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The Directors of Consolidated Asset Management (Holdings) plc, whose names are set out on page 5 of this document, accept responsibility for the information contained in this document, save for (i) the Recommendation on page 9 of this document, for which the Independent Directors take responsibility and (ii) the information on Mayfair for which the director of Mayfair (details of whom are set out on page 33 of this document) takes responsibility. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information. To the best of the knowledge and belief of the director of Mayfair (who has taken all reasonable care to ensure that such is the case), the information contained in this document relating to Mayfair is in accordance with the facts and does not omit anything likely to affect the import of such information.

CONSOLIDATED ASSET MANAGEMENT (HOLDINGS) PLC

(Registered in England and Wales with No. 5535356)

Subscription for Shares and Waiver of Rule 9 of the City Code on Takeovers and Mergers

Notice of General Meeting

Notice of General Meeting of Consolidated Asset Management (Holdings) plc, to be held at the offices of Strand Partners Limited, 26 Mount Row, London W1K 3SQ on 25 February 2009 at 9.00a.m. is set out on pages 44 to 46 of this document. A Proxy Form for use in connection with the General Meeting is enclosed and should be completed and returned to the Company at its registered office at 58 Queen Anne Street, London W1G 8HW as soon as possible and, in any event, by no later than 9.00a.m. on 23 February 2009. Completion and return of a Proxy Form will not preclude Shareholders from attending and voting at the General Meeting in person should they so wish. If you do not complete and return a valid Proxy Form or attend the General Meeting in person to vote, no-one else may vote on your behalf.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Date of posting of this Circular	9 February 2009
Latest time and date for receipt of Proxy Forms	9.00a.m. on 23 February 2009
General Meeting	9.00a.m. on 25 February 2009

DEFINITIONS

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

“AIM”	AIM, the market operated by the London Stock Exchange
“AIM Rules”	the AIM rules for companies whose shares are admitted to trading on AIM as published by the London Stock Exchange
“CairnSea”	CairnSea Investments Limited
“Circular”	this document
“City”	City of London Group plc
“City Code”	the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time)
“Company” or “CAM”	Consolidated Asset Management (Holdings) plc
“Directors” or “Board”	the directors of the Company, whose names are set out on page 5 of this document
“EMI Options”	the enterprise management incentive options to subscribe for Ordinary Shares granted or to be granted by the Company to certain directors and employees and former directors and employees of the Company and the Group
“Existing Shares”	173,115,730 Ordinary Shares in issue at the date of this document
“General Meeting”	the general meeting of the Company to be held at the offices of Strand Partners Limited, 26 Mount Row, London W1K 3SQ at 9.00a.m. on 25 February 2009 or any adjournment thereof, notice of which is set out at the end of this document
“Group”	the Company and its subsidiary undertakings from time to time
“Independent Directors”	the Directors apart from Andrew Wilson
“Independent Shareholders”	the Shareholders apart from Mayfair
“Loan Notes”	the £150,000 3.5 per cent. unsecured convertible loan notes 2014 issued by the Company on 22 January 2009
“London Stock Exchange”	London Stock Exchange plc
“Mayfair”	Mayfair Limited, a significant shareholder in the Company, which company is controlled by Lord Ashcroft KCMG and further details of which are set out in paragraph 1 of Part IV of this Circular
“Mayfair Director”	Lord Ashcroft KCMG, the sole director of Mayfair, further details of whom are set out in paragraph 1 of Part IV of this Circular
“Notice of General Meeting”	the notice of the General Meeting which is set out at pages 44 to 46 of this Circular
“Ordinary Shares”	ordinary shares of 0.5p each in the capital of the Company
“Panel”	the Panel on Takeovers and Mergers

“Proxy Form”	the proxy form enclosed with this Circular for use by Shareholders in connection with the General Meeting
“Resolutions”	the resolutions to be proposed at the General Meeting as set out in the Notice of General Meeting
“Share Options”	the EMI Options and the Unapproved Share Options
“Shareholders”	holders of Ordinary Shares
“Subscription”	the proposed subscription for 125,000,000 Ordinary Shares by Mayfair
“Subscription Agreement”	the conditional agreement entered into today between Mayfair and the Company relating to the Subscription
“Subscription Shares”	125,000,000 Ordinary Shares proposed to be issued pursuant to the Subscription
“Unapproved Share Options”	the unapproved options to subscribe for Ordinary Shares granted or to be granted by the Company to certain directors and employees and former directors and employees of the Company and the Group
“Whitewash Resolution”	the resolution set out in the Notice of General Meeting as resolution 4 (to be voted on by Independent Shareholders voting on a poll) to approve the waiver of the obligation on Mayfair that would otherwise arise under the City Code to make a mandatory cash offer for the Existing Shares not owned by Mayfair and persons acting in concert with Mayfair

PART I

LETTER FROM THE CHAIRMAN OF CONSOLIDATED ASSET MANAGEMENT (HOLDINGS) PLC

(Incorporated and registered in England and Wales with registered number 5535356)

Directors:

Sir William Wells (*Chairman*)
Simon Banks-Cooper (*Chief Executive*)
Andrew Wilson (*Non-Executive Director*)
Henry Bellingham (*Non-Executive Director*)

Registered Office
58 Queen Anne Street
London
W1G 8HW

9 February 2009

To Shareholders and, for information purposes only, to the holders of Share Options

Dear Shareholder

PROPOSED SUBSCRIPTION FOR NEW ORDINARY SHARES, APPROVAL OF WAIVER GRANTED BY THE PANEL ON TAKEOVERS AND MERGERS OF RULE 9 OF THE CITY CODE ON TAKEOVERS AND MERGERS AND NOTICE OF GENERAL MEETING

Introduction

- 1 The Company has today announced proposals to raise £1.75 million by way of an issue of 125,000,000 new Ordinary Shares to Mayfair, such fundraising and issue of new shares being conditional on the passing of the Resolutions. The Company is requesting the support of Shareholders for the passing of the Resolutions which is required in order to complete the fundraising and issue of new Ordinary Shares. The Resolutions will be proposed at the General Meeting to be held on 25 February 2009.

The number of Ordinary Shares held by Mayfair immediately following the allotment and issue of the Subscription Shares would be 176,761,603 Ordinary Shares which would represent 59.3 per cent. of the enlarged issued ordinary share capital of the Company immediately following completion of the Subscription (and assuming that none of the Share Options which have been granted have been exercised and none of the Loan Notes have been converted into Ordinary Shares).

- 2 **Background to and reasons for the Subscription**

On 3 October 2008, the Company announced that it had disposed of three of its subsidiaries in order to focus on its main strategic aim; that is, to carry on, and to acquire and act as a consolidator of, Independent Financial Adviser ("IFA") businesses. At the same time, it was announced that Mayfair had provided working capital of approximately £676,000 for the Company through a subscription for 24,470,933 Ordinary Shares at a subscription price of 2.7625p per Ordinary Share. Following such subscription, Mayfair held 51,761,603 Ordinary Shares which equates to 29.9% of the Ordinary Shares in issue as at today's date. Since 3 October 2008, the Company has concentrated on embedding its existing IFA operations.

On 20 January 2009, the Company announced that it was in discussions with its major shareholders, and persons connected with such shareholders, with regard to the provision of further funding to the Company which was envisaged to be provided by way of subscription for new Ordinary Shares or loan notes convertible into new Ordinary Shares. The Company also announced that it had entered into a loan agreement with Mayfair pursuant to which Mayfair had provided a loan of £250,000 to the Company in order to fund the Company's short-term working capital requirements. This loan will be repaid if completion of the Subscription occurs. Further details of the terms on which the loan was provided and of the loan agreement are set out in paragraph 4.2(b) of Part IV of this Circular.

Further, on 23 January 2009, the Company announced that it had issued Loan Notes of an aggregate nominal value of £150,000 to one of its existing shareholders, City of London Group plc, and one of the directors of City, David Walton Masters. Details of the terms of, and the terms of issue of, the Loan Notes are set out in paragraph 4.2(c) of Part IV of this Circular. Following the subscription by City for Loan Notes, the Company agreed with City that City had the right to appoint a director to the board of the Company at any time during the period ending on 21 April 2010 or, if later, for so long as City owns at least 5% of the Ordinary Shares in issue from time to time.

At its current level of activity, the Company remains unprofitable. Without new capital or alternative funding arrangements being made available to fund the Company's current working capital requirements and, as

importantly, to fund its expansion plans, the Company will be forced to cease trading. Based on the current anticipated cash flow requirements of the Company, the Directors believe that current cash resources of the Company are only sufficient to enable the Company to continue trading for a maximum of a further 3 months.

3 Information on the Subscription

Mayfair has today entered into a subscription agreement with the Company pursuant to which Mayfair has agreed to subscribe for 125,000,000 Ordinary Shares at a price of 1.4p per share. Completion of the Subscription is conditional only on the passing of the Resolutions and the admission of the Subscription Shares to trading on AIM. Further details of the Subscription Agreement are set out in paragraph 4.2(a) of Part IV of this Circular. Lord Ashcroft is the sole ultimate beneficial owner of Mayfair. Further details relating to Mayfair are set out in paragraph 1 of Part IV of this Circular.

