chadda Amanda Merron Sidney Bright Adrian Houstoun David Masterson Janice Riches Christopher Lane David Goodridge Keith Halstead Cliff Ireton Andrew Shaw Paul Samrah Geraint Howells Graham Morgan David Benton Christopher Hughes Jonathan Sutcliffe Jonathan Seymour David Montgomery Neil Finlayson Moira Hindson Esther Carder Mark Bridge John Staniforth Marc Fecher (FCCA) Daniel Djanogly

Registered in England and Wales as a Limited Liability Partnership: No. OC317343 Registered Office: Devonshire House, 60 Goswell Road, London EC1M 7AD



preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate to TSE's circumstances and have been consistently applied and adequately disclosed.

We planned and performed our examination 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 information contained in our report is free from material misstatement, whether caused by fraud, other irregularity or error.

Opinion

In our opinion the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of TSE as at the dates stated and of its profits, cash flows and changes in equity for the periods ended then in accordance with the basis of preparation set out in Note 1 to the financial information and in accordance with International Financial Reporting Standards.

Declaration

For the purposes of the AIM Rules we are responsible for this report as part of the Admission Document and declare that we have taken all responsible care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

Kingston Smith LLP
Chartered Accountants & Registered Auditors

Devonshire House
60 Goswell Road
London EC1M 7AD

CONSOLIDATED BALANCE SHEET

		<i>31 December</i>	<i>31 December</i>	<i>31 December</i>
		<i>2006</i>	<i>2005</i>	<i>2004</i>
	<i>Notes</i>	<i>CHF</i>	<i>CHF</i>	<i>CHF</i>
FIXED ASSETS				
Furniture and installations	2	40,377	43,469	29,647
Computer	2	5,038	11,067	10,497
Financial assets	3	8,749	8,716	6,731
Deferred tax assets		—	11,977	—
		<u>54,164</u>	<u>75,229</u>	<u>46,875</u>
Current assets				
Trade and other receivables	4	376,319	211,766	253,443
Cash and short term deposits	5	120,340	50,464	15,327
		<u>496,659</u>	<u>262,230</u>	<u>268,770</u>
TOTAL ASSETS		<u><u>550,823</u></u>	<u><u>337,459</u></u>	<u><u>315,645</u></u>
EQUITY AND LIABILITIES				
Shareholder's equity				
Issued capital		100,000	100,000	100,000
Retained earnings		167,875	3,559	(21,445)
Total shareholder's equity		<u>267,875</u>	<u>103,559</u>	<u>78,555</u>
Non-current liabilities				
Deferred tax liabilities		11,130	—	—
Current liabilities				
Trade and other payables third parties	6	175,238	121,678	96,642
Tax liabilities		28,550	13,000	—
Current accounts related parties		68,030	99,222	140,448
		<u>271,818</u>	<u>233,900</u>	<u>237,090</u>
TOTAL EQUITY AND LIABILITIES		<u><u>550,823</u></u>	<u><u>337,459</u></u>	<u><u>315,645</u></u>

CONSOLIDATED INCOME STATEMENT

		<i>31 December</i>	<i>31 December</i>	<i>31 December</i>
		<i>2006</i>	<i>2005</i>	<i>2004</i>
	<i>Notes</i>	<i>CHF</i>	<i>CHF</i>	<i>CHF</i>
Revenues				
Revenues	7	1,645,493	894,644	813,910
Other operating income		7,529	9,544	2,319
Total revenues		<u>1,653,022</u>	<u>904,188</u>	<u>816,229</u>
Costs and expenses				
Personnel expenses	8	(943,142)	(634,966)	(609,128)
General and administrative expenses	9	(302,647)	(163,546)	(133,122)
Marketing and professional expenses	10	(165,662)	(67,757)	(49,067)
Total costs and expenses		<u>(1,411,451)</u>	<u>(866,269)</u>	<u>(791,317)</u>
Operating result before Interest, Taxes, Depreciation and Amortization (EBITDA)				
Depreciation		241,571	37,919	24,912
		<u>(11,598)</u>	<u>(11,392)</u>	<u>(8,155)</u>
Operating result before interest and taxes		229,973	26,527	16,757
Net financing (costs)/income	11	(14,087)	6,091	(3,587)
Result before income tax		<u>215,886</u>	<u>32,618</u>	<u>13,170</u>
Income tax	12	(51,570)	(7,614)	(3,147)
Net income		<u><u>164,316</u></u>	<u><u>25,004</u></u>	<u><u>10,023</u></u>

CONSOLIDATED CASHFLOW STATEMENT

	<i>31 December</i> <i>2006</i> <i>CHF</i>	<i>31 December</i> <i>2005</i> <i>CHF</i>	<i>31 December</i> <i>2004</i> <i>CHF</i>
Cash flows from operating activities			
Net profit before income tax	215,886	32,618	13,171
Adjustments for:			
Depreciation and amortization	11,598	11,392	8,155
Net financing income/costs	(136)	(78)	1,308
Cash flows from operations before working capital change	<u>227,348</u>	<u>43,932</u>	<u>22,634</u>
Decrease/(increase) in working capital	(146,098)	25,627	(10,293)
Interest paid	—	—	(3)
Interest received	136	78	28
Income tax paid	(9,000)	—	—
Net cash flows from (used in) operating activities	<u>72,386</u>	<u>69,637</u>	<u>12,366</u>
Cash flows from investing activities			
Purchase of property and equipment	(2,477)	(25,784)	(19,508)
Other investments in financial assets	(33)	(8,716)	—
Net cash flows from (used in) investing activities	<u>(2,510)</u>	<u>(34,500)</u>	<u>(19,508)</u>
Net increase/(decrease) in cash and cash equivalents	69,876	35,137	(7,142)
Cash and cash equivalents at the beginning of the year	50,464	15,327	22,469
Cash and cash equivalents at the end of the year	<u><u>120,340</u></u>	<u><u>50,464</u></u>	<u><u>15,327</u></u>

STATEMENT OF CHANGES IN EQUITY

	<i>Issued Capital CHF</i>	<i>Retained earnings CHF</i>	<i>Total CHF</i>
Opening balances			
Issue of share capital*	100,000	(31,469)	68,531
Net profit for the period 2004	—	10,024	10,024
Balance at 31 December 2004	<u>100,000</u>	<u>(21,445)</u>	<u>78,555</u>
Net profit for the period 2005	—	25,004	25,004
Balance at 31 December 2005	<u>100,000</u>	<u>3,559</u>	<u>103,559</u>
Net profit for the period 2006	—	164,316	164,316
Balance at 31 December 2006	<u><u>100,000</u></u>	<u><u>167,875</u></u>	<u><u>267,875</u></u>

* 10,000 registered shares of nominal value CHF 10 each

NOTES TO THE FINANCIAL INFORMATION

1. GENERAL INFORMATION

Corporate information

TSE Consulting SA is a company domiciled in Lausanne, Switzerland.

TSE Consulting SA is active in the management consultancy specialised in the sports world. It offers consulting services to cities and countries and consulting and training services for sports organisations and the commercial sector.

Summary of significant accounting policies

Basis of preparation

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), which comprise standards and interpretations approved by the International Accounting Standards Board (IASB) and with the Interpretation issued by the International Financial Reporting Interpretations Committee (IFRIC).

The financial statements are prepared on the historical cost basis. They are presented in Swiss Francs. The closing date of TSE is 31 December.

Use of estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to Swiss Francs at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Swiss Francs at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated to Swiss Francs at the foreign exchange rate ruling at the date of the transaction.

Derivative financial instruments

The Group did not use any derivative financial instruments, during the period.

Property, plant and equipment

Owned assets

Office furniture and IT equipment are stated at cost less accumulated depreciation (see below) and if applicable impairment losses.

Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of items of property, plant and equipment. The estimated useful lives are as follows:

Office furniture and machinery	10-15 per cent.
IT equipment	5 per cent.

Trade and other receivables

Trade and other receivables are stated at their cost less impairment losses.

Cash and cash equivalents

Cash and cash equivalents are stated at cost and comprise cash balances and call deposits. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

Impairment

The carrying amounts of TSE's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Employee benefits

Defined contribution plans

Employees are affiliated to a multi-employers plan run under the form of an independent fund. Contributions to that defined contribution plan are fixed for both employees and Company and employer payments are recognised as an expense in the income statement as incurred.

Trade and other payables

Trade and other payables, which are normally settled on 30-90 day terms, are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to TSE.

Revenue

Services rendered

Revenue from the sale of services is recognised in the income statement by reference to the stage of completion of the transaction at the balance sheet date. Revenue is recognised only when it is probable that the economic benefits associated with the transaction will flow to the entity.

Expenses

Net financing income (costs)

Net financing income comprises financial income earned on funds invested and foreign exchange gains and losses that are recognised in the income statement.

Interest income is recognised in the income statement as it accrues. All costs incurred in connection with funds invested are expensed as incurred as part of net financing costs.

Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Credit risk

Credit risk arises because a counterparty may fail to perform its obligations. TSE is exposed to credit risk on liquid assets and trade receivables. Credit risk is managed investing current account deposits with high credit quality financial institutions. TSE is not exposed to material concentrations of credit risk on its trade receivables.

Interest rate risk

TSE is not exposed to interest rate risk as its financing is not from interest bearing sources.

Foreign currency risk

As a result of its local operations carried in Switzerland, the group's balance sheet can be affected by the fluctuation of the exchange rate between CHF and foreign currencies. At this stage, the risk is not considered to be material and as a consequence, TSE does not hedge this risk.

Fair value of financial instruments

The carrying value of financial instruments, consisting of cash and cash equivalents, trade and other receivables, other financial assets, trade and other payables approximate their fair value as they are usually settled at short term.

Related parties

Related parties include TSE ultimate owner, key management personnel and any other parties that are considered to be related if those parties have the ability to control TSE or exercise significant influence over TSE in making financial and operating decisions.

Segmental information

A business segment is a group of assets and operations engaged in providing products and services that are subject to risks and returns that are different from those of other business segments. TSE has a unique type of activity in the management consultancy specialised in the sports world.

A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments. TSE provides services in several countries. The geographical presentation of sales is broken down by continent.

2. FIXED ASSETS

	<i>Office Furniture and Machinery CHF</i>	<i>IT Equipment CHF</i>	<i>Total CHF</i>
Cost			
Opening balance	19,491	16,496	35,987
Acquisitions 2004	16,812	2,696	19,508
Disposals	—	—	—
Balance at 31 December 2004	<u>36,303</u>	<u>19,192</u>	<u>55,495</u>
Acquisitions 2005	19,185	6,599	25,784
Disposals	—	—	—
Balance at 31 December 2005	<u>55,488</u>	<u>25,791</u>	<u>81,279</u>
Acquisitions 2006	2,477	—	2,477
Disposals	—	—	—
Balance at 31 December 2006	<u>57,965</u>	<u>25,791</u>	<u>83,756</u>
Depreciation			
Opening balance	3,211	3,986	7,197
Depreciation charge for the year 2004	3,445	4,709	8,154
Balance at 31 December 2004	<u>6,656</u>	<u>8,695</u>	<u>15,351</u>
Depreciation charge for the year 2005	5,363	6,029	11,392
Balance at 31 December 2005	<u>12,019</u>	<u>14,724</u>	<u>26,743</u>
Depreciation charge for the year 2006	5,569	6,029	11,598
Balance at 31 December 2006	<u>17,588</u>	<u>20,753</u>	<u>38,341</u>
Carrying amount			
At 31 December 2004	<u>29,647</u>	<u>10,497</u>	<u>40,144</u>
At 31 December 2005	<u>43,469</u>	<u>11,067</u>	<u>54,536</u>
At 31 December 2006	<u>40,377</u>	<u>5,038</u>	<u>45,415</u>

3. FINANCIAL ASSETS

	<i>31 December 2006 CHF</i>	<i>31 December 2005 CHF</i>	<i>31 December 2004 CHF</i>
Bank deposit in CHF	<u>8,749</u>	<u>8,716</u>	<u>6,731</u>

4. TRADE AND OTHER RECEIVABLES

	<i>31 December 2006 CHF</i>	<i>31 December 2005 CHF</i>	<i>31 December 2004 CHF</i>
Due from Swiss customers	199,980	60,529	6,128
Due from foreign customers	162,182	232,282	247,251
Accrued income and prepaid expenses	14,052	546	—
Withholding tax to recover	105	81	63
Other receivables	—	—	8,600
Provision for bad and doubtful debts	—	(81,672)	(8,599)
	<u>376,319</u>	<u>211,766</u>	<u>253,443</u>

5. CASH AND SHORT TERM DEPOSITS

	<i>31 December</i> 2006	<i>31 December</i> 2005	<i>31 December</i> 2004
	<i>CHF</i>	<i>CHF</i>	<i>CHF</i>
Cash in hand	43	43	43
Cash at bank	118,667	49,652	14,603
Cash at post	1,630	769	681
	<u>120,340</u>	<u>50,464</u>	<u>15,327</u>

6. TRADE AND OTHER PAYABLES THIRD PARTIES

	<i>31 December</i> 2006	<i>31 December</i> 2005	<i>31 December</i> 2004
	<i>CHF</i>	<i>CHF</i>	<i>CHF</i>
Deferred tax liabilities			
Trade payables	118,923	48,442	30,881
Salaries and social Security	2,600	7,172	15,146
Current accounts third parties	12,257	40,178	35,826
Accrued expenses	18,771	19,500	5,082
VAT due	15,389	1,054	1,299
Tax at source due	7,298	5,332	8,408
	<u>175,238</u>	<u>121,678</u>	<u>96,642</u>

7. REVENUES

	<i>31 December</i> 2006	<i>31 December</i> 2005	<i>31 December</i> 2004
	<i>CHF</i>	<i>CHF</i>	<i>CHF</i>
Fees — Europe (included Cayman Island)	1,231,878	763,874	551,781
Fees — America	19,440	214,820	252,982
Fees — Asia	241,218	28,179	19,000
Fees — Australia/Oceania	175,000	22,452	—
Total gross revenues	<u>1,667,536</u>	<u>1,029,325</u>	<u>823,763</u>
Losses and allocation to provision for bad and doubtful debts	(22,043)	(134,681)	(9,853)
Total net revenues	<u>1,645,493</u>	<u>894,644</u>	<u>813,910</u>

8. PERSONNEL EXPENSES

	<i>31 December</i> <i>2006</i> <i>CHF</i>	<i>31 December</i> <i>2005</i> <i>CHF</i>	<i>31 December</i> <i>2004</i> <i>CHF</i>
Salaries — consultants	450,200	284,500	264,000
Salaries — administration	—	70,230	86,000
Social Security costs	57,236	47,620	45,893
Employees training and other expenses	345	16,259	4,105
External consultants	435,361	216,357	209,130
Total personnel expenses	943,142	634,966	609,128
TSE had 5 employees at 31 December 2006 (3 at December 2005 and 2004)			
Defined contribution plan expenses	15,454	14,883	14,703

9. GENERAL AND ADMINISTRATIVE EXPENSES

	<i>31 December</i> <i>2006</i> <i>CHF</i>	<i>31 December</i> <i>2005</i> <i>CHF</i>	<i>31 December</i> <i>2004</i> <i>CHF</i>
Rentals and maintenance	56,797	38,539	21,600
Insurance	73	73	75
Travel expenses	108,565	39,414	43,518
Other general and administrative expenses	137,212	85,520	67,859
Reconciling Difference	—	—	70
Total General and administrative expenses	302,647	163,546	133,122

10. MARKETING AND PROFESSIONAL EXPENSES

	<i>31 December</i> <i>2006</i> <i>CHF</i>	<i>31 December</i> <i>2005</i> <i>CHF</i>	<i>31 December</i> <i>2004</i> <i>CHF</i>
Marketing expenses	117,510	50,090	40,216
Professional expenses	48,152	17,667	8,851
Total Marketing and professional expenses	165,662	67,757	49,067

11. NET FINANCING INCOME

	<i>31 December</i> <i>2006</i> <i>CHF</i>	<i>31 December</i> <i>2005</i> <i>CHF</i>	<i>31 December</i> <i>2004</i> <i>CHF</i>
Financial costs	(14,222)	(1,962)	(3,614)
Interest income	135	8,053	27
	(14,087)	6,091	(3,587)

12. INCOME OF TAX EXPENSE

	<i>31 December</i> <i>2006</i> <i>CHF</i>	<i>31 December</i> <i>2005</i> <i>CHF</i>	<i>31 December</i> <i>2004</i> <i>CHF</i>
Recognised in the income statement			
Current tax expense	28,463	(12,860)	—
Deferred tax expense	23,107	5,246	(3,147)
Total income tax expense in income statement	<u>51,570</u>	<u>(7,614)</u>	<u>(3,147)</u>
Reconciliation of effective tax rate			
Profit before tax	215,886	32,618	13,170
Income tax using the domestic corporation tax rate	51,570	(7,792)	(3,147)
Income tax for prior years	—	178	—

13. RELATED PARTIES

	<i>31 December</i> <i>2006</i> <i>CHF</i>	<i>31 December</i> <i>2005</i> <i>CHF</i>	<i>31 December</i> <i>2004</i> <i>CHF</i>
Amounts paid to the Director as external consultant	187,572	168,000	168,000
Amount paid to the Board of Directors	6,000	6,800	5,000

PART 7

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS



The Board of Directors
Sandford Plc
14 Kinnerton Place South
London SW1X 8EH

The Board of Directors
Beaumont Cornish Limited
5th Floor
10-12 Copthall Avenue
London EC2R 7DE

27 July 2007

Dear Sirs

PRO FORMA STATEMENT OF NET ASSETS OF SANDFORD PLC

We report on the pro forma statement of net assets set out in Part 7 of the Admission Document of Sandford Plc dated 27 July 2007, which has been prepared, for illustrative purposes only, to provide information about how the acquisition of Wilton International Consulting Limited (including its subsidiary TSE Consulting SA) and the admission might have affected the financial information presented on the basis of the accounting policies adopted by Sandford Plc in preparing the financial statements for the period ended 31 March 2007. This report is required by guidance issued by the London Stock Exchange with respect to the AIM market and is given for the purpose of complying with that guidance issued by the London Stock Exchange and for no other purposes.

Responsibilities

It is the responsibility of the directors of Sandford Plc to prepare the pro forma financial information in accordance with guidance issued by the London Stock Exchange.

It is our responsibility to form an opinion, as required by guidance issued by the London Stock Exchange, as to the proper compilation of the pro forma financial information and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the pro forma financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial

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information with the source documents, considering the evidence supporting the adjustments and discussing the pro forma statement of net assets with the directors of Sandford Plc.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of Sandford Plc.

Opinion

In our opinion:

- (a) the pro forma statement of net assets has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of Sandford Plc.

Declaration

For the purposes of guidance issued by the London Stock Exchange we are responsible for this report as part of the AIM Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the AIM Admission Document in compliance with guidance issued by the London Stock Exchange.

Yours faithfully

KINGSTON SMITH LLP

Chartered Accountants and Registered Auditors

The unaudited Pro Forma Statement of Net Assets of the Company, illustrating the effect on the Company of the acquisition of the share capital of Wilton International Consulting Limited (including its subsidiary TSE Consulting SA), as if it took place on 31 March 2007, is set out below. The Pro Forma statement has been prepared for illustrative purposes only and, because of its nature, may not reflect the actual financial position of the Enlarged Group post Completion.

	Wilton International Consulting Limited	TSE Consulting SA	Wilton International Consulting Limited Conversion of Deferred Consideration to 'B' Shares	Pro Forma Consolidation Adjustments	Wilton International Consulting Limited 31 December 2006	Sandford Plc Audited 31 March 2007	Acquisition	Consolidation Adjustments	Fundraising on 18 April 2007	Pro forma
	Audited 31 December 2006	Audited 31 December 2006	£	Note 2	£	£	Note 4	Note 5	Note 6	£
Fixed assets										
Investments	406,494	—	—	(406,494)	—	—	1,955,507	(1,955,507)	—	—
Goodwill	—	—	—	307,598	307,598	—	—	1,754,273	—	2,061,871
Development costs	—	—	—	—	—	—	—	—	—	—
Tangible fixed and financial assets	—	22,672	—	—	22,672	—	—	—	—	22,672
	406,494	22,672	—	(98,896)	330,270	—	1,955,507	(201,234)	—	2,084,543
Current assets										
Debtors	—	157,522	—	—	157,522	12,631	—	—	—	170,153
Cash at bank and in hand	—	50,373	—	—	50,373	203,871	(1,005,000)	—	1,064,250	313,494
Creditors due within one year										
	(406,493)	207,894	—	—	207,895	216,502	(1,005,000)	—	1,064,250	483,647
	(406,493)	(118,438)	188,000	—	(336,931)	(54,553)	18,493	200,000	—	(172,991)
Net current assets/(liabilities)										
	1	89,456	188,000	—	(129,036)	161,949	(986,507)	200,000	1,064,250	310,656
Total assets less current liabilities										
	1	112,129	188,000	(98,896)	201,234	161,949	969,000	(1,234)	1,064,250	2,395,199
Creditors due in more than one year										
	—	—	—	—	—	(50,000)	—	(200,000)	—	(250,000)
Net Assets										
	1	112,129	188,000	(98,896)	201,234	111,949	969,000	(201,234)	1,064,250	2,145,199
Share capital and share premium	1	41,859	188,000	(41,859)	188,001	2,011,035	765,000	(188,001)	1,064,250	3,840,285
Shares to be issued	—	—	—	—	—	—	204,000	—	—	204,000
Profit and loss account	—	70,270	—	(57,037)	13,233	(1,899,086)	—	(13,233)	—	(1,899,086)
Equity shareholders' funds	1	112,129	188,000	(98,896)	201,234	111,949	969,000	(201,234)	1,064,250	2,145,199

Notes

1 Balance Sheet Position

The initial balance sheets are extracted from the audited accounts of Sandford Plc as at 31 March 2007 and of Wilton International Consulting Limited and TSE Consulting SA as at 31 December 2006. The TSE Consulting SA balance sheet has been translated from Swiss Francs at the exchange rate as at 31 December 2006 (£1- CHF2.389).

2 Wilton International Consulting Limited Goodwill

Goodwill on acquisition is calculated as follows:

	£
Consideration paid for 100 per cent. ordinary shares of TSE Consulting SA including transaction costs	406,494
Net assets acquired as at 8 September 2005	(98,896)
	<hr/>
Goodwill	307,598
	<hr/> <hr/>

3 Deal Structure

The Pro Forma assumes that Sandford Plc will acquire 100 per cent. of the Ordinary share capital of Wilton International Consulting Limited for a cash payment of £500,000 (including part repayment of any inter-company amount outstanding between Wilton International Consulting Limited and Wilton International Management Group Limited) and the issue of 70,000,000 Ordinary shares in Sandford Plc. On the second anniversary of completion a full repayment of the balance of £100,000 on the inter-company loan to Wilton International Management Group Limited will be made.

The Pro Forma assumes that Sandford Plc will make an additional cash payment of £250,000 plus the issue of 20,000,000 Ordinary shares in Sandford Plc in respect of the issued 'B' shares in Wilton International Consulting Limited. Additional consideration comprising 8,000,000 Ordinary shares in Sandford Plc will be payable on the first, second and third anniversary of completion together with a cash payment of £100,000 on the second anniversary of completion. The deferred consideration of £188,000 in Wilton International Consulting Limited's balance sheet will be converted to 'B' shares prior to the proposed transaction.

The value of shares to be issued in respect of consideration has been calculated at an assumed price of 0.85 pence per share.

4 Acquisition Adjustments

(a) The Consideration is calculated as follows:

	£	£
Ordinary Shares in Wilton International Consulting Limited		
Initial cash payment on completion	500,000	
Deferred cash payment on second anniversary of transaction	100,000	
Issue of 70,000,000 Ordinary shares in Sandford Plc	595,000	
	<hr/>	
		1,195,000
'B' Shares in Wilton International Consulting Limited		
Initial cash payment on completion	250,000	
Deferred cash payment on second anniversary of transaction	100,000	
Issue of 20,000,000 Ordinary shares in Sandford Plc on completion	170,000	
Issue of 8,000,000 Ordinary shares in Sandford Plc on first anniversary of transaction	68,000	
Issue of 8,000,000 Ordinary shares in Sandford Plc on second anniversary of transaction	68,000	
Issue of 8,000,000 Ordinary shares in Sandford Plc on third anniversary of transaction	68,000	
	<hr/>	
		724,000
		<hr/>
Total consideration in respect of Wilton International Consulting Limited		1,919,000
		<hr/> <hr/>

Reconciliation of Consideration

	£
Cash on completion	750,000
Deferred Cash	200,000
Shares in Sandford Plc on completion	765,000
Shares to be issued in Sandford Plc	204,000
	<hr/>
Total consideration in respect of Wilton International Consulting Limited	1,919,000
	<hr/> <hr/>

(b) The Investment is calculated as follows:

	£
Total consideration in respect of the acquisition of Wilton International Consulting Limited (Note 4a)	1,919,000
Estimated transaction costs	255,000
Total Wilton International Consulting Limited inter-company creditor as at 31 December 2006 contributing to a pound-for-pound reduction in deemed consideration (Note 4c)	(218,493)
	<hr/>
Investment value	1,955,507
	<hr/> <hr/>

(c) The movement in creditors is calculated as follows:

	£
Inter-company loan treated as paid through Wilton International Consulting Limited to Wilton International Management Group Limited on transaction	218,493
£100,000 cash payable on second anniversary of completion in respect of issued 'B' shares	(100,000)
Balance of £100,000 inter-company loan payable on second anniversary of completion	(100,000)
Movement in creditors	<u>18,493</u>

(d) The movement in cash is calculated as follows:

	£
Cash payment on completion in respect of Ordinary shares in Wilton International Consulting Limited	500,000
Cash payment on completion in respect of 'B' shares in Wilton International Consulting Limited	250,000
Estimated transaction costs	255,000
Movement in cash	<u>1,005,000</u>

5 Goodwill

Goodwill on acquisition is calculated as follows:

	£
Consideration paid in respect of proposed acquisition of Wilton International Consulting Limited including transaction costs (Note 4b)	1,955,507
Net assets acquired as at 31 December 2006	(201,234)
Goodwill	<u>1,754,273</u>

The £100,000 deferred consideration payable on the second anniversary of completion in respect of the 'B' shares in Wilton International Consulting Limited and the £100,000 repayment of the inter-company balance, owed by Wilton International Consulting Limited to Wilton International Management Group Limited, payable on the second anniversary of completion have been re-analysed under 'creditors due in more than one year' for the purposes of the Pro Forma.

6 Fund Raising

On 18 April 2007 Sandford Plc placed 141,900,000 ordinary shares of nominal value 0.1 pence each with a number of investors at a price of 0.75 pence per Ordinary share to raise a total of £1,064,250 before expenses.

PART 8

ADDITIONAL INFORMATION

1. Directors and Proposed Directors

1.1 The names of the Directors and the Proposed Directors are as follows:

Directors:

Neil James McClure *Non-executive Chairman*

Adam Reynolds *Executive Director*

Paul Foulger *Executive Director*

Proposed Directors:

Robin Vandeleur Courage *Proposed Executive Director*

Lars Haue-Pedersen *Proposed Executive Director*

2. The Company and its share capital

2.1 The Company was incorporated in England and Wales as a public limited company on 4 February 2005 under the Companies Act 1985 and with registered number 5353387. It was granted a certificate of entitlement to do business and borrow on 16 February 2005. The Company is domiciled in the United Kingdom.

2.2 The liability of the members of the Company is limited.

2.3 The Company does not have, as at the date of this Document, any subsidiaries.

WICL has the following subsidiary which, along with WICL (which will become a 100 per cent. subsidiary of the Company), will become a subsidiary of the Company as at Admission:

<i>Name</i>	<i>Country of Incorporation</i>	<i>Percentage held</i>
TSE	Switzerland	100% held by WICL

TSE held a 51 per cent. interest in TSE Consulting LLC, a limited liability Company, incorporated under the laws of Georgia, USA. This Company was dissolved on 23 July 2007 pursuant to a certificate of voluntary termination issued by the Secretary of State and the Corporations Commissioner of the State of Georgia.