If the Subscription takes place, the Company will issue 125,000,000 Ordinary Shares to Mayfair at a price of 1.4p per share. Immediately following completion of the Subscription and the issue of the Subscription Shares, the aggregate number of Ordinary Shares in issue (being the Subscription Shares and the Existing Shares) would be 298,115,730 Ordinary Shares (ignoring for this purpose the Share Options which have been granted but have not been exercised and any Ordinary Shares that may be issued on conversion of the Loan Notes). On this basis, Mayfair would hold 59.3% of the ordinary share capital of the Company in issue immediately following the issue of the Subscription Shares.

Details of the Company's major shareholders and their respective holdings of Ordinary Shares as at 6 February 2009 and as they would be if completion of the Subscription occurs are set out below.

<i>Name of Shareholder</i>	<i>Number of Ordinary Shares held as at 6 February 2009</i>	<i>Percentage of issued ordinary share capital of CAM held as at 6 February 2009</i>	<i>Number of Subscription Shares to be issued</i>	<i>Total number of Ordinary Shares held immediately following completion of the Subscription</i>	<i>Percentage of issued ordinary share capital of CAM held immediately following completion of the Subscription*</i>
Mayfair	51,761,603	29.9%	125,000,000	176,761,603	59.3%
Fiske Nominees Limited	22,122,282	12.8%		22,122,282	7.4%
City of London Group plc	15,875,000	9.2%		15,875,000	5.3%
Christopher Rowe	13,048,276	7.5%		13,048,276	4.4%
WCS					
Nominees Limited	8,051,303	4.7%		8,051,303	2.7%
JIM Nominees Limited	6,268,489	3.6%		6,268,489	2.1%
Pershing					
Nominees Limited	5,799,117	3.3%		5,799,117	2.0%
Others	50,189,660	29.0%		50,189,660	16.8%
Total	173,115,730	100%		298,115,730	100%

* Note: The percentages have been calculated on the basis that none of the Share Options which have been granted have been exercised and that none of the Loan Notes have been converted into Ordinary Shares.

4 **City Code**

The allotment and issue of the Subscription Shares gives rise to certain considerations under the City Code. Rule 9 of the City Code is designed to prevent the acquisition or control of a company to which the City Code applies without a general cash offer being made to all shareholders of that company.

The number of Ordinary Shares held by Mayfair immediately following the allotment and issue of the Subscription Shares would be 176,761,603 Ordinary Shares which would represent 59.3 per cent of the enlarged issued ordinary share capital of the Company immediately following the Subscription and assuming that none of the Share Options which have been granted have been exercised and none of the Loan Notes have been converted into Ordinary Shares.

Further information on Mayfair is included in Part IV of this Circular (Additional Information).

Under Rule 9 of the City Code ("**Rule 9**"), when:

- (i) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (together with shares in which persons acting in concert with him are interested) carry 30% or more of the voting rights of a company; or
- (ii) a person, together with persons acting in concert with him, is interested in shares which in aggregate carry between 30% and 50% of the voting rights of a company and such person, or persons acting in concert with him, acquires an interest in other shares which increases the percentage of shares carrying voting rights in which he is interested;

then, in either case, that person is normally obliged to make a general offer to all shareholders at not less than the highest price paid by him, or persons acting in concert with him, for shares of that class within the preceding 12 months. Following the allotment and issue of the Subscription Shares on the basis described above, Mayfair would hold 59.3 per cent. of the enlarged issued share capital of the Company. Accordingly, the Subscription would normally give rise to an obligation on Mayfair to make a general offer to all Shareholders. The Panel has agreed, subject to the passing of the Whitewash Resolution on a poll by the Independent Shareholders, to waive the obligation that would otherwise arise on Mayfair to make a general offer to Shareholders pursuant to Rule 9 as a result of the Subscription.

Under Rule 9, when any person, together with persons acting in concert with him, comes to hold shares carrying more than 50% of the voting rights of a company, they (for so long as they continue to be treated as acting in concert) may accordingly be able to acquire interests in further shares without any obligation under Rule 9 to make a general offer to Shareholders.

The waiver of the obligations that would otherwise arise on Mayfair to make a general offer pursuant to Rule 9 which the Panel has agreed to provide, subject to the Whitewash Resolution being passed on a poll by Independent Shareholders at the General Meeting, will be invalidated if any purchases of Ordinary Shares are made by Mayfair or any person acting in concert with Mayfair in the period between the date of this document and the General Meeting.

The Independent Directors, who have been so advised by CairnSea acting as the independent adviser to the Company required for the purposes of Rule 3 of the City Code, consider the waiver of the obligation which would otherwise arise on Mayfair to make a general offer to Shareholders to acquire their Ordinary Shares under Rule 9 to be fair and reasonable and in the best interests of Independent Shareholders and the Company as a whole.

5 **General Meeting**

Set out at the end of this Circular is a notice convening the General Meeting to be held at 9.00a.m. on 25 February 2009 at the offices of Strand Partners Limited, 26 Mount Row, London W1K 3SQ, at which the following resolutions will be proposed.

Resolution 1 – Increase of the authorised share capital of the Company

Resolution 1 seeks the approval of the Shareholders to the proposed increase of the authorised share capital of the Company from £3,000,000 to £5,000,000 by the creation of 400,000,000 new ordinary shares of 0.5p each in the capital of the Company.

Resolution 2 – Grant of authority to allot shares in the Company

Resolution 2 seeks the approval of Shareholders to: (i) the grant of authority to the directors of the Company to allot the Subscription Shares; and (ii) the grant of a general authority to the directors of the Company to allot further Ordinary Shares up to a maximum nominal value of £3,250,000 (representing 650,000,000 Ordinary Shares) which is an amount that is approximately equal to the amount of the authorised but unissued share

capital of the Company less (a) the amount of share capital in respect of which the Company has granted options or rights to subscribe for Ordinary Shares as at 6 February 2009 and in respect of which the Company proposes to grant options as referred to in paragraph 6 below and (b) the Subscription Shares for which a separate specific authority to allot is being sought. A general authority was passed at the general meeting of the Company held on 21 November 2008 which is still in place but the Directors now propose that this authority be replaced and increased at the General Meeting and, accordingly, have proposed resolution 2 in the Notice of General Meeting as an ordinary resolution to do this. The Directors currently intend only to make use of this general authority: (a) in connection with the grant of options to the directors of the Company and employees of the Group; (b) potentially for use as consideration in connection with any acquisitions of companies or businesses which the Company may wish to make; and (c) in order to raise funds through subscriptions for new shares in the Company in order to finance any such acquisitions or otherwise as may be necessary to satisfy the working capital requirements of the Group. This authority would expire at the conclusion of this year's Annual General Meeting.

Resolution 3 – Disapplication of statutory pre-emption rights on allotment of shares

If the directors of the Company wish to allot unissued shares or other equity securities for cash or sell any shares which the Company may hold in treasury following a purchase of its own shares for cash, the Companies Act 1985 requires that such shares or other equity securities are offered first to existing shareholders in proportion to their existing holdings. Resolution 3 seeks the approval of Shareholders to the grant of authority to the directors of the Company to allot the Subscription Shares without first offering the Subscription Shares to existing Shareholders. Resolution 3 also seeks the approval of Shareholders to the grant to the directors of the Company of a general authority to allot equity securities or sell treasury shares for cash up to a maximum aggregate nominal value of £2,000,000 (representing 400,000,000 Ordinary Shares) without first offering the securities to existing Shareholders. A general authority was passed at the general meeting of the Company held on 21 November 2008 which is still in place but the Directors now propose that this authority is replaced and increased at the General Meeting and, accordingly, have proposed resolution 3 in the Notice of General Meeting as a special resolution to do this. The proposed resolution also disapplies the statutory pre-emption provisions in connection with a rights issue and allows the directors of the Company, in the case of a rights issue, to make arrangements in relation to fractional entitlements or other legal or practical problems which might arise. The Directors currently intend only to make use of this authority in the same circumstances as referred to in the explanation relating to Resolution 2 above as being the circumstances in which the Directors will exercise their authority to allot Ordinary Shares. This authority would expire at the conclusion of this year's Annual General Meeting.

Resolution 4 – The “Whitewash Resolution”

Resolution 4 seeks approval of the waiver granted by the Panel of the obligation that would otherwise arise on Mayfair to make a general offer to shareholders of the Company pursuant to Rule 9 of the City Code as a result of the issue to Mayfair of the Subscription Shares. In order to comply with the City Code, Resolution 4 will be taken on a poll and Mayfair, which is disenfranchised from voting, has undertaken not to vote on this Resolution.

Irrevocable Undertakings

Irrevocable undertakings to vote in favour of the Resolutions have been given to the Company by Shareholders (including Directors in respect of their holdings of Ordinary Shares) representing in aggregate 29.09% of the issued ordinary share capital of the Company as at 6 February 2009 (being the last business day prior to the publication of this document). Further details of these irrevocable undertakings are set out in paragraph 2.7 of Part IV of this document.