2.4 The authorised and issued share capital of the Company at the date of this Document and upon conclusion of the Proposals (should all Resolutions be passed) is/will be:

	<i>Authorised</i>		<i>Issued</i>	
	<i>Number</i>	<i>£</i>	<i>Number</i>	<i>£</i>
<i>As at the date of this Document:</i>				
Ordinary Shares of 0.1p each	1,352,000,000	£1,352,000	493,900,000	£493,900
Deferred Shares of 0.9p each	72,000,000	£648,000	72,000,000	£648,000
<i>Immediately after Admission:</i>				
Ordinary Shares of 0.1p each	1,352,000,000	£1,352,000	583,900,000	£583,900
Deferred Shares of 0.9p each	72,000,000	£648,000	72,000,000	£648,000
<i>Immediately after Second Consideration Shares are issued (assuming full entitlement):</i>				
Ordinary Shares of 0.1p each	1,352,000,000	£1,352,000	607,900,000	£607,900
Deferred Shares of 0.9p each	72,000,000	£648,000	72,000,000	£648,000

2.5 At the date of incorporation the Company had an authorised share capital of £1,000,000 divided into 100,000,000 Ordinary Shares of 1p each in the capital of the Company, each ranking *pari passu* in all respects. By an ordinary resolution passed at an Extraordinary General Meeting of the Company held on 26 March 2007, the authorised share capital of the Company was increased to £2,000,000 by the creation of 100,000,000 ordinary shares of 1p each, each ranking *pari passu* in all respects with the existing ordinary shares of the Company.

- 2.6 By a special resolution passed at an Extraordinary General Meeting of the Company held on 26 March 2007, each of the 72,000,000 issued ordinary shares of 1p each in the capital of the Company were divided into one ordinary share of 0.1p and one deferred share of 0.9p and each of the existing 128,000,000 authorised but unissued ordinary shares of 1p each were divided into ten ordinary shares of 0.1p each in the capital of the Company.
- 2.7 By an ordinary resolution passed at an Extraordinary General Meeting of the Company held on 26 March 2007, the Company resolved that the Directors generally and unconditionally authorised (in substitution for all previous powers granted to them) pursuant to section 80 of the Act to exercise all the powers of the Company to allot and make offers to allot relevant securities up to an aggregate nominal amount of £880,000 provided that this authority shall expire on the conclusion of the 2007 Annual General Meeting of the Company or 15 months after the passing of the resolution (whichever is earlier), unless previously revoked or varied by the Company and provided that the Company may before such expiry make an offer or enter into an agreement which would or might require such shares to be allotted after such expiry and the directors may allot relevant securities in pursuance of any such offer as if the authority conferred by that resolution had not expired.
- 2.8 By a special resolution passed at an Extraordinary General Meeting of the Company held on 26 March 2007, the Company resolved that the Directors be authorised and empowered pursuant to section 95 of the Act (in substitution for all powers previously granted thereunder) to allot equity securities (as defined in section 94(2) of the Act) for cash (pursuant to the section 80 authority referred to in 2.7 above) as if section 89(1) of the Act did not apply to any such allotment, such power to expire at the conclusion of the Annual General Meeting of the Company to be held in 2007 or 15 months after the passing of the resolution (whichever is earlier), and such power is limited to the allotment of equity securities:
- (i) in connection with rights issues to holders of ordinary shares where the equity securities respectively attributable to the interests of such holders are proportionate (as nearly as may be practicable) to the respective numbers of ordinary shares held by them, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with any fractional entitlements or any legal or practical problems under the laws of, or the requirements of any regulatory body or any recognised stock exchange in, any territory;
 - (ii) in connection with the investment of £280,000 by Hansard and its nominees as per a conditional agreement entered into on 20 December 2006 between the Company (1) and Hansard (2) up to a maximum aggregate nominal value of £280,000; and
 - (iii) (otherwise than pursuant to paragraph (i) and (ii) above) up to a maximum aggregate nominal amount of £600,000;
- provided that the Company may, before the expiry of this power, make an offer or agreement which would or might require equity securities to be allotted after the expiry of this power and the directors may allot equity securities in pursuance of such an offer or agreement as if the power had not expired.
- 2.9 On 26 March 2007 the Company issued to Hansard and its nominees 280,000,000 Ordinary Shares in accordance with the terms of the Investment.
- 2.10 On 18 April 2007 the Company issued to various places an aggregate of 141,900,000 Ordinary Shares, credited as fully paid up to 0.75p per share.
- 2.11 Save as described in this Document, the Company does not have in issue any securities not representing share capital and there are no outstanding convertible securities issued by the Company.

3. Substantial shareholders

- 3.1 Except for the interests of the Directors and Proposed Directors, which are set out in paragraph 4 below, and the interests disclosed in paragraph 3.2 below, the Directors are not aware of any holdings of Ordinary Shares representing three per cent. or more of the nominal value of the Company's ordinary share capital.

3.2 In addition to the holdings of certain of the Directors and Proposed Directors, details of which are set out in paragraph 4.1 below, the Directors are aware of the following holdings of the Company's Ordinary Shares which at 26 July 2007 (being the last practicable date prior to the publication of this Document) represented three per cent. or more of the issued ordinary share capital of the Company or which will, following implementation of the Proposals represent 3 per cent. or more of the Enlarged Issued Share Capital:

Name	As at the date of this Document			On completion of the Proposals			
	Number of Ordinary Shares	% of issued Share Capital	Number of Options held	Number of Options after Completion of Proposals	Number of New Ordinary Shares Issued Share Capital	% of the First Enlarged Issued Share Capital	
Hansard ¹	113,333,333	22.95	Nil	Nil	113,333,333	19.41	
Adam Reynolds ²	42,500,000	8.60	Nil	Nil	42,500,000	7.28	
Paul Foulger ³	42,500,000	8.60	Nil	Nil	42,500,000	7.28	
Graham Chambers ⁴	22,666,667	4.59	Nil	Nil	22,666,667	3.88	
David Newton ⁵	22,666,667	4.59	Nil	Nil	22,666,667	3.88	
Palan Investments ⁶	48,333,333	9.79	Nil	Nil	48,333,333	8.28	
WIMG	Nil	Nil	Nil	Nil	70,000,000	11.99	

Note

- 1 Held by Pershing Keen Nominees
- 2 Held by Pershing Keen Nominees
- 3 Held by Pershing Keen Nominees
- 4 Held by Barclayshare Nominees Limited
- 5 Held by Pershing Keen Nominees
- 6 Held by HSBC Global Custody Nominee (UK) Limited

3.3 No shareholders have different voting rights to any other shareholder in respect of their Ordinary Shares.

4. Directors' and Proposed Directors' interests

4.1 The interests of the Directors and Proposed Directors, their immediate families and as far as they are aware having made due and careful enquiries, of persons connected with them, (within the meaning of section 346 of the Act) in the share capital of the Company as at 28 February 2007 (being the latest practicable date prior to the publication of this Document) and at Admission, all of which are beneficial, unless otherwise stated: (i) which have been notified to the Company pursuant to sections 324 or 328 of the Act, or (ii) which are required to be entered in the register maintained under section 325 of the Act, or (iii) are interests of a connected person of a Director or Proposed Director which would, if that connected person were a Director or Proposed Director, be required to be disclosed under (i) and (ii) above and the existence of which is known to that Director or Proposed Director, are set out below:

Name	As at the date of this Document				On completion of the Proposals			
	Number of Ordinary Shares	% of issued Share Capital	Number of Options held	Number of Warrants	Number of New Ordinary Shares	% of the First Enlarged Issued Share Capital	Number of Options	Number of Warrants
Neil McClure	83,333	0.02	8,800,000 ¹	8,800,000	83,333	0.01	8,800,000 ¹	8,800,000
Adam Reynolds ²	42,500,000	8.60	Nil	Nil	42,500,000	7.28	Nil	Nil
Paul Foulger ³	42,500,000	8.60	Nil	Nil	42,500,000	7.28	Nil	Nil
Robin Vandeleur Courage	Nil	n.a.	Nil	Nil	10,000,000	1.71	Nil	Nil
Lars Haue- Pedersen	Nil	n.a.	Nil	Nil	10,000,000	1.71	Nil	Nil

Note

1. This is the Purchase Option.
2. Adam Reynolds, by virtue of his 26.75 per cent. shareholding in Boldwood, is deemed to be interested in the 113,333,333 Ordinary Shares in the Company currently held by Hansard. Furthermore, Adam Reynolds is also, by virtue of his shareholding in WIMG, deemed to be interested in 70,000,000 new Ordinary Shares to be issued to WIMG as part of the Acquisition.
3. Paul Foulger is, by virtue of his shareholding in WIMG, deemed to be interested in 70,000,000 new Ordinary Shares to be issued to WIMG as part of the Acquisition.

- 4.2 Save as disclosed in this Document, none of the Directors holds any options to subscribe for Ordinary Shares.
- 4.3 Except as disclosed in paragraph 4.1 above, none of the Directors, nor any member of their respective immediate families, nor any person connected with them within section 346 of the Act, is interested in any share capital of the Company.

5. Directors Service Agreements and Letters of Appointment

- 5.1 Each of Neil James McClure, Adam Reynolds and Paul Foulger have the following service agreements and letters of appointment:

5.1.1 *Neil McClure (Non-Executive Chairman)*

LIC Management Limited entered into a letter of appointment with the Company to provide the services of Neil McClure as the non-executive Chairman with effect from the Original Admission. The appointment provided for three months' written notice and LIC Management Limited received an annual fee of £20,000 plus VAT per annum (which LIC Management Limited waived this fee from 1 July 2006).

On 1 March 2007 LIC Management Limited entered into a Non-Executive appointment letter with the Company pursuant to which Neil McClure was re-appointed as the Non-Executive Chairman of the Company. The appointment will continue for a fixed period of 12 months, terminable thereafter by either party on one months' notice in writing (such notice not to expire until the third anniversary of the commencement of the appointment).

Neil McClure will receive a fee of £25,000 per annum plus VAT. He will also be entitled 30 days paid holiday entitlement per annum and to participate in the Company's bonus and share option schemes, subject to the rules of those schemes and targets set.

The appointment letter also includes provision for secondment, garden leave, pay in lieu of notice, a detailed confidentiality provision and a provision dealing with the protection of the Company's intellectual property.

5.1.2 *Adam Reynolds (Executive Director)*

On 28 February 2007 Adam Reynolds entered into a service agreement with the Company, which took effect from 27 March 2007. He was appointed as an executive director of the Company under this service agreement. The appointment will continue for a fixed period of 12 months, terminable thereafter by either party on one months' notice in writing (such notice not to expire until the third anniversary of the commencement of the appointment).

Adam Reynolds will receive a salary of £25,000 per annum inclusive of any director's fees and 30 days' paid holiday entitlement per annum. He will also be entitled to participate in the Company's bonus and share option schemes, subject to the rules of those schemes and targets set.

The service agreement also includes provisions for secondment, garden leave, pay in lieu of notice, a detailed confidentiality provision and a provision dealing with the protection of the Company's intellectual property.

Adam Reynolds is also subject to various post-termination restrictions, which prevent him from poaching key staff, clients and suppliers and interfering with the Company's relationship with its clients and suppliers and competing with the Company.

Adam Reynolds service agreement has not been amended within the last six months.

5.1.3 *Paul Foulger FCCA (Executive Director)*

On 28 February 2007 Paul Foulger entered into a service agreement with the Company, which took effect from 27 March 2007. He was appointed as an executive director of the Company under this service agreement. The appointment will continue for a fixed period of 12 months, terminable thereafter by either party on one months' notice in writing (such notice not to expire until the third anniversary of the commencement of the appointment).

Paul Foulger will receive a salary of £25,000 per annum inclusive of any director's fees and 30 days' paid holiday entitlement per annum. He will also be entitled to participate in the Company's bonus and share option schemes, subject to the rules of those schemes and targets set.

The service agreement also includes provisions for secondment, garden leave, pay in lieu of notice, a detailed confidentiality provision and a provision dealing with the protection of the Company's intellectual property.

Paul Foulger is also subject to various post-termination restrictions, which prevent him from poaching key staff, clients and suppliers and interfering with the Company's relationship with its clients and suppliers and competing with the Company.

Paul Foulger's service agreement has not been amended in the last six months.

- 5.2 Each of Robin Courage and Lars Haue-Pedersen has the following service agreements in place:

5.2.1 *Robin Courage*

On 26 July 2007 Robin Courage entered into a service agreement with TSE, which took effect from 2 September 2005. He was appointed as an executive director of TSE and the Company under this service agreement. The appointment will continue indefinitely and is terminable by either party on three months' notice in writing (such notice not to expire until the first anniversary of Admission).

Robin Courage will receive a salary of CHF168,000 per annum inclusive of any director's fees and 25 days' paid holiday entitlement per annum. He will also be entitled to participate in TSE's bonus and share option schemes, subject to the rules of those schemes and targets set.

The service agreement also includes provisions for secondment, garden leave, pay in lieu of notice, a detailed confidentiality provision and a provision dealing with the protection of TSE's and the Company's intellectual property.

Robin Courage is also subject to various post-termination restrictions, which prevent him from poaching key staff, clients and suppliers and interfering with the Company's relationship with its clients and suppliers and competing with TSE and the Company.

5.2.2 *Lars Haue-Pedersen*

On 26 July 2007 Lars Haue-Pedersen entered into a service agreement with TSE, which took effect from 2 September 2005. He was appointed as an Executive Director of TSE and the Company under this service agreement. The appointment will continue indefinitely and is terminable by either party on three months' notice in writing (such notice not to expire until the first anniversary of Admission).

Lars Haue-Pedersen will receive a salary of CHF180,000 per annum inclusive of any director's fees and 25 days' paid holiday entitlement per annum. He will also be entitled to participate in TSE's bonus and share option schemes, subject to the rules of those schemes and targets set.

The service agreement also includes provisions for secondment, garden leave, pay in lieu of notice, a detailed confidentiality provision and a provision dealing with the protection of TSE's and the Company's intellectual property.

Lars Haue-Pedersen is also subject to various post-termination restrictions, which prevent him from poaching key staff, clients and suppliers and interfering with TSE's and the Company's relationship with its clients and suppliers and competing with TSE and the Company.