6. The Board

The Company also proposes, subject to the final approval of the same by the remuneration committee of the Board, to grant Share Options to the Company's chief executive director, Simon Banks-Cooper. If approved by the remuneration committee, it is envisaged that Share Options would be granted to Mr. Banks-Cooper to subscribe for approximately 9,400,000 Ordinary Shares (being an amount equal to 3 per cent. of the ordinary share capital of the Company on the basis that the Subscription has taken place and the Loan Notes have been converted into Ordinary Shares but prior to the exercise of any other Share Options) exercisable at an exercise price equal to the market value of an Ordinary Share as at the date of grant of the Share Options as agreed and determined by the remuneration committee of the Board.

The Company has also agreed a variation to the terms of Mr. Banks-Cooper's service agreement to extend the period of notice which each of the Company and Mr. Banks-Cooper is required to give to terminate his service agreement with the Company from 3 months to 6 months. Further details of Mr. Banks-Cooper's service agreement are set out in paragraph 4.1(a) of Part IV of this Circular.

7. **Action to be taken by Shareholders**

Whether or not you propose to attend the General Meeting in person, you are asked to complete the Proxy Form and return it to the Company at its registered office address, being 58 Queen Anne Street, London W1G 8HW so as to arrive as soon as possible but in any event no later than 9.00a.m. on 23 February 2009. Completion and return of the Proxy Form will not preclude you from attending the General Meeting and voting in person should you so wish.

8. **Recommendation**

Should the Resolutions not be approved at the General Meeting then, in the absence of alternative funding arrangements being made available and based on the current anticipated cash flow requirements of the Company, the Directors believe that current cash resources of the Company are only sufficient to enable the Company to continue trading for a maximum of a further 3 months.

AIM Rules

The entering into of the Subscription Agreement and, if it proceeds, subject to the passing of the Resolutions and the admission of the Subscription Shares to trading on AIM, the Subscription, constitute a related party transaction for the purposes of the AIM Rules. The Independent Directors consider, having consulted with Strand Partners Limited, the Company's nominated adviser for the purposes of the AIM Rules, that the terms of the Subscription are fair and reasonable insofar as Shareholders are concerned.

Resolutions 1, 2 and 3 – Authorities to increase the authorised share capital, allot shares and dis-apply statutory pre-emption rights

The Directors and, to the extent the same relate to the Subscription, the Independent Directors consider Resolutions 1, 2 and 3 to be proposed at the General Meeting, details of which are set out in paragraph 5 above, to be in the best interests of the Company and the Shareholders as a whole. **Accordingly, the Directors and, to the extent the same relate to the Subscription, the Independent Directors unanimously recommend Shareholders to vote in favour of Resolutions 1, 2 and 3 as they intend to do in respect of the shares in the Company held by them totalling 954,701 Ordinary Shares, being 0.55% of the issued ordinary share capital of the Company.**

Resolution 4 – The “Whitewash Resolution”

The Independent Directors, who have been so advised by CairnSea acting as independent adviser to the Company for the purposes of Rule 3 of the City Code, consider the Subscription and the waiver of the obligations which would arise under Rule 9 of the City Code as a result of the Subscription to be fair and reasonable and in the best interests of Independent Shareholders and the Company as a whole.

Accordingly, the Independent Directors unanimously recommend Independent Shareholders to vote in favour of Resolution 4, as they have irrevocably undertaken to do in respect of the shares in the Company held by them totalling 954,701 Ordinary Shares, being 0.55% of the issued ordinary share capital of the Company.

Yours faithfully

Sir William Wells

Chairman

PART II

PRO FORMA FINANCIAL INFORMATION ON THE COMPANY

Set out in Part III of this Circular are extracts from the audited consolidated financial statements of the Company and of its subsidiary undertakings for the two years ended 31 December 2007 together with the unaudited interim financial statements for the six month period to 30 June 2008.

On 3 October 2008, the Company announced the disposal of three of its operating subsidiaries, Arc Equities Limited, Arc Fund Management Limited and Arc Capital and Income Limited. Following these disposals, the Group only offers wealth management services and, as a result, there has been a material change in the Group's operations. Accordingly, there is presented below pro forma financial information on a discontinued and continuing basis for the year ended 31 December 2007 and the six months ended 30 June 2008. The subsidiaries that comprise the continuing operations were acquired in 2007 and 2008 and thus made no contribution to the financial results of earlier periods.

The pro forma financial information set out below is based on the audited consolidated financial statements of the Company and of its subsidiary undertakings for the year ended 31 December 2007 and the unaudited interim financial statements of the Company and of its subsidiary undertakings for the six months ended 30 June 2008.

Proforma consolidated profit and loss account for the 18 months ended 30 June 2008

	Year ended 31 December 2007			6 Months ended 30 June 2008		
	2007	2007	2007	2008	2008	2008
	Discontinued £	Continuing £	Total £	Discontinued £	Continuing £	Total £
Revenue	4,120,633	537,119	4,657,752	1,090,789	987,366	2,078,155
Cost of sales	(700,345)	(389,048)	(1,089,393)	(661,469)	(620,034)	(1,281,503)
Gross profit	3,420,288	148,071	3,568,359	429,320	367,332	796,652
Other gains and losses	442,090	(35,841)	406,249	(390,976)	39,822	(351,154)
Administrative expenses	(2,990,604)	(597,644)	(3,588,248)	(1,379,780)	(678,424)	(2,058,204)
Finance income	394,426	49,003	443,429	163,702	38,036	201,738
Finance costs	(1,998)	(21)	(2,019)	-	-	-
Trading profit	1,264,202	(436,432)	827,770	(1,177,734)	(233,234)	(1,410,968)
Amortisation of intangible assets	(172,450)	(92,593)	(265,043)	(103,478)	(248,312)	(351,790)
Provision for impairment of goodwill	-	(876,803)	(876,803)	-	-	-
Profit/(loss) on ordinary activities before taxation	1,091,752	(1,405,828)	(314,076)	(1,281,212)	(481,546)	(1,762,758)
Taxation	(331,650)	107,186	(224,464)	190,208	17,682	207,890
Profit/(loss) for the financial period after taxation	760,102	(1,298,642)	(538,540)	(1,091,004)	(463,864)	(1,554,868)

Proforma consolidated balance sheets at 31 December 2007 and 30 June 2008

	31 December 2007			30 June 2008		
	Discontinued	Continuing	Total	Discontinued	Continuing	Total
	£	£	£	£	£	£
Assets						
Non current assets						
Property plant & equipment	47,218	29,086	76,304	61,212	62,088	123,300
Goodwill	-	-	-	-	1,161,199	1,161,199
Intangible assets	862,250	2,685,185	3,547,435	758,780	6,320,917	7,079,697
	909,468	2,714,271	3,623,739	819,992	7,544,204	8,364,196
Current assets						
Trade and other receivables	934,283	62,109	996,392	600,318	89,448	689,766
Other financial assets	1,521,641	150,770	1,672,411	528,809	550,660	1,079,469
Cash and cash equivalents	1,208,628	2,500,719	3,709,347	967,370	732,918	1,700,288
	3,664,552	2,713,598	6,378,150	2,096,497	1,373,026	3,469,523
Total assets	4,574,020	5,427,869	10,001,889	2,916,489	8,917,230	11,833,719
Liabilities						
Current liabilities						
Trade and other payables	1,570,803	207,545	1,778,348	1,194,466	1,138,251	2,332,717
Current tax liabilities	157,407	(48,270)	109,137	112,641	172,074	284,715
	1,728,210	159,275	1,887,485	1,307,107	1,310,325	2,617,432
Non-current liabilities						
Deferred tax	59,933	749,519	809,452	(85,509)	1,744,821	1,659,312
	59,933	749,519	809,452	(85,509)	1,744,821	1,659,312
Total liabilities	1,788,143	908,794	2,696,937	1,221,598	3,055,146	4,276,744
Net Assets	2,785,877	4,519,075	7,304,952	1,694,881	5,682,084	7,556,975

Proforma consolidated cash flow statements at 31 December 2007 and 30 June 2008

	31-Dec-07 Discontinued £	31-Dec-07 Continuing £	31-Dec-07 Total £	30-Jun-08 Discontinued £	30-Jun-08 Continuing £	30-Jun-08 Total £
Net cash (used in)/generated from operating activities	(754,490)	(126,452)	(880,942)	(377,375)	(398,679)	(776,054)
Cash flow from investing activities						
Interest received	394,426	49,003	443,429	163,703	38,036	201,739
Additions to property plant equipment	(41,113)	(440)	(41,553)	(27,586)	(2,988)	(30,574)
Acquisition of subsidiaries	750,364	(2,494,945)	(1,744,581)	-	(1,404,170)	(1,404,170)
Net cash used in investing activities	1,103,677	(2,446,382)	(1,342,705)	136,117	(1,369,122)	(1,233,005)
Cash flow from financing activities						
Net proceeds from issue of share capital	-	5,070,537	5,070,537	-	-	-
Interest paid	(1,998)	(21)	(2,019)	-	-	-
Net cash from financing activities	(1,998)	5,070,516	5,068,518	-	-	-
Net increase in cash and cash equivalents	347,189	2,497,682	2,844,871	(241,258)	(1,767,801)	(2,009,059)
Opening cash and cash equivalents	861,439	3,037	864,476	1,208,628	2,500,719	3,709,347
Closing cash and cash equivalents	1,208,628	2,500,719	3,709,347	967,370	732,918	1,700,288

Significant accounting policies

Set out below are extracts of the principal accounting policies which have been used throughout the period. The Group's accounting policies are set out in the consolidated financial statements for the year ended 31 December 2007.