5.3 None of the Directors or the Proposed Directors are, nor have been within the five years prior to the publication of this document, partners in any partnerships. The Directors and the Proposed Directors have held the following directorships (in addition, where relevant, to being a director of the Company) within the five years prior to the publication of this Document:

<i>Director</i>	<i>Current</i>	<i>Past</i>
Neil McClure	Alan Brazil Hospitality Limited Alan Brazil Leisure plc Alan Brazil Racing Club Limited LIC Management Limited Engadine Limited Elizabeth Furnival Limited	Arachnid Systems Limited Ayrvu Limited Floral Investment Limited Independent Media Support Group Plc Plectrum Petroleum plc
Adam Reynolds	Alan Bailey (Studios) Limited Boldwood Limited Hansard Communications.com Limited Hansard Corporate Limited Hansard Group Limited International Brand Licensing plc Maidborough Limited Wilton International Consulting Limited Wilton International Management Group Limited Wilton International Marketing Limited TSE Brands Limited TSE Group Limited TSE Learning Limited	Marchpole Holdings plc 64 Addison Road Limited Personell Security Limited Azure UK Holdings Limited Greenhills plc Intelligence Technology Holdings Limited First Africa Oil plc Curidium Medica plc Plectrum Petroleum plc
Paul Foulger	Alan Bailey (Studios) Limited Boldwood Limited Hansard Communications.com Limited Hansard Corporate Limited Hansard Group Limited International Brand Licensing plc International Brands Holdings Limited Wilton International Consulting Limited Wilton International Management Group Limited Wilton International Marketing Limited TSE Consulting SA TSE Brands Limited TSE Group Limited TSE Learning Limited	First Africa Oil plc Curidium Medica plc Heritage Image Partnership Limited The Heritage Image Library Limited Fuel Holdings Limited Fuel IT Limited Brainstorm Mobile Solutions Limited Plectrum Petroleum plc
<i>Proposed Directors</i>	<i>Current</i>	<i>Past</i>
Robin Vandeleur Courage	The British Wheelchair Sports Foundation Limited Courage Sports Ltd	Total Sports and Entertainment Consulting Limited
Lars Haue-Pedersen	TSE Consulting SA	None

5.4 Save as disclosed above, none of the Directors or the Proposed Directors:

5.4.1 is currently a director of a company or a partner in a partnership or has been a director of a company or a partner in a partnership within the five years immediately preceding the date of this Document;

5.4.2 has any unspent convictions for any indictable offences or has been declared bankrupt or has made any voluntary arrangement with his creditors;

5.4.3 has been a director of a company at the time of or within the 12 months preceding any receivership, compulsory liquidation, creditors' voluntary liquidation,

- administration or voluntary arrangement of that company or any composition or arrangement with its creditors generally or any class of its creditors;
- 5.4.4 has been a partner in a partnership at the time of or within the 12 months preceding any compulsory liquidation, administration or voluntary arrangement of that partnership;
- 5.4.5 has had any asset which has been subject to a receivership or has been in a partnership at the time of or within the 12 months preceding an asset of the partnership being subject to a receivership;
- 5.4.6 has been publicly criticised by any statutory or regulatory authority (including any recognised professional body) or has been disqualified by a Court from acting as a director of, or in the management or conduct of the affairs of any company; or
- 5.4.7 has any conflicts of interest between any duties to the Company and their private interests and/or other duties.

6. Memorandum of Association

The principal object of the Company, which is set out in clause 4 of its Memorandum of Association, is to carry on business as a general commercial company.

7. Articles of Association

The Articles of Association contain, *inter alia*, the following provisions to the following effect:

7.1 Voting Rights

Subject to any special rights or restrictions as to voting attaching to the deferred shares in the capital of the Company (the "Deferred Shares") as set out in this paragraph 7, and subject to any suspension or abrogation of voting rights pursuant to the Articles at a general meeting on a show of hands every member who (being an individual) is present in person and every proxy and every member (being a corporation) who is present by a duly authorised representative not being himself a member, shall have one vote, so however that no individual shall have more than one vote and on a poll every member present in person or by proxy shall have one vote for every share of which he is the holder.

The holders of the Deferred Shares shall have no right to receive notice of or attend and shall not be entitled to vote at a general meeting, whether such vote is on a show of hands or on a poll, in respect of the Deferred Shares held by them respectively.

7.2 Annual General Meeting and Extraordinary General Meetings

- (a) An annual general meeting and any extraordinary general meeting at which it is proposed to pass a special resolution or a resolution of which special notice has been given to the Company, shall be called by twenty one days' notice in writing at the least and any other extraordinary general meeting by fourteen days' notice in writing at the least (save as otherwise agreed). The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held and shall be given in the manner hereinafter mentioned to the Auditors, all the directors and all members other than such as are not under the provisions of these Articles entitled to receive such notices from the Company.
- (b) Notwithstanding that a general meeting has been called by a shorter notice than that specified above, such general meeting shall be deemed to have been duly called if it is so agreed:
- (i) in the case of an annual general meeting by all the members entitled to attend and vote thereat;
 - (ii) in the case of an extraordinary general meeting by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right;
 - (iii) every notice calling a general meeting shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in every such notice

a statement that a member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and, on a poll, vote instead of him and that a proxy need not be a member of the Company; and

- (iv) the notice shall specify the general nature of the business to be transacted at the meeting and if any resolution is to be proposed as an extraordinary resolution or as a special resolution, the notice shall contain a statement to that effect.

7.3 Dividends

Subject to the provisions of the Act and the rights attaching to the Deferred Shares as set out in this paragraph 7, the Company may by ordinary resolution declare dividends to be paid to the members according to their respective rights and interest, but no dividend shall exceed the amount recommended by the directors. Subject to the provisions of the Act, the directors may pay such interim dividends as appear to them to be justified by the profits of the Company available for distribution. No dividend shall be payable except out of the profits of the Company.

The holders of Deferred Shares shall not be entitled to receive or participate in any dividend in respect of the Deferred Shares held by them respectively.

All dividends shall be declared and paid according to the amounts paid on the shares in respect of which the dividend is paid, but no amount paid on a share in advance of calls shall be treated as paid up on the share. All dividends shall be apportioned and paid proportionately to the amounts paid on the shares during any portion of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.

No dividend or other monies payable by the Company on or in respect of any share shall bear interest as against the Company.

Any general meeting declaring a dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of specific assets and in particular of paid up shares or debentures of any other company or in any one or more of such ways.

All dividends unclaimed for a period of twelve years after having become due shall be forfeited and shall (unless the directors otherwise resolve) revert to the Company.

7.4 Distribution of Assets on Liquidation

On a return of capital on a winding-up, each holder of a Deferred Share shall be entitled to receive a sum equal to the nominal capital paid up or credited as paid up thereon but only after the sum of £1,000,000 per Ordinary Share has been distributed amongst the holders of the Ordinary Shares and the holders of the Deferred Shares shall not be entitled to any further participation in the assets or profits of the Company.

Any surplus assets will belong to the holders of the Ordinary Shares according to the numbers of shares held by them in proportion to the amounts paid up on the Ordinary Shares held by them. In addition, the liquidator may, with the authority of an extraordinary resolution and any other sanction required by the Act, divide among the members in kind the whole or any part of the assets of the Company. For this purpose the liquidator may set such value as he deems fair upon any class or classes or property and may determine how the division is carried out as between the members or different classes of members. No contributory shall, however, be compelled to accept any asset in respect of which there is a liability.

7.5 Transfer of Shares

Subject to the restrictions referred to below, any member may transfer all or any of his certificated shares by instrument in writing in any usual or common form, or in such other form as the directors may approve and in the case of uncertificated shares through CREST in accordance with and subject to the relevant regulations from time to time and in the manner provided by the rules and procedures of the relevant system concerned. The

instrument of transfer shall be signed by or on behalf of the transferor and, in the case of a partly paid up share, by or on behalf of the transferee.

The directors may, in their absolute discretion and without assigning any reason, refuse to register a transfer of any share, not being a fully paid up share, or being in respect of a share on which the Company has a lien, provided that the directors shall not exercise their discretion in such a way as to prevent dealings in shares admitted to listing or trading on the London Stock Exchange taking place on an open and proper basis. They may also refuse to register any transfer of any share (whether fully paid or not) to be held jointly by more than four persons. The directors may also suspend the registration of transfers of Deferred Shares at such times and for such periods (not exceeding twenty-eight days in each year) as the directors may determine.

The directors may also decline to register any instrument of transfer unless:

7.5.1 it is deposited duly stamped, at the registered office of the Company, or such other place as the directors may appoint, accompanied by the certificate for the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer; and

7.5.2 it is in respect of only one class of certificated share.

The registration of transfers may be suspended by the directors for any period not exceeding 30 days in any year as the directors determine.

7.6 *Purchase of own Shares*

Subject to the provisions of the Act and the requirements of the nominated adviser of the Company from time to time, the Company may purchase its own shares (including any redeemable shares). The aggregate amount payable to all the holders of the Deferred Shares as a class between them on redemption shall be the amount of £1. Payment of the redemption monies shall be dispatched to holders entitled thereto as soon as practicable after the date of redemption provided that entitlements of less than £1 per holding may be retained for the benefit of the Company.

The Company may not purchase its own shares if at the time of purchase there are outstanding convertible securities of the Company, unless either there are provisions in the relevant trust deed or terms of issue permitting the purchase or the purchase has been sanctioned by an extraordinary resolution passed at a separate class meeting of the holders of the convertible securities.

7.7 *Transfer or redemption of Deferred Shares*

Each holder of Deferred Shares shall be deemed irrevocably to have authorised the Company at any time to appoint a director or directors (or such other person who may be nominated by the directors) to execute on behalf of such holder an agreement in respect of the redemption or transfer of the Deferred Shares (including any fractional entitlements to a Deferred Share) to such person including without limitation the Company as the Company may designate, and/or to purchase the same itself in accordance with applicable laws in either such case for an aggregate consideration of £1 for all of the Deferred Shares for the time being in issue without obtaining the further sanction of such holder and upon such terms that any such consideration not exceeding £1 in respect of any holding of Deferred Shares may be paid to and/or retained for the benefit of the Company, and to execute or sign on behalf of such holders such other documents as may be necessary or appropriate to give effect to the foregoing provisions; and pending such transfer or purchase the Company may refrain from issuing any certificate in respect of such Deferred Shares.

7.8 *Issue and Allotment of Shares*

Subject to the provisions of the Articles relating to the authority to allot shares, the pre-emption rights of shareholders, and otherwise and to any resolution of the Company in general meeting passed pursuant thereto, the unissued shares of the Company (whether forming part of the original or any increased capital) or rights to subscribe for or convert any security into shares, shall be under the control of the directors who may offer,

allot, grant options over or otherwise dispose of them to such persons, on such terms and conditions and at such times as they shall think fit, but so that no share shall be allotted at a discount.

7.9 Variation of Rights

Subject to the provisions of the Act, all or any of the special rights and privileges attached to any share or class of shares may be varied or abrogated with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class.

Subject to the terms upon which any shares may be issued, the rights or privileges attached to any class of shares shall not be deemed to be varied or abrogated by the creation or issue of any new shares ranking *pari passu* in all respects with those already issued, or by the purchase or redemption by the Company of its own shares.

The above provisions do not apply to the Deferred Shares and the Ordinary Shareholders may alter the rights of the Deferred Shares at anytime with the consent in writing of the holders of not less than three-quarters in nominal value of the issued Ordinary Shares or with the sanction of a special resolution passed at a separate general meeting of the holders of the Ordinary Shares.

7.10 Changes in Share Capital

The Company may by ordinary resolution increase its share capital by such sum as the resolution prescribes, consolidate and divide all or any of its share capital into shares of a larger amount, 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 amount of the shares so cancelled and sub-divide its shares or any of them into shares of smaller amount and determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights over, or may have such deferred rights or be subject to any such restrictions as compared with, the other or the others as the Company has power to attach to unissued or new shares.

Subject to the Act and to any rights for the time being attached to any shares, the Company may by special resolution reduce its share capital or any capital redemption reserve, share premium account or other undistributable reserve in any manner. Subject to the Act, the Company may issue shares which are, or at the option of the Company or the holder are, liable to be redeemed and it may also purchase its own shares (including redeemable shares).

7.11 Directors

Unless otherwise determined by the Company by ordinary resolution, the number of directors shall not be subject to any maximum but shall not be less than two. A director shall not require any shareholding qualification and shall not be required to retire on attaining any specific age.

A director shall not vote on (or be counted in the quorum in respect of) any resolution of the directors, or of a committee of the directors, concerning any contract or arrangement or any other proposal in which he has an interest which is to his knowledge a material interest otherwise than by virtue of his interests in shares, debentures or other securities of, or otherwise in or through, the Company. Notwithstanding the foregoing, a director shall (in the absence of some other material interest than as indicated below) be entitled to vote (and be following matters: counted in the quorum) in respect of any resolution concerning any of the following matters:

- (i) a contract or arrangement for giving to the director a security, guarantee in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or of any of its subsidiaries;
- (ii) a contract or arrangement for giving to the director security, guarantee or indemnity of a debt or obligation of the Company or any of its subsidiaries for which he himself

has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

- (iii) any proposal concerning any offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings for subscription or purchase, in which offer he is, or may be, entitled to participate as a holder of securities or in the underwriting or sub-underwriting of the offer;
- (iv) any proposal concerning any other company in which he and any persons connected to him do not to his knowledge hold an interest in shares as that term is used in Sections 198 to 211 of the Act) representing one per cent. or more of any class of the equity share capital or of the voting rights in that company;
- (v) any proposal relating to a pension, superannuation or similar scheme or retirement, death or disability benefits scheme or employees share scheme) which does not award him any privilege or benefit not awarded to the employees to whom such arrangement relates; and/or
- (vi) any proposal concerning the purchase, and/or maintenance of any policy of insurance for the benefit of directors or for the benefit of persons including directors.

A director shall not vote on (or be counted in the quorum in respect of) a resolution of the directors, or of a committee of the directors, concerning his own appointment as the holder of an office or place of profit with the Company or another company in which the Company is interested (including the arrangement or variation of its terms or its termination).

The non-executive directors of the Company, shall be entitled to ordinary remuneration for their services as directors not exceeding £450,000 per annum (excluding any other amounts payable under any other provision in the Articles of Association of the Company). The other directors shall be paid out of the funds of the Company by way of remuneration for their services as they may determine. The directors shall also be entitled to be paid all travelling and hotel expenses properly incurred by them in attending and returning from meetings of the directors or of committees of the directors or general meetings of the Company or in connection with the business of the Company. Any director who at the request of the Board performs any special services or goes or resides abroad for any purposes of the Company may, (unless otherwise expressly resolved by the Company in a general meeting) receive such extra remuneration by way of salary, commission, participation in profits otherwise as the Board determines.

A director may be appointed by the directors to any other office or employment under the Company, except that of auditor, in conjunction with his office as director for such period, on such terms and at such remuneration (by way of salary, commission, participation in profits, retirement benefits scheme or other benefits) as the directors may determine.

Any director may act by himself or his firm in a professional capacity for the Company (except that of Auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director.

At each annual general meeting of the Company, one third of the directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, then the number nearest but not less than one-third shall retire from office. A retiring director shall be eligible for re-election.

7.12 Borrowing Powers

The directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets (both present and future), including its uncalled capital and, subject to the Act, 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. The directors 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 (but as regards subsidiary undertakings only insofar as, by the exercise of the rights or powers of control, the directors can secure) that the aggregate principal amount outstanding of all

borrowings by the Group (exclusive of borrowings owing by one member of the Group to another member) does not, without the previous sanction of an ordinary resolution, exceed seven times the adjusted capital and reserves (as defined in the Articles).

7.13 Pensions and Benefits

The directors may establish and maintain or procure the establishment and maintenance of or participation in or contribution to any contributory or non-contributory pension or superannuation fund, scheme or arrangement or life assurance scheme or arrangement for the benefit of, or give or procure the giving of donations, gratuities, pensions, allowances or emoluments to, any persons who are or were at any time in the employment of the Company, or of any company which is or was a subsidiary of the Company or allied or associated with the Company or any subsidiary, or who are or were at any time directors or officers of the Company or of any such other Company, and the spouses, former spouses, families and dependants of any such persons.

The directors may procure any of the above matters to be done by the Company either alone or in conjunction with any other company.

7.14 Untraced Shareholders

The Company may sell the shares of a member, or the shares to which a person is entitled by virtue of transmission on death or bankruptcy, if:

- (a) during the period of 12 years prior to the date of the publication of the advertisements referred to below (or, if published on different dates, the first date), being a period during which at least three dividends have been payable, all warrants and cheques in respect of the shares in question sent in the manner authorised by the Articles have remained uncashed;
- (b) the Company on or after expiry of the period of 12 years has given notice, by advertisement in a newspaper circulating in the area in which the last known address of the member, or the address at which service of notices may be effected in the manner authorised by the Articles, is located, of its intention to sell the shares;
- (c) during the period of 12 years and the period of three months following publication of the advertisement the Company has received no indication either of the whereabouts or of the existence of the member or person; and
- (d) notice has been given to the Nominated Adviser (where the Company's shares have been admitted to trading on AIM) or (as the case may be) the UK Listing Authority (where the Company's shares are admitted to the Official List) of the Company's intention to make the sale.

7.15 Notices

Notices may be served by the Company upon any member either personally or by post to such member's registered address or, under the provisions of the Electronic Communications Act 2001, to an e-mail address as notified by the member to the Company. A member is entitled to receive notices from the Company notwithstanding that his registered address as appearing in the register of members is outside the United Kingdom.

8. Warrants

8.1 The Warrants were created pursuant to the Warrant Instrument. The Warrants are exercisable at any time before the expiry of the three year period from the date of grant (the "Final Exercise Date") at an exercise price of 0.1 pence per share. The Warrants are not transferable.

8.1.1 The Warrants may be exercised in whole or in part at any time before the Final Exercise Date. Exercise is by notice in writing lodged at the Company's registered office accompanied by a cheque or banker's draft for the appropriate remittance. The Company is obliged to allot the appropriate number of new Ordinary Shares within one month of such exercise notice and, in the case of Warrants in certificated

- form, despatch definitive share certificates within one month of such exercise notice. The Company is obliged under the terms of the Warrant Instrument to ensure that the Company has sufficient authorised share capital, with the relevant directors' authorities in relation to the right to allot such shares on the exercise of the Warrants.
- 8.1.2 The exercise price of the Warrants is subject to adjustment in the following circumstances: if there is an alteration in the nominal value of the new Ordinary Shares; or if the Company issues any new Ordinary Shares credited as fully paid by way of capitalisation of reserves of profits.
- 8.1.3 If at any time during the period in which the Warrants remain capable of being exercised, an offer is made to acquire the whole or any part of the issued ordinary share capital of the Company, the Company shall procure that the Warrantholder is provided with a like offer as if the Warrants had been exercised in full.
- 8.1.4 If an order is made or an effective resolution is passed on or before the Final Exercise Date of the Warrants for the mandatory winding up of the Company (except for the purpose of reconstruction or amalgamation), each Warrantholder will be treated as if he had exercised his Warrants immediately before the passing of the said resolution or order and will be entitled to receive our of assets available in the liquidation, *pari passu* with the holders of the Ordinary Shares, such a sum as he would have received if he had held such new Ordinary Shares less the aggregate subscription price of such new Ordinary Shares under the terms of the Warrants. Subject to this, the Warrants shall lapse on the liquidation of the Company.
- 8.1.5 Neil McClure was granted 8,800,000 Warrants.

New Warrants

- 8.2 The New Warrants were created pursuant to the New Warrant Instrument. The New Warrants are exercisable at any time before the expiry of the five year period from the date of grant (the "Final Exercise Date") at an exercise price of 0.85 pence per share.
- 8.2.1 The New Warrants may be exercised in whole or in part at any time before the Final Exercise Date. Exercise is by notice in writing lodged at the Company's registered office accompanied by a cheque or banker's draft for the appropriate remittance. The Company is obliged to allot the appropriate number of new Ordinary Shares within one month of such exercise notice and, in the case of New Warrants in certificated form, despatch definitive share certificates within one month of such exercise notice. The Company is obliged under the terms of the New Warrant Instrument to ensure that the Company has sufficient authorised share capital, with the relevant directors' authorities in relation to the right to allot such shares on the exercise of the New Warrants.
- 8.2.2 The exercise price of the New Warrants is subject to adjustment in the following circumstances: if there is an alteration in the nominal value of the new Ordinary Shares; or if the Company issues any new Ordinary Shares credited as fully paid by way of capitalisation of reserves of profits.
- 8.2.3 If at any time during the period in which the New Warrants remain capable of being exercised, an offer is made to acquire the whole or any part of the issued ordinary share capital of the Company, the Company shall procure that the New Warrant holder is provided with a like offer as if the New Warrants had been exercised in full.
- 8.2.4 If an order is made or an effective resolution is passed on or before the Final Exercise Date for the mandatory winding up of the Company (except for the purpose of reconstruction or amalgamation), each New Warrant holder will be treated as if he had exercised his New Warrants immediately before the passing of the said resolution or order and will be entitled to receive our of assets available in the liquidation, *pari passu* with the holders of the Ordinary Shares, such a sum as he would have received if he had held such new Ordinary Shares less the aggregate subscription price of such new Ordinary Shares under the terms of the Warrants. Subject to this, the New Warrants shall lapse on the liquidation of the Company.

8.2.5 Beaumont Cornish has, conditional on Admission, been granted 7,500,000 New Warrants.

9 Share Option Plan

Company

9.1 Introduction

The Share Option Plan is an unapproved share option plan. The Share Option Plan does not benefit from the same tax treatment as an Enterprise Management Incentives (EMI) plan. The exercise of an Option may be conditional upon such objective performance criteria as shall be determined by the board of the Company, in its absolute discretion. The price per share payable on the exercise of an Option shall be £0.01 or as otherwise determined by the Board.

9.2 Eligibility

The Board shall have an absolute discretion as to the selection of persons to whom an Option is granted. An Option shall not be granted to any person within the period of six months ending with a date on which (a) that person is bound to retire in accordance with the terms of his contract of employment or letter of appointment or (b) that person's services agreement is due to terminate.

9.3 Timing of awards

An Option may only be granted at any time within the period of 42 days beginning with the date on which the Share Option Plan is adopted ("Commencement Date") and thereafter during the period of 42 days following the date of notification to the London Stock Exchange of the annual or half-yearly results of the Company and/or at any other time, only if the Remuneration Committee considers the circumstances to be exceptional. No Option may be granted under the Share Option Plan later than 10 years after the Commencement Date.

9.4 Performance-related conditions of exercise.

The exercise of an Option may be conditional upon such objective performance criteria as shall be determined by the Board in its absolute discretion and notified to the person who has been granted an Option (or, if that person has died, his personal representative) ("Optionholder") when the Option is granted. Following the grant of an Option the Board may amend or waive any such performance condition if the Board reasonably and fairly consider that it has become unfair, impossible or impractical to apply or fulfil them.

9.5 Exercise of Options and lapse of Options

An Option may not be exercised later than the end of the day preceding the tenth anniversary of the date of grant or such earlier time as the Company ("Grantor") shall determine and notify to the Optionholder when the Option is granted nor at any time when to do so would cause either the Optionholder or the Grantor or any other person to contravene the Company's model code on share dealings from time to time. Save as set out in paragraphs (a) to (d) below, or if there is a demerger, reconstruction or winding up or take over of the Company, an Option may be exercised on or in the period commencing on and/or after the second anniversary of the date of grant (or such other time or over such other period as the Committee shall specify at the relevant date on which the Option was granted).

- (a) If an Optionholder dies in service or during the term of his services agreement after an Option vests in respect of any number of Ordinary Shares, then such Option may be exercised by his personal representatives in respect of such Ordinary Shares within 12 months from the date of his death and if not exercised shall lapse at the end of that period.
- (b) If an Optionholder dies in service or during the term of his services agreement before an Option vests in respect of any number of Ordinary Shares, such Option may, within 12 months of the date of his death be exercised by his personal representatives in respect of such proportion of the Ordinary Shares as corresponds to such proportion

of the period over which the performance of the Company is measured in accordance with the Share Option Plan ("Performance Period"), as has lapsed on the date of death and if not then exercised, shall lapse and cease to be exercisable at the end of the 12 month period or if there is no Performance Period, then in full.

- (c) If an Optionholder dies after leaving employment or ceasing to hold office within the Group, or following termination of his services agreement, any Option granted to him may, within 12 months of his death be exercised by his personal representatives in respect of such Ordinary Shares as were vested and which Option could have been exercised at the time of death and if not exercised shall lapse at the end of that period.
- (d) If an Optionholder ceases to hold office or employment within the Group by reason of injury, ill-health or disability, redundancy, retirement on reaching 65 or earlier if agreed, then but for his death (see paragraph (c) above), an Option may only be exercised within six months from the Optionholder so ceasing and in respect of either such number of shares which had vested at that date or, if less, such proportion of the Ordinary Shares as corresponds to such proportion of the Performance Period as had elapsed at the date on which the Optionholder so ceases to hold office or employment and if not exercised shall lapse at the end of that period.
- (e) Such Options if not exercised as referred to in paragraphs (a), (c) or (d) above within such periods of six months or 12 months respectively shall lapse and cease to be exercisable at the end of these periods.
- (f) If an Optionholder ceases to hold office or employment within the Group or provide services to the Group for any reason other than those set out in paragraphs (a), (b) and (d) subject to paragraph (c), an Option granted to him may only be exercised (if at all) in relation to such proportion of the Ordinary Shares over which the Option subsists, and as the Committee shall determine and notify to the Optionholder and shall otherwise lapse and cease to be exercisable except if no such determinations are made by the Committee within the period of three months beginning with the date on which the Optionholder so ceases then such Option shall lapse and cease to be exercisable at the end of that period of three months.

9.6 *Tax Treatment*

If a person who is resident or ordinarily resident in the UK (so as to be chargeable to income tax on his general earnings) is granted an Option over Ordinary Shares no charge to income tax will arise on the grant of the Option.

9.7 *Overall Limit on the granting of Options*

The number of Ordinary Shares in respect of which Options may be granted on any given day in any year when added to the number of Ordinary Shares in respect of which Options have previously been granted (and, if not exercised, have not ceased to be exercised) in that year and the nine preceding years, shall not exceed 10 per cent. of the ordinary share capital on that day.

9.8 *Individual Limit on the granting of Options*

No Options shall be granted to any person if it would cause the aggregate market value of Ordinary Shares over which Options are then held by that person to exceed or further exceed one times the amount of the emoluments (excluding benefits in kind) payable in any year to such person by Group companies.

9.9 *Variation of share capital*

In the event of any alteration of the ordinary share capital by way of capitalisation or rights issue, or sub-division, consolidation or reduction or any other variation in the share capital of the Company, the grantor may make such adjustments as it considers appropriate, including: (a) to the aggregate number or amount of Ordinary Shares subject to any Option; and/or (b) the price per share payable upon the exercise of that Option.

9.10 *Alteration of the Share Option Plan*

The Board may not make any alterations to the Share Option Plan which would provide an advantage to the participants without the prior approval by ordinary resolution of shareholders of the Company. There is an exception for minor amendments to benefit the administration of the Share Option Plan or to take account of any change in legislation or to obtain or maintain favourable tax or regulatory treatment for participants in the Share Option Plan, the Company or any associated company.

9.11 *Pension Rights*

No Option granted nor shares acquired as a result of the exercise of such Options under the Share Option Plan are pensionable benefits.

The above summary of the principal terms of the Share Option Plan does not form part of the rules of the Share Option Plan and should not be taken as affecting the interpretation of the detailed terms and conditions. The Board reserves the right to make amendments and any additions to the rules of the Share Option Plan that they consider necessary or appropriate, provided that any amendment may not conflict in any material respect with the above summary.

Other Options

9.12 Pursuant to the Purchase Option Agreement, Hansard granted an option to Neil McClure to purchase from Hansard up to 8,800,000 Existing Ordinary Shares at a purchase price of 0.1p per Existing Ordinary Share at anytime during the period ending on the 27 March 2010.

10. Litigation

On 21 December 2006 James Farmer, who had been dismissed as Group Commercial Director on 31 July 2006, entered into a Compromise Agreement with the Company in full and final settlement of all and any claims he had or may have had against the Company, including the claim he had brought against the Company in the Employment Tribunal relating to his dismissal.

In accordance with the terms of the Compromise Agreement, the Company was to pay Mr Farmer the sum of £35,645, subject to shareholders' approval being given at an EGM for the proposed refinance arrangements for the Company.

On 1 February 2007 Mr Farmer was awarded the sum of £87,173.93 in his Employment Tribunal claim ("Award").