Basis of preparation

These pro forma consolidated financial statements for the year ended 31 December 2007 are unaudited and have been extracted from the audited consolidated financial statements of the Group for the same period. The pro forma consolidated financial statements for the six months ended 30 June 2008 have been extracted from the unaudited consolidated interim statement of the Company for the same period.

Basis of consolidation

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the purchase method of accounting to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of the minority interest. The excess of the cost of acquisition over the fair value of the Group's share of identifiable assets is recorded as goodwill.

Goodwill

Goodwill on acquisition is initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the separately identifiable assets, liabilities and contingent liabilities of a subsidiary at the date of acquisition. In accordance with IFRS 3 Business Combinations, goodwill is not amortised but reviewed annually for impairment and as such, is stated at cost less any provision for impairment of value. Any impairment is recognised immediately in the income statement and is not subsequently reversed. On acquisition, any goodwill acquired is allocated to cash generating units for the purposes of impairment testing. Where goodwill forms part of a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation.

Intangible assets – Client relationships

Acquired client relationships are initially recognised at fair value. Client relationships have a finite useful life. Amortisation is calculated using the straight line method to allocate the carrying value of customer relationships over their estimated useful life (5-10 years).

Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and that the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost or revalued amounts of tangible fixed assets to their residual values over their useful economic lives, as follows:

- Leasehold Improvements – over 3 years
- Office equipment – over 3 years

The residual values and useful economic lives of the assets are reviewed, and adjusted if appropriate, at each balance sheet date. The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable value.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount, and are recognised within other gains or losses in the income statement.

Revenue recognition

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group and that the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable, excluding Value Added Tax (VAT) and other duties.

Corporate Finance & Advisory

The revenue shown in the profit and loss account is the fair value of consideration receivable in respect of services provided during the year, exclusive of VAT. It includes amounts in relation to shares received in lieu of corporate finance arrangement fees. Revenue arising from these shares is split between the value of the services for which the shares are issued and any profit or loss arising from their disposal and is recognised when the services have been performed. When shares are sold revenue is recognised on a trade date basis.

Structured Products

Income is received on the sale of a structured product but is recognised in Group revenues on a basis that matches the directors' best estimate of the costs incurred in creating, supporting and redeeming each product.

Wealth Management

Income generated from advising on wealth management products is recognised on receipt of the first payment by the product provider or when funds are transferred. Typically this is when the product goes on risk. Depending on the nature of the product, wealth management income is recognised at this point either by way of an upfront commission or by way of an ongoing trail income which will continue throughout the life of the product.

Financial assets

The Group classifies its financial assets at fair value through the profit or loss account. Management determines the classification of its financial assets at initial recognition or on the date of transition to IFRS.

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

The value of financial assets reflects shares issued by listed and non-listed companies as part of either a listing or capital raising in recognition of services provided by the Group and any adjustment to the fair value of those assets impacts the profitability and performance of the Group as a whole and reflects on the business performance during the year. Any adjustments to the fair value are recognised in the profit and loss account for the period.

Financial assets carried at fair value through profit or losses are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'other gains and losses' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the Group's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, making maximum use of market inputs and relying as little as possible on entity specific inputs.

Taxation

The taxation charge is based on the profit for the period and takes into account deferred taxation because of timing differences between the treatment of certain items for taxation and accounting purposes. Except where it is otherwise required by accounting standards, full provision is made for temporary timing differences which have arisen but not yet reversed at the balance sheet date. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date and is based on subsidiary financial statements which are prepared under UK GAAP.

Share based payments

The Company awards share options to certain directors and employees to acquire shares of the Company. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the directors and employees become unconditionally entitled to the options. The fair value of such options has been calculated using a Black-Scholes model, based upon publicly available market data, and is charged to the income statement over the vesting period taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest only where vesting is dependent upon the satisfaction of service and non-market vesting conditions or where the vesting periods themselves are amended by the introduction of new schemes and the absorption of earlier schemes by agreement between the Company and the relevant directors and employees. Where options or warrants granted are cancelled, all future charges arising in respect of the grant are charged to the income statement on the date of cancellation.

PART III
FINANCIAL INFORMATION ON THE COMPANY

The financial information contained in this Part III has been extracted without material adjustment from the audited reports and accounts of the Company for each of the financial years ended 31 December 2006 and 31 December 2007. The financial information contained in this Part III does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts of the Company for each of the financial years ended 31 December 2006 and 31 December 2007 have been delivered to the Registrar of Companies.

CONSOLIDATED INCOME STATEMENT

	Note	2007 £	2006 £
REVENUE	4	4,657,752	2,686,832
Cost of sales		(1,089,393)	(499,300)
GROSS PROFIT		3,568,359	2,187,532
Other gains and losses	5	406,249	218,220
Administrative expenses		(3,588,248)	(1,670,764)
Finance income	8	443,429	7,961
Finance costs	8	(2,019)	(13,046)
TRADING PROFIT	5	827,770	729,903
Amortisation of intangible assets	12	(265,043)	-
Provision for impairment of goodwill	11	(876,803)	-
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(314,076)	729,903
Taxation	9	(224,464)	(244,748)
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION		(538,540)	485,155
Attributable to equity holders of the parent Company		(538,540)	485,155
(LOSS)/EARNINGS PER SHARE			
Basic (loss)/earnings per share	19	(0.67p)	0.85p
Diluted (loss)/earnings per share	19	(0.66p)	0.84p

CONSOLIDATED BALANCE SHEET

	Notes	2007 £	2006 £
ASSETS			
NON-CURRENT ASSETS			
Property plant and equipment	10	76,304	18,494
Goodwill	11	-	-
Intangible assets	12	3,547,435	-
		<u>3,623,739</u>	<u>18,494</u>
CURRENT ASSETS			
Trade and other receivables	13	996,392	1,143,760
Other financial assets	14	1,672,411	746,703
Cash and cash equivalents	14	3,709,347	864,476
		<u>6,378,150</u>	<u>2,754,939</u>
TOTAL ASSETS		<u><u>10,001,889</u></u>	<u><u>2,773,433</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Issued capital	16	618,181	307,272
Share premium account	17	6,239,777	265,149
Other reserve	17	79,663	7,545
Retained earnings	17	367,331	905,871
Total equity		<u>7,304,952</u>	<u>1,485,837</u>
CURRENT LIABILITIES			
Trade and other payables	15	1,778,348	1,039,813
Current tax liabilities		109,137	180,598
		<u>1,887,485</u>	<u>1,220,411</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities		809,452	67,185
		<u>809,452</u>	<u>67,185</u>
Total liabilities		<u>2,696,937</u>	<u>1,287,596</u>
TOTAL EQUITY AND LIABILITIES		<u><u>10,001,889</u></u>	<u><u>2,773,433</u></u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share Premium	Other Reserve	Profit and loss account	Total
At 1 January 2006	263,557	-	-	420,716	684,273
Profit for the period	-	-	-	485,155	485,155
Employee share option charge	-	-	7,545	-	7,545
Total recognised income and expense for the period	-	-	7,545	485,155	492,700
Shares issued during the period	43,715	470,755	-	-	514,470
Costs of shares issued	-	(205,606)	-	-	(205,606)
At 31 December 2006	307,272	265,149	7,545	905,871	1,485,837
	Share Capital	Share Premium	Other Reserve	Profit and loss account	Total
At 1 January 2007	307,272	265,149	7,545	905,871	1,485,837
Loss for the period	-	-	-	(538,540)	(538,540)
Employee share option charge	-	-	72,118	-	72,118
Total recognised income and expense for the period	-	-	72,118	(538,540)	(466,422)
Shares issued during the period	310,909	6,214,091	-	-	6,525,000
Costs of shares issued	-	(239,463)	-	-	(239,463)
At 31 December 2007	618,181	6,239,777	79,663	367,331	7,304,952

Share capital is the amount subscribed for shares at nominal value.

Share premium represents the excess of the value of shares issued over the nominal value of the shares net of share issue expenses. Share issue expenses in the period ended 31 December 2007 represent costs incurred in relation to capital raising during the year.

The Other reserve represents the credit to equity in respect of equity-settled share-based payments.

Retained loss represents the cumulative loss of the Group attributable to equity shareholders.

CONSOLIDATED CASH FLOW STATEMENT

	Note	2007 £	2006 £
Net cash (used in)/generated from operating activities	18	<u>(880,942)</u>	<u>574,343</u>
Cash flow from Investing activities			
Interest received		443,429	7,961
Additions to property, plant and equipment	10	(41,553)	(19,396)
Acquisition of subsidiaries		(1,744,581)	-
Net cash used in investing activities		<u>(1,342,705)</u>	<u>(11,435)</u>
Cash flow from financing activities			
Net proceeds from issue of share capital		5,070,537	308,864
Interest paid		(2,019)	(13,046)
Net cash from financing activities.		<u>5,068,518</u>	<u>295,818</u>
Net increase in cash and cash equivalents		2,844,871	858,726
Opening cash and cash equivalents		864,476	5,750
Closing cash and cash equivalents	14	<u><u>3,709,347</u></u>	<u><u>864,476</u></u>

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is a company incorporated in England & Wales. The Company is admitted to trading on AIM. The address of the registered office is 58 Queen Anne Street, London W1G 8HW. The registered number of the Company is 5535356. The functional and presentational currency is £ sterling.

2. ACCOUNTING POLICIES

Basis of preparation

The consolidated financial statements set out in this Part III of the Circular were prepared in accordance with International Financial Reporting Standards (IFRSs and IFRIC interpretations) issued by the International Accounting Standards Board (IASB), as adopted by the European Union. These financial statements were prepared in accordance with those parts of the Companies Act 1985 applicable to companies preparing their accounts under IFRS.

The financial statements were prepared on the historical cost basis except for the revaluation of certain current asset investments. The principal accounting policies are set out below.

The financial statements set out in this Part III of the Circular were prepared in accordance with section 226 of, and Schedule 4 to, the Companies Act 1985 and with all relevant UK accounting standards. On publishing the parent company financial statements set out in this Part III of the Circular together with the group financial statements, the Company took advantage of the exemption in section 230 of the Companies Act 1985 not to present its individual profit and loss account and related notes that form a part of these approved financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Estimates and judgments are continually reviewed and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

Basis of consolidation

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the purchase method of accounting to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of the minority interest. The excess of the cost of acquisition over the fair value of the Group's share of identifiable assets is recorded as goodwill.

Transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed (where necessary) to ensure consistency with the policies adopted by the Group.

The Group has taken advantage of IFRS 3 and has chosen not to restate acquisitions undertaken prior to the date of transition.

Financial assets

The Group classifies its financial assets at fair value through the profit or loss account. Management determines the classification of its financial assets at initial recognition or on the date of transition to IFRS.

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

The value of financial assets reflects shares issued by listed and non-listed companies as part of either a listing or capital raising in recognition of services provided by the Group and any adjustment to the fair value of those assets impacts the

profitability and performance of the Group as a whole and reflects on the business performance during the year. Any adjustments to the fair value are recognised in the profit and loss account for the period.

Financial assets carried at fair value through profit or losses are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'other gains and losses' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the Group's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, making maximum use of market inputs and relying as little as possible on entity specific inputs.

Revenue recognition

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group and that the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable, excluding Value Added Tax (VAT) and other duties.

Corporate Finance & Advisory

The revenue shown in the profit and loss account is the fair value of consideration receivable in respect of services provided during the year, exclusive of VAT. It includes amounts in relation to shares received in lieu of corporate finance arrangement fees. Revenue arising from these shares is split between the value of the services for which the shares are issued and any profit or loss arising from their disposal and is recognised when the services have been performed. When shares are sold revenue is recognised on a trade date basis.

Structured Products

Income is received on the sale of a structured product but is recognised in Group revenues on a basis that matches the directors' best estimate of the costs incurred in creating, supporting and redeeming each product.

Wealth Management

Income generated from advising on wealth management products is recognised on receipt of the first payment by the product provider or when funds are transferred. Typically this is when the product goes on risk. Depending on the nature of the product wealth management income is recognised at this point either by way of an upfront commission or by way of an ongoing trail income which will continue throughout the life of the product.

Segmental reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns differing from those of other business segments. The business segments of the group have been determined based on the differing services offered by the segments. Further details relating to the business segments of the Group can be seen in note 4.

Trading profit

Trading profit is stated before amortisation of intangible assets and impairment of goodwill. It includes finance income, finance expense and other gains and losses as these are deemed to reflect the trading activity of the Group. Other gains and losses represents fair value adjustments to the Group's financial assets.

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight line basis.

Taxation

The taxation charge is based on the profit for the period and takes into account deferred taxation because of timing differences between the treatment of certain items for taxation and accounting purposes. Except where it is otherwise required by accounting standards, full provision is made for temporary timing differences which have arisen but not yet reversed at the balance sheet date. The Group's liability for current tax is calculated using tax rates that have been enacted

or substantively enacted at the balance sheet date and is based on subsidiary financial statements which are prepared under UK GAAP.

Goodwill

Goodwill on acquisition is initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the separately identifiable assets, liabilities and contingent liabilities of a subsidiary at the date of acquisition. In accordance with IFRS 3 Business Combinations, goodwill is not amortised but reviewed annually for impairment and as such, is stated at cost less any provision for impairment of value. Any impairment is recognised immediately in the income statement and is not subsequently reversed. On acquisition, any goodwill acquired is allocated to cash generating units for the purposes of impairment testing. Where goodwill forms part of a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation.

Intangible assets – Client relationships

Acquired client relationships are initially recognised at fair value. Client relationships have a finite useful life. Amortisation is calculated using the straight line method to allocate the carrying value of customer relationships over their estimated useful life (5-10 years).

Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and that the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost or revalued amounts of tangible fixed assets to their residual values over their useful economic lives, as follows:

- Leasehold Improvements – over 3 years
- Office equipment – over 3 years

The residual values and useful economic lives of the assets are reviewed, and adjusted if appropriate, at each balance sheet date. The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable value.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount, and are recognised within other gains or losses in the income statement.

Share based payments

The Company awards share options to certain directors and employees to acquire shares of the Company. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the directors and employees become unconditionally entitled to the options. The fair value of such options has been calculated using a Black-Scholes model, based upon publicly available market data, and is charged to the income statement over the vesting period taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest only where vesting is dependent upon the satisfaction of service and non-market vesting conditions or where the vesting periods themselves are amended by the introduction of new schemes and the absorption of earlier schemes by agreement between the Company and the relevant directors and employees. Where options or warrants granted are cancelled, all future charges arising in respect of the grant are charged to the income statement on the date of cancellation.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that a trade receivable is impaired.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Pensions

The pension costs charged in the financial statements represent the defined contributions payable by the Group during the period.

Fund launch expenses

Expenses incurred by Arc Fund Management Ltd. in launching a new fund are carried forward for recovery from the fund up to the limits agreed in the fund issue documents. Any irrecoverable expenses are written off over the period of the fund's initial launch so as to match the initial fee income received by the company.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of Value Added Tax, from the proceeds.

3. ACCOUNTING ESTIMATES AND JUDGEMENTS

The management of the Group used its judgement and knowledge of the business to determine the fair value of:

Useful lives of intangible assets, and property and equipment

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 11). The Group's management has used its judgement and knowledge of the business in determining the apportionment between goodwill and an appropriate fair value for intangible assets acquired in relation to its acquisitions of new businesses and in estimating an appropriate useful life for the intangible assets.

Share based payments

In order to calculate the charge for share-based payments as required by IFRS2, the Company makes estimates principally relating to assumptions used in its option-pricing model as set out in note 20.

Fair value of financial assets held at fair value through profit and loss account

The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at each balance sheet date. The Group has used recent arms length transactions for various financial assets held at fair value that are not traded in active markets. For listed entities market prices have been used.

4. REVENUE AND SEGMENTAL ANALYSIS

The Group's segmental analysis is based on the different services offered by the Group's subsidiaries. The Corporate Finance and Advisory segment relates to the Company and its existing subsidiaries at the relevant time, structured products relates to Arc Capital & Income plc and Wealth Management relates to Throgmorton Asset Management Limited. During 2006 there was only one was segment, Corporate Finance and Advisory.

By Segment	Corporate Finance & Advisory £	Structured Products £	Wealth Management £	Unallocated/ Corporate £	Total £
Revenue	3,000,724	1,108,819	548,209	-	4,657,752
Profit/(loss) before tax	692,234	239,256	(842,772)	(402,794)	(314,076)
Depreciation, amortisation and impairment of assets	15,910	173,900	972,213	-	1,162,023
Total assets	2,681,924	1,837,138	3,004,360	2,478,467	10,001,889
Total liabilities	958,820	792,560	888,910	56,647	2,696,937
Property plant and equipment expenditure	36,973	4,139	441		41,553
Average number of persons employed	17	6	14		37

The Group operates in only one geographic area which is the United Kingdom. All revenue arose from the provision of services during the period. Of the total Corporate Finance and Advisory fees, £1,498,556 was received by way of shares instead of cash.

5. TRADING PROFIT

	2007 £	2006 £
Trading profit is stated after charging:		
Depreciation of owned fixed assets	20,177	6,829
Loss on disposal of fixed assets	-	242
Auditors' remuneration – as auditor	62,500	21,500
– for other services relating to tax	1,000	4,000
– for other services	6,920	17,000
Operating lease rentals – land and buildings	55,776	50,747
Operating lease rentals - other	3,447	-
Trading profit is stated after crediting:		
Gains on change to fair value of financial assets	406,249	218,220

In addition to the auditors' remuneration for 2006 is an amount of £47,000 (including VAT) paid to the auditors in relation to the firm's flotation on AIM which was charged to the share premium account in the prior 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 period was £1,201,891 (2006: £43,386).