On 26 March 2007 Shareholders approved the refinance arrangements, and payment of the agreed sum under the Compromise Agreement was made by the Company to Mr Farmer in accordance with its terms.

However, and notwithstanding the payment of the agreed sum made by the Company to Mr Farmer, Mr Farmer threatened to enforce the unpaid amount under the Award (£53,042.07). Mr Farmer has registered the Award in order to allow him to be able to do this and an Order to this effect was made in the West London County Court on 23 July 2007.

Given Mr Farmer's disregard for the terms of the Compromise Agreement which he willingly entered into with the Company, having taken the required independent legal advice, the Directors have resolved to vigorously resist any steps Mr Farmer may now take to enforce the Award, which the Directors consider to be wholly unjustified. A provision of £50,000 has been retained in the Accounts for the year ended 31 March 2007 to cover costs associated with resisting any steps Mr Farmer may take.

Save as disclosed above there are no legal or arbitration proceedings, active, pending or threatened against, or being brought by, the Company or any of its subsidiaries, which are having or may have a significant effect on the Company's financial position.

11. Material contracts

11.1 *The Company*

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

11.1.1 *Lender's Options*

As further consideration for the provision of the Secured Loan Facility, the Company has granted to each of the Lenders an option (the "Lenders' Option") over an initial 1,250,000. Ordinary Shares in the Company. The Lenders' Options are exercisable at anytime from the date of the Facility to the date falling three years from such date, at the lower of either (a) 6p per Ordinary Share or (b) the average weighted price at which Ordinary Shares are subscribed for cash up to the point of exercise of the Lenders Option.

Furthermore, to extent that drawdown exceeds £150,000 the Lenders shall be entitled to be granted further options carrying the same terms as set out above, but subject to the proviso that such further options shall be issued on a like for like basis so, for example, for each £1,000 drawn down over and above £150,000 the Lenders shall be granted £1,000 worth of options, subject to the proviso that no more than 4,166,666 Lender Options in total shall be granted to each Lender.

11.1.2 *Subscription Agreement*

Subscription Agreement dated 20 December 2006 between Hansard (1) and the Company (2) under which Hansard and its nominees agreed to invest £280,000 in return for the allotment of 280,000 Ordinary Shares (the "Investment") conditional upon the following matters:

- (i) resolutions, in a form reasonably acceptable to Hansard, having been passed by shareholders of the Company:
 - (a) to approve the waiver of Hansard's obligations to make a general offer to Shareholders of the Company pursuant to Rule 9 of the City Code on Takeovers and mergers in the event of the issue of Ordinary Shares to Hansard on completion of the subscription;
 - (b) to increase the authorised share capital of the Company so as to accommodate the Investment;
 - (c) to renew the authority of the Directors to issue ordinary shares in the capital of the Company pursuant to section 80 of the Act to allow for, *inter alia*, the Investment;
 - (d) to disapply the statutory pre-emption rights contained in section 89(1) of the Act to allow for, *inter alia*, the Investment;
 - (e) to the reorganisation of the share capital of the Company by way of the sub-division of each issued 1p share in to one 0.1p Ordinary Share and one 0.9p deferred share and each unissued 1p share into ten 0.1p Ordinary Shares;
 - (f) to approve the change of the name of the Company; and
 - (g) to approve the adoption of new articles of association;
- (ii) the receipt by the Company of the resignation, in a form reasonably acceptable to Hansard, of the company secretary and all directors of the Company at the date of the Subscription Agreement (save for Neil James McClure), as evidenced by letters of resignation and a waiver of all rights (including salary) under their current contracts or letters of appointment;
- (iii) the appointment of Paul Foulger and Adam Reynolds as directors of the Company and Paul Foulger (or a nominee of Paul Foulger) as company secretary;

- (iv) the cancellation in a form reasonably acceptable to Hansard, of all outstanding options and warrants which have been issued by the Company since the date of incorporation, as evidenced by the appropriate deeds of termination;
- (v) the confirmation from the Panel that the waiver of Rule 9 of the City Code will be approved;
- (vi) the entire issued ordinary share capital of the Company still being traded on AIM;
- (vii) the appointment of Beaumont Cornish as nominated adviser and broker to the Company and Beaumont Cornish not having resigned;
- (viii) the deeds of termination cancelling the Series B Loan Notes having been duly executed by all holders of the Series B Loan Notes and the Company;
- (ix) the preparation of interim accounts and the Chairman's Statement for the Company for the period ending 30 September 2006 and the Company instructing its auditors to review the same and the announcement of such interim results on or before 30 December 2006; and
- (x) the 280,000,000 subscription shares being admitted to trading on AIM.

The above conditions were satisfied and Hansard agreed to proceed with the subscription for the 280,000,000 New Ordinary Shares and confirmed that the Subscription Agreement is irrevocable and not capable of termination or rescission in any circumstances by them.

11.1.3 Beaumont Cornish Engagement Letter

Engagement letter, dated 22 December 2006, between Beaumont Cornish (1) and the Company (2) (the "Letter") under which Beaumont Cornish was appointed as the Company's adviser for the purpose of Rule 3 of the City Code. Under the terms of this engagement the Company will pay to Beaumont Cornish the sum of £30,000 as an engagement fee for the services to be provided. Under the terms of the Letter the Company has agreed to indemnify Beaumont Cornish against various losses and actions which may arise in the course of carrying out its duties under the terms of the Letter.

11.1.4 Beaumont Cornish Nominated Adviser Agreement

A nominated adviser agreement dated 26 July 2007 between Beaumont Cornish (1), the Company (2) and the Directors and the Proposed Directors (3) pursuant to which the Company has appointed Beaumont Cornish to act as nominated adviser to the Company for the purposes of the AIM Rules. The Company has agreed to pay Beaumont Cornish a fee of £30,000 per annum payable half yearly in advance and with a first payment of £15,000 being due immediately upon appointment, for its services as nominated adviser under the agreement, together with all reasonable expenses and VAT. The agreement contains certain undertakings given by the Company and the Directors and indemnities given by the Company in respect of, amongst other things, compliance with all applicable laws and regulations. The agreement is effective from Admission for an initial term of 12 months ("Initial Term") and thereafter continues until terminated by either party giving the other not less than 90 days' prior written notice, such notice not to expire prior to the end of the Initial Term.

11.1.5 Beaumont Cornish Broker Agreement

A broker agreement dated 26 July 2007 between Beaumont Cornish (1) and the Company (2) pursuant to which the Company has appointed Beaumont Cornish to act as nominated broker to the Company for the purposes of the AIM Rules. The Company has agreed to pay Beaumont Cornish a fee of £5,000 plus VAT in advance, such payment to be made on appointment, for its services as broker under the agreement, together with all reasonable expenses and VAT. The fee will increase to £10,000 plus VAT per annum on the first anniversary of the appointment. The agreement contains certain undertakings given by the Company and indemnities given by the Company in respect of, amongst other things, compliance with all applicable laws and regulations. The agreement is effective from Admission for an initial term of three months and thereafter until terminated by either

party giving the other not less than one months' written notice expiring at the end of the said three month period or at any time thereafter.

11.1.6 MSUK Sale Agreement

An agreement dated 30 June 2006, between the Company (1) and Mr S Israel (the "Buyer") under which the Company disposed of the entire issued share capital of MSUK for a total aggregate consideration of £1. Under the terms of this agreement the Buyer assumed all of the liabilities of MSUK and received the benefit of all outstanding contractual arrangements that MSUK had. The Company gave limited warranties as to title to the shares in MSUK.

11.1.7 Loan Note Deeds

Loan Note Deeds, dated 20th December 2006, and entered into between the holders of the Series B Loan Notes (1) and the Company (2) under which the loan note holders agreed to waive all their rights under the Series B Loan Notes in return for a payment by the Company of the sum of £0.25 for each £1.00 worth of loan notes owed to them by the Company. Under the terms of the Loan Note Deeds the Company must make payment of such amounts by 31 March 2007 or the loan note holders will be free to enforce their rights under the Series B Loan Notes. The Company has paid such amounts to the loan note holders.

11.1.8 Corporate Synergy Option Termination Deed

A Deed, dated 28 February 2007, and entered into between Corporate Synergy (1) and the Company (2) under which Corporate Synergy has agreed to waive all their rights under the Corporate Synergy Option (referred to at 11.1.6 above). and for the Corporate Synergy Option to be cancelled. Under the terms of the Corporate Synergy Option Termination Deed if the Company fails to make payment, under the Loan Note Deeds by 31 March 2007 then the terms of the Corporate Synergy Option Termination Deed shall lapse and Corporate Synergy will be free to exercise the options. The Company has paid the amounts under the terms of the Loan Note Deeds.

11.1.9 Springtime Option Termination Deed

A Deed, dated 28 February 2007, and entered into between Springtime Consultants Limited ("Springtime") (1) and the Company (2) under which Springtime has agreed to waive all their rights under the Springtime Option and for the Springtime Option to be cancelled. Under the terms of the Springtime Option Termination Deed if the Company fails to make payment, under the Loan Note Deeds by 31 March 2007 then the terms of the Springtime Option Termination Deed shall lapse and Springtime will be free to exercise the options. The Company has paid the amounts under the terms of the Loan Note Deeds.

11.1.10 Deferred Share Repurchase Agreement

In addition to the agreements set out above which have already been entered into, the Company has agreed that it will, as soon as practicable after the EGM enter into a deferred share repurchase contract which will be entered into between the Company (1) and the new Company Secretary as trustee for Shareholders (2) pursuant to which the Company will repurchase all the deferred shares for the aggregate sum of £1 at some point within 24 months of the date of the EGM.

11.1.11 Irrevocable Undertaking

The irrevocable undertaking dated 26 July 2007 given by the Independent Director in respect of 83,333 Ordinary Shares representing 0.02 per cent. of the Ordinary Shares, is given on the following terms:

Neil McClure has irrevocably undertaken to (i) vote in favour of the Resolutions, insofar as he holds or is interested in the share capital of the Company and (ii) vote in favour of the Proposals at a Board Meeting convened to consider the same.

11.1.12 *McClure Option Termination Deed*

A Deed, dated 28 February 2007, and entered into between Neil James McClure (1) and the Company (2) under which Neil McClure has agreed to waive all his rights under the option granted to him by the Company under the Company's Enterprise Management Incentive approved share option scheme and for such option to be cancelled. Under the terms of the McClure Option Termination Deed if certain conditions were not satisfied then the terms of the McClure Option Termination Deed shall lapse and Neil McClure will be free to exercise the options. The conditions were satisfied on 26 March 2007.

11.1.13 *Subscriber Lock-In Agreements*

Agreements between the Company (1) Beaumont Cornish (2) and each Subscriber (as defined therein) (3) dated 28 February 2007, under the terms of which each Subscriber undertook to the Company and Beaumont Cornish that (subject to the exceptions permitted by the AIM Rules) he or she would not dispose of any interest in Existing Ordinary Shares for a period of 12 months until 28 March 2008 without the prior written consent of Beaumont Cornish.

The above undertaking shall not apply to a disposal of locked-in Ordinary Shares made:

- (a) in acceptance of a general offer for the whole of the issued equity share capital of the Company (other than any equity share capital held by or committed to the offeror and/or persons acting in concert with the offeror) made in accordance with the City Code or the provision of an irrevocable undertaking to accept such an offer; or
- (b) pursuant to any compromise or arrangement under Section 425 of the Act providing for the acquisition by any person (or group of persons acting in concert) of 50 per cent. or more of the equity share capital of the Company and which compromise or arrangement has been sanctioned by the courts;
- (c) under any scheme or reconstruction under Section 110 of the Insolvency Act 1986 in relation to the Company;
- (d) to a disposal by the personal representatives of the covenantor if the covenantor shall die during the period of such restrictions provided that the sale of any shares in the Company by such personal representatives pursuant to this sub-clause during such period shall be effected in accordance with the reasonable requirements of the Company so as to ensure an orderly market for the issued share capital of the Company;
- (e) pursuant to any sale or transfer required by an order made by a court with competent jurisdiction; or
- (f) pursuant to the exercise by Neil James McClure of his rights under a Purchase Option (referred to 11.1.22 below) granted to Neil James McClure to acquire up to 8,800,000 Existing Ordinary Shares from Hansard.

11.1.14 *Purchase Option Agreement*

Agreement between Hansard (1) and Neil McClure (2) dated 28 February 2007 pursuant to which Hansard agreed to grant an option to Neil McClure to purchase from Hansard up to 8,800,000 Existing Ordinary Shares at a purchase price of 0.1p per share, such option being exercisable in tranches of no less than 440,000 shares. The option may be exercised at anytime on or before 28 March 2010.

11.1.15 *Albany Capital Option Termination Deed*

A Deed dated 28 February 2007, and entered into between Albany Capital plc (1) and the Company (2) under which Albany Capital agreed to waive all their rights under the Albany Capital Option and for the Albany Capital Option to be cancelled.

11.1.16 *Juvenara Option Termination Deed*

A Deed, dated 28 February 2007, and entered into between Juvenara Investments Limited (1) and the Company (2) under which Juvenara Investments agreed to waive all their rights

under the Juvenara Investments Option and for the Juvenara Investments Option to be cancelled.

11.1.17 *Acquisition Agreement*

Acquisition Agreement, to be entered into between the Company (1) WIMG (2) the shareholders of WIMG (including Paul Foulger and Adam Reynolds) (3) and Robin Courage and Lars Haue-Pedersen (4) under which the Company will, subject only to Admission, acquire the entire issued share capital of Wilton in consideration for the allotment of the First Consideration Shares and payment of the First Cash Consideration and (b) the allotment of the Second Consideration Shares and the payment of the Second Cash Consideration in the following proportions:

- (i) WIMG to receive 70,000,000 New Ordinary Shares at Admission and the payment of £500,000 in cash of which £118,493 will be utilised to satisfy the First Inter Company Debt;
- (ii) Robin Courage to receive 10,000,000 New Ordinary Shares at Admission and the payment of £125,000 in cash;
- (iii) Lars Haue-Pedersen to receive 10,000,000 New Ordinary Shares at Admission and the payment of £125,000 in cash;
- (iv) Robin Courage to receive 4,000,000 New Ordinary Shares on each of the first, second and third anniversaries of Admission, with a further payment of £50,000 in cash on the second anniversary of Admission;
- (v) Lars Haue-Pedersen to receive 4,000,000 New Ordinary Shares on each of the first, second and third anniversaries of Admission, with a further payment of £50,000 in cash on the second anniversary of Admission.