6. PARTICULARS OF EMPLOYEES

Number of employees

The average number of people (including directors) employed by the Group during the financial year was:

	2007	2006
Administrative	33	7
Managerial	4	4
	<u>37</u>	<u>11</u>

The aggregate payroll costs of staff (including directors) were:

	2007	2006
Employment costs	£	£
Wages and salaries	1,360,992	1,067,331
Social security costs	144,671	42,238
Compensation for loss of office	84,000	-
Share based payments	72,118	7,545
Defined contribution pensions	20,106	1,335
	<u>1,681,887</u>	<u>1,118,449</u>

7. DIRECTORS' EMOLUMENTS

The aggregate payroll costs of the directors were:

	2007	2006
Employment costs	£	£
Salaries and short-term employment benefits (including social security costs)	446,714	529,197
Compensation for loss of office	84,000	-
Share based payments	63,095	7,200
Defined contribution pensions	3,750	-
	<u>597,559</u>	<u>536,397</u>

Emoluments disclosed above include the following amounts paid to the highest paid director: emoluments for qualifying services £138,000 (2006: £116,400); amounts paid by way of shares received by a company controlled by the director £nil (2006: £251,297). In the opinion of the directors there were no other key management personnel apart from the directors of the Company.

8. INTEREST

INTEREST RECEIVABLE

	2007	2006
	£	£
Interest receivable	443,429	7,961

INTEREST PAYABLE

	2007	2006
	£	£
Interest payable on bank borrowings	2,019	622
Other interest charges payable	-	12,424
	<u>2,019</u>	<u>13,046</u>

9. TAXATION ON ORDINARY ACTIVITIES

	2007 £	2006 £
Tax expense comprises		
Current tax expenses	89,532	179,282
Deferred tax	134,932	65,466
	<u>224,464</u>	<u>244,748</u>

10. PROPERTY PLANT & EQUIPMENT

	Leasehold Improvements £	Plant and Equipment £	Total £
Cost or valuation			
At 1 January 2006	6,520	11,338	17,858
Additions	-	19,396	19,396
At 31 December 2006	6,520	30,734	37,254
Acquisitions through business combinations	11,386	48,389	59,775
Additions	2,700	38,853	41,553
At 31 December 2007	<u>20,606</u>	<u>117,976</u>	<u>138,582</u>
Depreciation and impairment			
At 1 January 2006	4,348	7,583	11,931
Charge for the period	2,172	4,657	6,829
At 31 December 2006	6,520	12,240	18,760
Arising on acquisition	1,544	21,797	23,341
Charge for the period	1,008	19,169	20,177
At 31 December 2007	<u>9,072</u>	<u>53,206</u>	<u>62,278</u>
Net book value			
At 31 December 2007	11,534	64,770	76,304
At 31 December 2006	<u>-</u>	<u>18,494</u>	<u>18,494</u>

11. GOODWILL

	Total £
Cost	
At 1 January 2007	-
Additions	876,803
At 31 December 2007	<u>876,803</u>
Impairment	
At 1 January 2007	-
Provision for impairment	876,803
At 31 December 2007	<u>876,803</u>
Carrying value	
At 1 January 2007	-
At 31 December 2007	<u>-</u>

The Goodwill arose in respect of the acquisition of Throgmorton Asset Management Limited during the period. An impairment review has been undertaken using existing Group cashflow forecasts over a 5 year period discounted at a rate of 9.72% and assuming growth of 8% for the first 4 years and 3% thereafter. Cashflows after this period were estimated using a constant growth rate to perpetuity. The discount rate was estimated using pre-tax rates that reflect current market assessments of the time value of money and the specific risks of the Group. As a result of this exercise an impairment of the goodwill has been recognised.

12. INTANGIBLE ASSETS

	Client Relationships £
Cost or valuation	
At 1 January 2007	-
Acquisitions through business combinations	3,812,478
At 31 December 2007	<u>3,812,478</u>
Impairment	
At 1 January 2007	-
Charge for the period	265,043
At 31 December 2007	<u>265,043</u>
Net book value	
At 31 December 2007	3,547,435
At 1 January 2007	<u>-</u>

The carrying amount of intangible assets in relation to client relationships is split between the customer relationships of Throgmorton Asset Management Limited of £2,685,185 and those of Arc Capital & Income plc of £862,250.

The following useful lives are used in the calculation of the amortisation of client relationships acquired during the period

Throgmorton Asset Management Limited client relationships – 10 years

Arc Capital & Income plc client relationships – 5 years

13. TRADE AND OTHER RECEIVABLES

Group

	2007	2006
	£	£
Trade receivables	184,770	-
Other receivables	518,177	923,407
Prepayments and accrued income	293,445	220,353
	<u>996,392</u>	<u>1,143,760</u>

14. OTHER FINANCIAL ASSETS

Financial assets are classified as held at fair value through the profit and loss account either on acquisition or at the date of transition to IFRS.

	2007	2006
	£	£
At 1 January	746,703	301,207
Additions	557,068	333,411
Disposals	(152,683)	(106,135)
Acquired with subsidiary	115,074	-
Movements in fair value recognised in profit and loss	406,249	218,220
Total	<u>1,672,411</u>	<u>746,703</u>

The breakdown of the financial assets was as follows:

	2007	2006
	£	£
Listed	175,969	370,097
Unlisted	1,496,442	376,606
Total	<u>1,672,411</u>	<u>746,703</u>

It is impracticable to predict what proportion of the financial assets is to be sold during the coming year.

Cash and cash equivalents

Cash and cash equivalents comprise cash held by the Group and short-term bank deposits with an original Maturity of three months or less. The carrying amount of these assets approximates their fair value.

	2007	2006
	£	£
Cash and cash equivalents	3,709,347	864,476
Total	<u>3,709,347</u>	<u>864,476</u>

15. TRADE AND OTHER PAYABLES

Amounts falling due within one year

	2007	2006
	£	£
Trade payables	497,950	-
Other payables	388,266	32,381
Accruals	305,911	1,007,432
Deferred income	586,221	-
	<u>1,778,348</u>	<u>1,039,813</u>

16. SHARE CAPITAL

	2007		2006	
	No.	£	No.	£
Authorised Ordinary shares	600,000,000	3,000,000	600,000,000	3,000,000
Allotted, called up and fully paid Ordinary shares of £0.005 each	123,636,304	618,181	61,454,486	307,272
	No.	£	No.	£
At 1 January	61,454,486	307,272	26,355,700	263,557
Issued during the year	62,181,818	310,909	35,098,786	43,715
At 31 December	<u>123,636,304</u>	<u>618,181</u>	<u>61,454,486</u>	<u>307,272</u>

All fully paid shares carry one vote per share and carry a right to dividends.

17. RESERVES

	Share premium account	Other reserve	Profit and loss account
	2007	2007	2007
	£	£	£
Brought forward	265,149	7,545	905,871
Loss for the period	-	-	(538,540)
Charge for the year	-	72,118	-
New equity share capital subscribed	6,214,091	-	-
Costs of new share issued	(239,463)	-	-
Balance carried forward	<u>6,239,777</u>	<u>79,663</u>	<u>367,331</u>

18. RECONCILIATION OF (LOSS)/PROFIT ON ORDINARY ACTIVITIES TO CASH GENERATED FROM OPERATIONS

	2007	2006
	£	£
(Loss)/profit before tax	(314,076)	729,903
Interest paid	2,019	13,046
Interest received	(443,429)	(7,961)
Provision for impairment	876,803	-
Depreciation & amortisation	285,220	6,829
Equity settled share based transactions	72,118	7,545
Fair value adjustments on financial assets	(406,249)	(218,220)
Decrease/(increase) in receivables	249,147	(219,321)
(Increase)/decrease in financial assets	(404,385)	(227,276)
(Decrease)/increase in payables within one year	(599,109)	706,337
Tax paid	(199,001)	(216,539)
Cashflow (used in)/generated by operating activities	<u>(880,942)</u>	<u>574,343</u>

19. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share at 31 December 2007 was based on the loss after tax attributable to ordinary shareholders of £538,540 (2006: profit of £485,155) and a weighted average number of ordinary shares outstanding of 80,322,543 (2006: 57,038,075).

Diluted earnings per share

The calculation of diluted earnings per share at 31 December 2007 was based on the loss after tax attributable to ordinary shareholders of £538,540 (2006: profit of £485,155) and a weighted average number of ordinary shares outstanding after adjustment for the effects of options granted, calculated as follows:

Weighted average number of ordinary shares

	2007	2006
Basic weighted average shares	80,322,543	57,038,075
Effect of options granted	1,803,035	894,710
Weighted average shares at 31 December	<u>82,125,578</u>	<u>57,932,785</u>

20. SHARE OPTIONS

The Company has granted share options to certain employees (including directors) under the terms of the EMI Scheme and the Unapproved Scheme as follows:

	No. issued	Vesting period	Expiry date	Exercise Price	Volatility	Risk free rate	Fair value
Issued 4 July 2006	1,166,667	1-3 years	July 2016	0.5p	22%	5.03%	3.6p
Issued 4 July 2006	1,850,000	1-3 years	July 2016	6.5p	22%	5.03%	0.6p
Issued 17 April 2007	710,526	None	April 2017	12p	11%	5.75%	2.2p
Issued 4 October 2007	8,700,000	3 months	October 2017	14p	10.5%	5.75%	0.7p

No options have yet been exercised. In addition performance conditions in respect of the performance of the Company's EPS against the Consumer Price Index (CPI) over the period are required for a number of the options to vest. An expense is recognised in relation to these options over the vesting period at the fair value of the equity instrument granted. The fair value of equity-settled share options granted is estimated as at the date of grant using a Black-Scholes valuation model, taking into account the terms and conditions upon which the options were granted.

Details of the number of share options and the weighted average exercise price (WAEP) outstanding during the year are as follows:

	No.	2007 WAEP (£)	No.	2006 WAEP (£)
Outstanding at the beginning of the year	3,016,667	0.05	-	-
Granted during the year	9,410,526	0.14	3,100,000	0.05
Forfeited during the period	(2,750,000)	0.12	(83,333)	-
Outstanding at the end of the year	<u>9,677,193</u>	0.12	<u>3,016,667</u>	0.05

The number of options outstanding at the end of the year and their remaining contractual life were as follows:

Options types	2007		2006	
	No. of outstanding options	Remaining contractual life	No. of outstanding options	Remaining contractual life
0.5p	1,166,667	9 years	1,166,667	10 years
6.5p	1,100,000	9 years	1,850,000	10 years
19p	710,526	9 years	-	-
14p	6,700,000	10 years	-	-
	<u>9,677,193</u>		<u>3,016,667</u>	

The Company recognised total expenses of £72,118 (2006:£7,545) related to equity-settled share-based payment transactions during the year.

PART IV
ADDITIONAL INFORMATION

1 Information on Mayfair

- 1.1 Mayfair is a private holding company. The sole ultimate beneficial owner and sole director of Mayfair is Lord Ashcroft KCMG. Mayfair was incorporated in Belize on 27 October 1997, its registered office is 60 Market Square, Belize City, Belize and it is not required to publish financial accounts. Mayfair was approved as a controller of the Company by the Financial Services Authority with effect from 30 November 2007 and the proposed increase in Mayfair's holding of Ordinary Shares as a consequence of the Subscription, if completion of the Subscription occurs, was approved by the Financial Services Authority on 2 February 2009.
- 1.2 Lord Ashcroft KCMG is the sole ultimate beneficial owner of Mayfair. He has been executive chairman since 1987 of BB Holdings Limited (formerly Carlisle Holdings Limited), an international business company registered in Belize, and was formerly chairman and chief executive officer of ADT Limited (1977 to 1997). He is the Chairman of Trustees for a number of charities: Michael A Ashcroft Foundation, Crimestoppers and Prospect Education (Technology) Trust. He is currently Treasurer of the International Democrat Union. He was Belize's Permanent Representative to the United Nations until April 2000. He was formerly Treasurer of the Conservative and Unionist Party in the United Kingdom from 1998 to 2001 and has, since December 2005, been a Deputy Chairman of the Conservative Party. In March 2000 he was appointed as a life peer in the House of Lords and in June 2000 he was awarded a Knighthood (KCMG – Knight Commander of the Order of St. Michael and St. George) for public service to the community and country of Belize. In November 2001, he was invested as Chancellor of Anglia Ruskin University in the United Kingdom. Lord Ashcroft is a British and Belize citizen and a Belonger of the Turks and Caicos Islands.
- 1.3 Lord Ashcroft's current and past directorships held in the past 5 years comprise:

<i>Current</i>	<i>Past</i>
BB Holdings Limited	Belize Telecommunications Limited
Crimestoppers Trust	Bombshell Limited
Mayfair Limited	Carlisle Services Limited
Prospect Education (Technology) Trust Limited	Onesource Services Inc
	Seashell II Limited
	Seashell Group Limited

- 1.4 No agreements, arrangements or understandings (including any compensation arrangements) exist between Mayfair or any person acting in concert with it and any of the directors, shareholders, recent directors or recent shareholders of the Company or any persons interested or recently interested in shares of the Company having any connection with or dependence upon the Subscription being completed.
- 1.5 It is the intention of Mayfair to support the Directors in their future strategic plans for the future of the Company's business, as outlined in the section entitled "Background to and reasons for the Subscription" on page 5 of this document. Mayfair has no present intention to make any changes to the Company's strategic plans, including amendments to the existing employment of the Company's employees, location of the Company's places of business or deployment of the Company's assets.
- 1.6 Mayfair is subscribing for the Subscription Shares from existing cash resources. Mayfair does not have any financing arrangements in place where repayment, payment of interest on, or security for any liability is dependent on the business of the Company.

2 Shareholdings, Dealings and Irrevocable Undertakings

2.1 Definitions

For the purposes of this paragraph 2, references to:

- (a) **"acting in concert"** has the meaning attributed to it in the City Code;
- (b) an **"associate"** of a company are to:
- (i) each of its subsidiary companies, parent companies and any other subsidiary companies of such parent companies (all such companies being, together and for the purposes of this paragraph 2 of Part IV of this Circular, **"group companies"**), its associated companies, any associated companies of its group companies and any companies of which that company, its group companies or any of their associated companies are associated companies (and, for this purpose, ownership or control of 20 per cent. of

- more of the equity share capital of a company is the test of “**associated company**” status) (all of the companies referred to in this paragraph 2.1(b)(i) being, together, “**paragraph (i) associates**”);
- (ii) any connected adviser of that company or of any company which is a paragraph (i) associate of that company or of any person acting in concert with that company;
 - (iii) any person controlling, controlled by or under the same control as any connected adviser falling within paragraph 2.1(b)(ii) above (except for an exempt principal trader or exempt fund manager);
 - (iv) the directors of that company and any person in whose interests in shares any such director is taken to be interested pursuant to Part 22 of the Companies Act 2006 and related regulations;
 - (v) any pension fund of that company or of any company which is a paragraph (i) associate of that company; and
 - (vi) any employee benefit trust of that company or of any company which is a paragraph (i) associate of that company;
- (c) “**connected adviser**” has the meaning attributed to it in the City Code;
- (d) “**control**” means a holding, or aggregate holdings, of shares carrying 30% or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether the holding gives, or aggregate holdings give, de facto control;
- (e) “**dealing**” or “**dealt**” includes:
- (i) acquiring or disposing of relevant securities, of the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities, or of general control of relevant securities;
 - (ii) taking, granting, acquiring, disposing of, entering into, closing out, terminating, exercising or varying an option in respect of any relevant securities;
 - (iii) subscribing or agreeing to subscribe for relevant securities;
 - (iv) exercising or converting any relevant securities carrying conversion or subscription rights;
 - (v) acquiring, disposing of, entering into, closing out, exercise of any rights under, or varying, a derivative referenced, directly or indirectly, to relevant securities;
 - (vi) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities; and
 - (vii) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;
- (f) “**derivative**” includes any financial product whose value, in whole or in part, is determined directly or indirectly by reference to the price of an underlying security;
- (g) “**disclosure period**” means the period commencing on 9 February 2008 (being the date 12 months prior to the posting of this document) and ending on 6 February 2009 (being the latest practicable date prior to the posting of this document);
- (h) “**exempt principal trader**” or “**exempt fund manager**” have the meanings respectively attributed to them in the City Code;
- (i) being “**interested**” in relevant securities includes where a person:
- (i) owns relevant securities;
 - (ii) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities or has general control of them;
 - (iii) by virtue of any agreement to purchase, option or derivative, has the right or option to acquire relevant securities or call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise;
 - (iv) is a party to any derivative whose value is determined by reference to the price of relevant securities and which results, or may result, in his having a long position in the relevant securities; or
 - (v) has long economic exposure, whether absolute or conditional, to changes in the price of those relevant securities;

- (j) a “**pension fund**” do not include any such pension funds which are managed under an agreement or arrangement with an independent third party in the terms set out in Note 7 to the definition in the City Code of “acting in concert”;
- (k) “**relevant securities**” means, in relation to any company, any:
- (i) shares in that company and any other securities in that company carrying voting rights;
 - (ii) equity share capital of that company; and
 - (iii) securities of that company carrying conversion or subscription rights into any securities of the type listed in paragraph 2.1(k)(i) and (ii) above;
- (l) “**short position**” means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery; and
- (m) a disclosure made in respect of a director of a company includes details of all interests, short positions and borrowings of any other person whose interest in shares such director is taken to be interested in pursuant to Part 22 of the Companies Act 2006 and related regulations.

2.2 *Interests in relevant securities of CAM*

- (a) The interests of the Directors (and any person in whose interests in shares any such director is taken to be interested pursuant to Part 22 of the Companies Act 2006 and related regulations) in relevant securities of CAM, other than options which are disclosed under paragraph 2.2(b) below, as at the last day of the disclosure period were as follows:

<i>Name of Director/connected person</i>	<i>Number of Ordinary Shares</i>	<i>% of issued ordinary share capital of the Company</i>
Sir William Wells	954,701	0.55

- (b) The interests of the Directors in options over Ordinary Shares as at the last day of the disclosure period were as follows:

<i>Name of Director</i>	<i>Number of Ordinary Shares under option</i>	<i>Type of option</i>	<i>Date of grant</i>	<i>Exercise price</i>	<i>Exercise period</i>
Sir William Wells	250,000	Unapproved Share Options	4 July 2006	0.5p	July 2016
Sir William Wells	1,000,000	Unapproved Share Options	4 October 2007	14p	October 2017
Henry Bellingham	250,000	Unapproved Share Options	4 July 2006	0.5p	July 2016
Henry Bellingham	150,000	Unapproved Share Options	4 October 2007	14p	October 2017
Henry Bellingham	250,000	Unapproved Share Options	21 November 2008	9.6p	November 2018

- (c) As at the last day of the disclosure period, Mayfair held 51,761,603 Ordinary Shares representing 29.9% of the issued ordinary share capital of the Company as at that date. Details of the dates on which such Ordinary Shares were acquired by Mayfair are set out below.

<i>Date of acquisition of Ordinary Shares by Mayfair</i>	<i>Price per Ordinary Share at which Mayfair acquired Ordinary Shares</i>	<i>Number of Ordinary Shares acquired by Mayfair</i>
3 October 2008 (allotment of new Ordinary Shares)	2.7625p	24,470,933
21 May 2008 (purchase and transfer of new Ordinary Shares)	8p	1,040,670
29 November 2007 (allotment of <u>new Ordinary Shares</u>)	8p	<u>26,250,000</u>
Total	-	51,761,603

- (d) If completion of the Subscription takes place then, immediately following completion of the Subscription, Mayfair would hold 176,761,603 Ordinary Shares representing 59.3% of the then issued share capital of the Company (assuming that none of the Share Options which have been granted have been exercised and that none of the Loan Notes is converted into Ordinary Shares).
- (e) Pursuant to the engagement letter entered into between the Company and SP Angel Corporate Finance LLP (“**SP Angel**”) (further details of which are set out in paragraph 4.2(h) of this Part IV below), the Company and SP Angel have agreed that £25,000 of the fees which will become due and payable to SP Angel on completion of the Subscription will be applied in the subscription of and satisfied by the issue of Ordinary Shares at a subscription price of 1.4p per share.
- (f) Save as otherwise disclosed in this document, as at the last day of the disclosure period:
- (i) no associate of CAM had any interest in or right to subscribe for relevant securities of CAM or had any short position in relevant securities of CAM;
 - (ii) none of the Directors and any person in whose interests in shares any Director is taken to be interested pursuant to Part 22 of the Companies Act 2006 and related regulations had any interest in or rights to subscribe for relevant securities of CAM or had any short position in relevant securities of CAM;
 - (iii) Mayfair did not have any interest in, or right to subscribe for, relevant securities of CAM or had any short position in relevant securities of CAM;
 - (iv) none of the Mayfair Director and any person in whose interests in shares the Mayfair Director is taken to be interested pursuant to Part 22 of the Companies Act 2006 and related regulations had any interest in, or right to subscribe for, relevant securities of CAM or had any short position in relevant securities of CAM;
 - (v) no person acting in concert with Mayfair had any interest in, or right to subscribe for any relevant securities of CAM or had any short position in relevant securities of CAM;
 - (vi) Mayfair had not, nor had any person acting in concert with Mayfair, borrowed or lent any relevant securities of CAM (save for any borrowed shares which have either been on-lent or sold);
 - (vii) neither CAM nor any person acting in concert with it had borrowed or lent any relevant securities of CAM (save for any borrowed shares which have been either on-lent or sold).

2.3 *Dealings in relevant securities of CAM*

- (a) Save for the subscription for and allotment of Ordinary Shares to Mayfair on 3 October 2008 and the purchase by and transfer to Mayfair of Ordinary Shares on 21 May 2008 referred to in paragraph 2.2(c) of this Part IV above and otherwise as disclosed in this Circular, there have been no dealings in relevant securities of CAM during the disclosure period by any of (i) Mayfair, (ii) any director of Mayfair, (iii) any person in whose interests in shares any such director is taken to be interested pursuant to Part 22 of the Companies Act 2006 and related regulations and (iv) any person acting in concert with Mayfair.
- (b) Save for the grant of Share Options referred to in paragraph 2.2(b) of this Part IV above, the giving of any irrevocable undertaking as referred to in paragraph 2.7 below and otherwise as disclosed in this Circular, there have been no dealings in relevant securities of CAM during the disclosure period by any of the Directors.

- (c) Save as otherwise disclosed in this Circular, there have been no dealings in relevant securities of CAM during the disclosure period by any associate of CAM.

2.4 *Interests in relevant securities of Mayfair*

As at the last day of the disclosure period, none of the Company and any of the Directors had any interest in, or right to subscribe for, relevant securities of Mayfair or had any short position in relevant securities of Mayfair.

2.5 *Dealings in relevant securities of Mayfair*

During the disclosure period, there were no dealings in relevant securities of Mayfair by any of the Company or the Directors.

2.6 *General*

Save as disclosed in this document:

- (a) none of Mayfair, the Mayfair Director and (so far as the Mayfair Director is aware having made due and careful enquiry) any person acting in concert with Mayfair:
- (i) had an interest in, or a right to subscribe for, relevant securities of CAM as at the last day of the disclosure period;
 - (ii) engaged in any dealing in relevant securities of CAM during the disclosure period; or
 - (iii) had any short position in, was party to any agreement to sell, or subject to any delivery obligation in respect of, or had the right to require another person to purchase or take delivery of, relevant securities of CAM as at the last day of the disclosure period;
- (b) none of the Company and any of the Directors:
- (i) had an interest in, or a right to subscribe for, relevant securities of CAM or relevant securities of Mayfair as at the last day of the disclosure period;
 - (ii) engaged in any dealing in relevant securities of CAM or relevant securities of Mayfair during the disclosure period; or
 - (iii) had any short position in, was party to any agreement to sell, or subject to any delivery obligation in respect of, or had the right to require another person to purchase or take delivery of, relevant securities of CAM or relevant securities of Mayfair as at the last day of the disclosure period;
- (c) so far as the Directors are aware (having made due and careful enquiry), no associate of CAM:
- (i) had an interest in or a right to subscribe for relevant securities of CAM as at the last day of the disclosure period;
 - (ii) engaged in any dealing in relevant securities of CAM during the disclosure period;
 - (iii) had any short position in, was party to any agreement to sell, or subject to any delivery obligation in respect of, or had the right to require another person to purchase or take delivery of, relevant securities of CAM as at the last day of the disclosure period;
- (d) there is no arrangement (including any indemnity or option arrangements and any agreement or understanding, formal or informal, of whatever nature) relating to relevant securities of CAM which may be an inducement to deal or refrain from dealing which exists between:
- (i) Mayfair or any person acting in concert with Mayfair and any other person; or
 - (ii) CAM, any associate of CAM (by virtue of paragraphs 2.1(b)(i) to (v) of the definition of associate) or any director of any paragraph (i) associate of CAM and any other person; and
- (e) there is no agreement, arrangement or understanding between Mayfair and any other person pursuant to which any Ordinary Shares which they will acquire pursuant to the Subscription will be transferred.

2.7 *Irrevocable Undertakings*

- (a) Irrevocable undertakings to exercise voting rights and to vote in favour of the Resolutions have been given by the Directors in respect of the following holdings of Ordinary Shares:

<i>Name of Director</i>	<i>Number of Ordinary Shares</i>
Sir William Wells	954,701

This undertaking represents 0.55% of the issued ordinary share capital of the Company as at the last day of the disclosure period. The undertaking remains binding until either the Subscription has become unconditional and

completed or the Resolutions have failed to be passed at the General Meeting or the Subscription otherwise does not become unconditional. Whilst the undertaking is binding, the person giving the undertaking has agreed not to take any action which may prevent, frustrate or be prejudicial to the passing of the Resolutions and the Subscription.

- (b) Further, Irrevocable undertakings to exercise voting rights and to vote in favour of the Resolutions have been given as follows:

<i>Name</i>	<i>Number of Ordinary Shares</i>
City of London Group plc	15,875,000
Christopher Rowe	13,048,276
Francis McWilliams	4,721,808
Leigh Hornby	4,286,547
Gary Richardson	4,286,547
Jason Cross	3,026,400
John Gracey	2,615,570
Christopher Bayfield	1,075,200
Amanda Cross	465,600
Total	49,400,948

These undertakings represent 28.54% of the issued ordinary share capital as at the last day of the disclosure period. The undertakings remain binding until either the Subscription has become unconditional and completed or the Resolutions have failed to be passed at the General Meeting or the Subscription otherwise does not become unconditional. Whilst the undertakings are binding, the person giving the undertaking has agreed not to take any action which may prevent, frustrate or be prejudicial to the passing of the Resolutions and the Subscription.

- (c) In total, irrevocable undertakings to exercise voting rights and to vote in favour of the Resolutions which have been given to the Company represent 29.09% of the issued ordinary share capital as at the last day of the disclosure period.

3. Middle-market quotations for Ordinary Shares

The following table lists the closing middle market quotations for the Ordinary Shares (as derived from the Daily Official List of the London Stock Exchange) for the first business day of each of the six months immediately before the date of this document and on the latest practicable date prior to the publication of this document:

<i>Date</i>	<i>Market value (p)</i>
1 August 2008	3.75
1 September 2008	4.25
1 October 2008	3.25
3 November 2008	4.0
1 December 2008	2.0
2 January 2009	1.75
6 February 2009	1.5

4. Further information on the Company

4.1 Directors letters of engagement and service contracts

- (a) The Company entered into a service agreement with Simon Banks-Cooper on 28 October 2008 pursuant to which Mr Banks-Cooper agreed to act as Chief Executive Officer of the