Under the terms of the Acquisition Agreement, and subject to the date upon which he ceases to be employed, Mr Courage will only receive the consideration set out in (iv) above (the "Consideration") if he is, at the time the consideration is payable, still employed by the Enlarged Group. This also applies to Mr Pedersen. Furthermore, in the event that Mr Courage ceases to be so employed, then, subject to the circumstances under which Mr Courage ceased to be employed, he will have to repay a proportion of the Consideration (including the Consideration to be paid at Admission) already received. In such circumstances Robin Courage will only be entitled to keep the Consideration in the proportion of A/B where: A is equal to 36 less the number of whole months from Admission until the date of termination of his employment; and B is 36. This also applies to Mr Pedersen. In the case of Ordinary Shares to be allotted as part of the Consideration, such shares already allotted will have to be sold through the broker of the Company, with the proceeds being paid to the Company for the benefit of the Company, and all shares which are still to be allotted will cease to be due.

Under the terms of the Acquisition Agreement the Company shall procure that Wilton shall repay WIMG and the WIMG Shareholders the Continuing Inter Company Debt within 14 days of the date falling 24 months from Admission.

The Acquisition Agreement, when entered into, will be conditional upon Admission taking place on or before 31 August 2007. The Acquisition Agreement contains various non compete provisions which apply to WIMG, the shareholders of WIMG (including Paul Foulger and Adam Reynolds), Robin Courage and Lars Haue-Pedersen and also incorporates the warranties and indemnities which have been given under the by each of WIMG, the shareholders of WIMG (including Paul Foulger and Adam Reynolds), Robin Courage and Lars Haue-Pedersen, under the terms of the Warranty Deed (set out in paragraph 11.1.26 below).

11.1.18 *Warranty Deed*

Deed dated 26 July 2007, entered into between the Company, WIMG, the WIMG Shareholders (including Paul Foulger and Adam Reynolds) (the "WIMG Warrantors"), and Robin Courage and Lars Haue-Pedersen (together the "Warrantors") under which the Warrantors have given, subject to the entering into of the Acquisition Agreement, various

warranties and indemnities in relation to the businesses and operations of both Wilton and TSE.

11.1.19 *Re-Admission Agreement*

An agreement (the "Re-Admission Agreement") dated 26 July 2007 between the Company (1), the Directors and the Proposed Directors (2), and Beaumont Cornish (3) pursuant to which Beaumont Cornish, has agreed to assist the Company with Admission. The Re-Admission Agreement contains indemnities and warranties from the Company and warranties from the Directors and the Proposed Directors in favour of Beaumont Cornish. The Re-Admission Agreement contains certain undertakings and indemnities given by the Company and the Directors and the Proposed Directors in respect of *inter alia*, compliance with all applicable laws and regulations and is conditional upon, *inter alia*, Admission.

11.1.20 *Wilton Lock In Agreements*

First Lock In Agreements

Agreements between the Company (1) Beaumont Cornish and (2) each of WIMG and Adam Reynolds and Paul Foulger (3) (the "First Lock In Parties") dated 26 July 2007, under the terms of which each of the First Lock In Parties undertook to the Company and Beaumont Cornish that (subject to the exceptions permitted by the AIM Rules) he will not dispose of any interest in Ordinary Shares for a period of twelve months from the date of Admission and then, for a 12 month period from the first anniversary of Admission he will only dispose of Ordinary Shares through the Company's broker from time to time in accordance with the broker's requirements for the maintenance of an Orderly Market.

The above undertaking shall not apply to a disposal of locked-in Ordinary Shares made:

- (a) in acceptance of a general offer for the whole of the issued equity share capital of the Company (other than any equity share capital held by or committed to the offeror and/or persons acting in concert with the offeror) made in accordance with the City Code or the provision of an irrevocable undertaking to accept such an offer; or
- (b) pursuant to any compromise or arrangement under Section 425 of the Act providing for the acquisition by any person (or group of persons acting in concert) of 50 per cent. or more of the equity share capital of the Company and which compromise or arrangement has been sanctioned by the courts;
- (c) under any scheme or reconstruction under Section 110 of the Insolvency Act 1986 in relation to the Company;
- (d) to a disposal by the personal representatives of the covenantor if the covenantor shall die during the period of such restrictions provided that the sale of any shares in the Company by such personal representatives pursuant to this sub-clause during such period shall be effected in accordance with the reasonable requirements of the Company so as to ensure an orderly market for the issued share capital of the Company;
- (e) pursuant to any sale or transfer required by an order made by a court with competent jurisdiction.

Second Lock In Agreements

Agreements between the Company (1) Beaumont Cornish and (2) each of David Keen, Ian Ainscow and Norah Turnbull (3) (the "Second Lock In Parties") dated 26 July 2007, under the terms of which each of the Second Lock In Parties undertook to the Company and Beaumont Cornish that (subject to the exceptions permitted by the AIM Rules) he will not dispose of any interest in Ordinary Shares for a period of four months from the date of Admission ("First Period") and then, in respect of David Keen and Norah Turnbull only, during the period from the First Period until the publication of the audited results for the Company for the nine month period to 31 December 2007 or 30 June 2008, whichever is earlier, will only do so with the prior consent of Beaumont Cornish.

The above undertaking shall not apply to a disposal of locked-in Ordinary Shares made:

- (a) in acceptance of a general offer for the whole of the issued equity share capital of the Company (other than any equity share capital held by or committed to the offeror and/or persons acting in concert with the offeror) made in accordance with the City Code or the provision of an irrevocable undertaking to accept such an offer; or
- (b) pursuant to any compromise or arrangement under Section 425 of the Act providing for the acquisition by any person (or group of persons acting in concert) of 50 per cent. or more of the equity share capital of the Company and which compromise or arrangement has been sanctioned by the courts;
- (c) under any scheme or reconstruction under Section 110 of the Insolvency Act 1986 in relation to the Company;
- (d) to a disposal by the personal representatives of the covenantor if the covenantor shall die during the period of such restrictions provided that the sale of any shares in the Company by such personal representatives pursuant to this sub-clause during such period shall be effected in accordance with the reasonable requirements of the Company so as to ensure an orderly market for the issued share capital of the Company;
- (e) pursuant to any sale or transfer required by an order made by a court with competent jurisdiction.

Director Lock In Agreements

Agreements between the Company (1) Beaumont Cornish (2) and each of Neil McClure, Robin Courage and Lars Haue-Pedersen (3) (the "Director Lock In Parties") dated 26 July 2007, under the terms of which each of the Director Lock In Parties undertook to the Company and Beaumont Cornish that (subject to the exceptions permitted by the AIM Rules) he will not dispose of any interest in Ordinary Shares for a period of 12 months from the date of Admission and then, for a 12 month period from the first anniversary of Admission he will only dispose of Ordinary Shares through the Company's broker from time to time in accordance with the broker's requirements for the maintenance of an orderly market.

The above undertaking shall not apply to a disposal of locked-in Ordinary Shares made:

- (a) in acceptance of a general offer for the whole of the issued equity share capital of the Company (other than any equity share capital held by or committed to the offeror and/or persons acting in concert with the offeror) made in accordance with the City Code or the provision of an irrevocable undertaking to accept such an offer; or
- (b) pursuant to any compromise or arrangement under Section 425 of the Act providing for the acquisition by any person (or group of persons acting in concert) of 50 per cent. or more of the equity share capital of the Company and which compromise or arrangement has been sanctioned by the courts;
- (c) under any scheme or reconstruction under Section 110 of the Insolvency Act 1986 in relation to the Company;
- (d) to a disposal by the personal representatives of the covenantor if the covenantor shall die during the period of such restrictions provided that the sale of any shares in the Company by such personal representatives pursuant to this sub-clause during such period shall be effected in accordance with the reasonable requirements of the Company so as to ensure an orderly market for the issued share capital of the Company;
- (e) pursuant to any sale or transfer required by an order made by a court with competent jurisdiction.

11.2 Hansard

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

11.2.1 Subscription Agreement

Subscription Agreement dated 20 December 2006 between Hansard (1) and the Company (2) under which Hansard and its nominees agreed to invest £280,000 in return for the allotment of 280,000,000 Ordinary Shares (the "Investment") conditional upon the following matters:

- (i) resolutions, in a form reasonably acceptable to Hansard, having been passed by shareholders of the Company:
 - (a) to approve the waiver of Hansard's obligations to make a general offer to Shareholders of the Company pursuant to Rule 9 of the City Code in the event of the issue of Ordinary Shares on completion of the Investment;
 - (b) to increase the authorised share capital of the Company so as to accommodate the Investment;
 - (c) to renew the authority of the Directors to issue ordinary shares in the capital of the Company pursuant to section 80 of the Act to allow for, *inter alia*, the Investment;
 - (d) to disapply the statutory pre-emption rights contained in section 89(1) of the Act to allow for, *inter alia*, the Investment;
 - (e) to the reorganisation of the share capital of the Company by way of the sub-division of each issued 1p share in to one 0.1p Ordinary Share and one 0.9p deferred share and each unissued 1p share into ten 0.1p Ordinary Shares;
 - (f) to approve the change of the name of the Company; and
 - (g) to approve the adoption of new articles of association;
- (ii) the receipt by the Company of the resignation, in a form reasonably acceptable to Hansard, of the company secretary and all current directors of the Company at the date of the Subscription Agreement (save for Neil James McClure), as evidenced by letters of resignation and a waiver of all rights (including salary) under their current contracts or letters of appointment;
- (iii) the appointment of Paul Foulger and Adam Reynolds as directors of the Company and Paul Foulger (or a nominee of Paul Foulger) as company secretary;
- (iv) the cancellation in a form reasonably acceptable to Hansard, of all outstanding options and warrants which have been issued by the Company since the date of incorporation, as evidenced by the appropriate deeds of termination;
- (v) the confirmation from the Panel that the waiver of Rule 9 of the City Code will be approved;
- (vi) the entire issued ordinary share capital of the Company still being traded on AIM;
- (vii) the appointment of Beaumont Cornish as nominated adviser and broker to the Company and Beaumont Cornish not having resigned;
- (viii) the deeds of termination cancelling the Series B Loan Notes having been duly executed by all holders of the Series B Loan Notes and the Company;
- (ix) the preparation of interim accounts and the Chairman's Statement for the Company for the period ending 30 September 2006 and the Company instructing its auditors to review the same and the announcement of such interim results on or before 30 December 2006; and
- (x) the 280,000,000 subscription shares being admitted to trading on AIM.

The above conditions were satisfied and Hansard agreed to proceed with the subscription for the 280,000,000 New Ordinary Shares and confirmed that the Subscription Agreement was irrevocable and not capable of termination or rescission in any circumstances by them.

11.2.2 *Purchase Option Agreement*

Agreement between Hansard (1) and Neil McClure (2) dated 28 February 2007 pursuant to which Hansard agreed to grant an option to Neil McClure to purchase from Hansard up to 8,800,000 Existing Ordinary Shares at a purchase price of 0.1p per share, such option being exercisable in tranches of not less than 440,000 shares. The option may be exercised at anytime on or before 28 March 2007.

11.2.3 *Hansard Lock In Agreement*

Agreement between the Company (1) Beaumont Cornish (2) and Hansard (3) dated 28 February 2007, under the terms of which Hansard undertook to the Company and Beaumont Cornish that (subject to the exceptions permitted by the AIM Rules and the contractual requirements under the Purchase Option) it will not dispose of any interest in Existing Ordinary Shares on or before 28 March 2008 without the prior written consent of Beaumont Cornish.

11.3 **Boldwood**

The following contract, not being a contract entered into in the ordinary course of business has been entered into by Boldwood within the two years immediately preceding the date of this Document and is, or may be, material:

Boldwood Subscription Agreement

Subscription and shareholders agreement, dated 20 November 2006, between Boldwood (1) Adam Reynolds (2) Paul Foulger (3) Penelope Horne (4) and Paul Lister under which the parties subscribed to the share capital of Boldwood and agreed to govern their relationship between each other (as shareholders of Boldwood) and Boldwood. The agreement contains various warranties and sets out the structure and aims of Boldwood and the rights of the shareholders as against each other and Boldwood.

11.4 **WIMG**

The following contract, not being a contract entered into in the ordinary course of business has been entered into by WIMG within the two years immediately preceding the date of this Document and is, or may be, material:

11.4.1 On 8 June 2007 Wilton International Marketing Limited ("WIML"), a wholly owned subsidiary of WIMG entered into an agreement with Alexander Ross Limited ("ARL") pursuant to which WIML agreed to sell the 102 ordinary shares it holds in SP Middle East WLL, a Bahrain company ("SPME") to ARL (the "SPME Agreement"). The consideration for the sale of the shares held by WIML to ARL was £1. At the time of entering into the SPME Agreement, the authorised share capital of SPME was 200 ordinary shares, the other 98 ordinary shares being held by the Bahrain Olympic Committee ("BOC"). Pursuant to the terms of the SPME Agreement both WIML and ARL waive all rights and claims they may have against each other in respect of SPME or its shares, including any debt owed to WIML by SPME. ARL further agrees to waive all rights to sums owed to it by WIML under a loan agreement dated 23 May 2007 in respect of the sum of £25,000 together any other sum owed to it by WIML. Under the terms of the SPME Agreement, ARL shall indemnify WIML against any claims which may be made against it as a result of it having been a shareholder in SPME and WIML shall indemnify ARL in respect of any claims which may be subsequently brought in respect of any indebtedness owed to WIML by SPME. WIML further agrees to use reasonable endeavours to assign or novate all agreements relating to the proposed acquisition by WIML of the shares held by BOC for the benefit of ARL. ARL agrees to pay the sum of 25,000 Bahrain Dinars and any other sums due to complete the acquisition of the shares held by BOC and indemnify WIML in respect of any costs thereof. The choice of law and jurisdiction in the SPME Agreement is English law and the English courts.

12. Other information

- 12.1 The total costs and expenses payable by the Company in connection with or incidental to the Proposals including printing and advertising and distribution costs, legal and accounting fees and expenses are estimated to amount to approximately £280,000 (excluding VAT).
- 12.2 Save as set out herein, the Company is not dependent on any patents or other intellectual property rights, licences or particular contracts, which are of fundamental importance to its business.
- 12.3 The financial information in this Document does not comprise statutory accounts for the purpose of Section 240 of the Act.
- 12.4 During the 12 months preceding the date of this Document, the following persons received payments from the Company with a value of £10,000 or more:
- (i) BlueOar Securities Plc (formerly Corporate Synergy Plc), received £26,125 in cash pursuant to a loan note deed dated 20 December 2006;
 - (ii) Roger Bateman, a former director of the Company, received £12,500 in cash pursuant to a loan note deed dated 20 December 2006;
 - (iii) Christopher Simpson, a shareholder, received £18,000 in cash pursuant to a loan note deed dated 20 December 2006;
 - (iv) Anthony Jansen, a former director of the Company, received a total £15,556 in respect of his accrued salary;
 - (v) James Farmer, a former director of the Company, received a total £20,118 in respect of his accrued salary and a further cash payment of £35,654;
 - (vi) Roger Bateman, a former director of the Company, received a total £13,111, in respect of his accrued salary; and
 - (vii) BlueOar Securities Plc (formerly Corporate Synergy Plc), received £17,752.13 for nominated adviser and broker services provided to the Company and expenses incurred in respect of the provision of such services.
- Except as disclosed for the advisers named on page 9 of this Document and in this paragraph 12.4 of Part 8 of this Document, no person has received, directly or indirectly, from the Company during the 12 months preceding the date of this Document or has entered into a contractual arrangements to receive, directly or indirectly, from the Company on or after Admission, fees totalling more than £10,000 or more or securities in the Company with a value of £10,000 or more calculated by reference to a subscription price or any other benefit with a value of £10,000 or more.
- 12.5 Except as disclosed in this Document, there are no significant investments in progress by the Company.
- 12.6 The Ordinary Shares are in registered form. The Company's articles of association permit the holding and transfer of Ordinary Shares under CREST. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument. The Directors have applied for the New Ordinary Shares to be admitted to CREST.
- 12.7 Beaumont Cornish has given and not withdrawn its written consent to the inclusion in this Document of references to its name in the form and context in which it appears.
- 12.8 Kingston Smith has given and not withdrawn its written consent to the inclusion in this Document of references to its name in the form and context in which it appears.
- 12.9 None of the Directors, or any members of their families, has a related financial product referenced to the Ordinary Shares.
- 12.10 The Independent Director has irrevocably undertaken to vote in favour of the Resolutions at the EGM and has entered into the Irrevocable Undertaking as summarised in paragraph 11.1.20 above.

13. United Kingdom taxation

The following paragraphs are intended as a general guide only for shareholders who are resident and ordinarily resident in the United Kingdom for tax purposes, holding Ordinary Shares as investments and not as securities to be realised in the course of a trade, and are based on current legislation and UK H.M. Revenue and Customs practice. Any prospective purchaser of Ordinary Shares who is in any doubt about his tax position or who is subject to taxation in a jurisdiction other than the UK, should consult his own professional adviser immediately.

13.1 Taxation of Chargeable Gains

13.1.1 Disposal of shares

A Shareholder resident or ordinarily resident for tax purposes in the UK, who sells or otherwise disposes of his Ordinary Shares may, depending on the circumstances, incur a liability to UK tax on any capital gain realised. Corporate shareholders within the charge to UK corporation tax will be entitled to indexation allowance in respect of these Ordinary Shares up until the date of disposal. Individual shareholders resident for tax purposes in the UK who are not within the charge to corporation tax may be entitled to taper relief. The calculation for taper relief on a subsequent disposal of Ordinary Shares will depend upon the period of ownership of these Ordinary Shares.

A Shareholder who is not resident or ordinarily resident for tax purposes in the UK will not normally be liable for UK tax on capital gains realised on the disposal of his Ordinary Shares unless at the time of the disposal such Shareholder carries on a trade (which for this purpose includes a profession or vocation) in the UK through a permanent establishment, branch or agency and such Ordinary Shares have been used, held or acquired for the purposes of such permanent establishment, trade or branch or agency. A shareholder who is an individual and who ceases to be resident and ordinarily resident for tax purposes in the UK for a period of less than five years of assessment and who disposes of Ordinary Shares during that period may be or become liable to UK taxation of chargeable gains (subject to any available exemption or relief).

13.1.2 Business asset taper and other tax reliefs

Capital gains tax business asset taper relief applies to all holdings of shares in qualifying unquoted trading companies. A holding in the shares of the Company may qualify for business asset taper relief as well as inheritance tax business property relief. However, individuals should seek confirmation as to whether any relief is available in their own particular circumstances at the relevant time.

13.2 Stamp Duty and Stamp Duty Reserve Tax

No stamp duty or stamp duty reserve tax ("SDRT") will generally be payable on the issue of the Ordinary Shares.

13.3 Dividends and other Distributions

Dividends paid by the Company will carry an associated tax credit of one-ninth of the cash dividend or ten per cent. of the aggregate of the cash dividend and associated tax credit. Individual shareholders resident in the UK receiving such dividends will be liable to income tax on the aggregate of the dividend and associated tax credit at the dividend ordinary rate (10 per cent.) or the dividend upper rate (32.5 per cent.). The effect will be that taxpayers who are otherwise liable to pay tax at only the lower rate or basic rate of income tax will have no further liability to income tax in respect of such a dividend. Higher rate taxpayers will have an additional tax liability (after taking into account the tax credit) of 22.5 per cent. of the aggregate of the cash dividend and associated tax credit. Individual shareholders whose income tax liability is less than the tax credit will not be entitled to claim a repayment of all or part of the tax credit associated with such dividends.

A UK resident corporate shareholder should not be liable to corporation tax or income tax in respect of dividends received from the Company unless that company is carrying on a trade of dealing in shares.

Trustees of discretionary trusts are liable to account for income tax at the rate applicable to trusts on the trust's income and are required to account for tax at the dividend trust rate, currently 32.5 per cent.

Persons who are not resident in the UK should consult their own tax advisers on the possible application of such provisions and on what relief or credit may be claimed for any such tax credit in the jurisdiction in which they are resident. These comments are intended only as a general guide to the current tax position in the UK as at the date of this document. The comments assume that Ordinary Shares are held as an investment and not as an asset of financial trade.

If you are in any doubt as to your tax position, or are subject to tax in a jurisdiction other than the UK, you should consult your professional adviser.

14. Documents available for inspection

Copies of the following documents will be available for inspection for the next 30 days during usual business hours on any weekday (Saturdays and public holidays excepted) at the offices of Fasken Martineau Stringer Saul LLP at 17 Hanover Square, London W1S 1HU:

- 14.1 the Memorandum and Articles of Association of the Company;
- 14.2 the Memorandum and Articles of Association of Hansard;
- 14.3 the Memorandum and Articles of Association of WIMG;
- 14.4 the audited accounts of Sandford Plc for the 14 month period ended 31 March 2006 and the year ended 31 March 2007;
- 14.5 the audited accounts of Hansard for the two years ended 28 February 2006;
- 14.6 the audited accounts of WIMG for the period ended 31 December 2006;
- 14.7 the audited accounts of Wilton for the period ended 31 December 2006;
- 14.8 the audited accounts of TSE for the three years ended 31 December 2006;
- 14.9 the Directors' service contracts referred to in paragraph 5.1 above;
- 14.10 the Proposed Directors' service contracts referred to in paragraph 5.2 above;
- 14.11 the letter of consent referred to in paragraphs 12.7 and 12.8 above;
- 14.12 the material contracts referred to in paragraph 11 above;
- 14.13 the Irrevocable Undertaking by the Independent Director to vote in favour of the resolutions at the EGM and at a Board Meeting convened to consider the same referred to in paragraph 11.1.11 above;
- 14.14 the Subscriber lock-in agreements referred to in paragraph 11.1.13;
- 14.15 the Wilton and Director Lock-In Agreements referred to in paragraph 11.1.20 above; and
- 14.16 the Purchase Option Agreement referred to in paragraph 11.1.14 above.

15. Availability for inspection

Copies of this Document will be available free of charge to the public during normal business hours on any weekday (Saturdays and public holidays excepted) from the offices of Fasken Martineau Stringer Saul LLP at 17 Hanover Square, London W1S 1HU and shall remain available until 21 August 2007 being the day following the EGM.

27 July 2007

Sandford Plc

*(Incorporated and registered in England and Wales under the Companies Act 1985 (as amended) with
Registered Number 5353387)*

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY given that an extraordinary general meeting of Sandford Plc (the "Company") will be held at the offices of Fasken Martineau Stringer Saul LLP at 17 Hanover Square, London W1S 1HU on 20 August 2007 at 10.30 a.m. (or if later, immediately after the Annual General Meeting of the Company, to be held at 10.00 a.m. on the same day, has closed) for the purpose of considering and, if thought fit, passing the following resolutions of which numbers 1 to 3 will be proposed as Ordinary Resolutions and numbers 4 and 5 will be proposed as Special Resolutions. Resolution 1, in accordance with the City Code on Takeovers and Mergers, will be taken on a poll of the Independent Shareholders present and by proxy voting at the EGM:

ORDINARY RESOLUTIONS

1. THAT the waiver granted by the Panel on Takeovers and Mergers of the obligation that would otherwise arise on the Concert Party (or any member of it) (as defined in the Circular to the Company's Shareholders dated 27 July 2007 (the "Circular")) to make a general offer to the shareholders of the Company pursuant to Rule 9 of the City Code on Takeovers and Mergers as a result of the allotment of up to a maximum of 312,333,333 Ordinary Shares representing in aggregate up to 51.38 per cent. of the Second Enlarged Ordinary Share Capital (as defined in the Circular) be and is hereby approved;
2. THAT, subject to and conditional upon resolution 1 in the notice of meeting dated 27 July 2007 being duly passed by the Shareholders as an ordinary resolution of the Company, the proposed agreement between the Company (1) Wilton International Group Limited (2) the shareholders of Wilton International Group Limited (including Paul Foulger and Adam Reynolds, both of whom are directors of the Company) (3) and Mr Courage and Mr Pedersen (4) providing for the purchase by the Company of the entire issued share capital of Wilton International Consulting Limited on the terms set out in the Circular to shareholders dated 27 July 2007 (the "Circular") is hereby approved for the purposes of section 320 of the Companies Act 1985 subject to such amendments as the directors of the Company (other than Paul Foulger and Adam Reynolds) shall consider necessary or appropriate (but not constituting a material change from the terms set out in the Circular);
3. THAT, subject to and conditional upon resolutions 1 and 2 in the notice of meeting dated 27 July 2007 being duly passed by the Shareholders as ordinary resolutions of the Company, the Directors be and they are hereby generally and unconditionally authorised, in substitution for all previous powers granted to them, to allot relevant securities within the meaning of Section 80 of the Companies Act 1985 ("the Act"), up to an aggregate nominal amount of £858,100 and such authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2008 or 15 months after the passing of this resolution (whichever is earlier) save that the Company may before such expiry make an offer or enter into an 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 as if the authority conferred hereby had not expired;

SPECIAL RESOLUTIONS

4. THAT, subject to and conditional upon resolutions 1, 2 and 3 in the notice of meeting dated 27 July 2007 being duly passed by the Shareholders as ordinary resolutions of the Company, the Directors be authorised and empowered pursuant to section 95 of Companies Act 1985 ("the Act") (in substitution for all powers previously granted thereunder) to allot equity securities (as defined in section 94(2) of the Act) for cash pursuant to the section 80 authority referred to in resolution 4 in this notice as if section 89(1) of the Act did not apply to any such allotment, such power shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2008 or 15 months after the passing of this resolution (whichever is earlier), and such power is limited to the allotment of equity securities:

- (a) in connection with rights issues to holders of ordinary shares where the equity securities respectively attributable to the interests of such holders are proportionate (as nearly as may be practicable) to the respective numbers of ordinary shares held by them, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with any fractional entitlements or any legal or practical problems under law of, or the requirements of any regulatory body or any recognised stock exchange in, any territory; and
- (b) in connection with the Acquisition (as defined in the Circular to Shareholders dated 27 July 2007 (the "Circular")) up to a maximum aggregate nominal value of £114,000;
- (c) in connection with the grant by the Company of Warrants (as defined in the Circular) to Neil James McClure and the exercise of those Warrants up to a maximum nominal value of £8,800;
- (d) in connection with the grant by the Company of Warrants (as defined in the Circular) to Beaumont Cornish Limited and the exercise of those Warrants up to a maximum nominal value of £7,500;
- (e) in connection with the grant by the Company of Options under the Share Option Plan (as defined in the Circular) and the exercise of those Options up to a maximum nominal value of £40,000;
- (f) (otherwise than pursuant to paragraphs (a) to (e) above) up to a maximum aggregate nominal amount of £687,800,

provided that the Company may, before the expiry of this power, make an offer or agreement which would or might require equity securities to be allotted after the expiry of this power and the directors may allot equity securities in pursuance of such an offer or agreement as if the power had not expired.

5. THAT, subject to and conditional upon Resolutions 1, 2, 3 and 4 in the notice of the meeting dated 27 July 2007 being duly passed by the Shareholders as ordinary and special resolutions (respectively) of the Company, the name of the Company be and is hereby changed to TSE Group plc.

By Order of the Board

Paul Foulger
Company Secretary

Registered Office:
 14 Kinnerton Place South
 London SW1X 8EH

27 July 2007

Notes

- (1) A member entitled to attend and vote at the Extraordinary General Meeting may appoint one or more proxies to attend and, on a poll, to vote instead of him. A proxy need not be a member of the Company.
- (2) 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
- (3) A pre-paid blue form of proxy is enclosed. To be valid, the form of proxy (together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such authority) must be deposited at the Company's registrars, SLC Registrars, 42-46 High Street, Esher, Surrey KT10 9QY no later than 48 hours before the commencement of the meeting. Completion of the form of proxy will not preclude a member from attending and voting in person.
- (4) Pursuant to Regulation 41 of The Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders of the Company on the register at 6.00 p.m. on 18 August 2007 shall be entitled to attend or vote at the Extraordinary General Meeting in respect of the number of shares registered in their name at the time. Changes to the register of members after that time will be disregarded in determining the rights of any person to attend or vote at the Meeting.
- (5) **Electronic communication**
 Members who wish to communicate with the company by electronic means in connection with the matters set out in this notice of Extraordinary General Meeting may do so by contacting the Company at paul@hansardgroup.co.uk not later than 48 hours before the time of commencement of the meeting.

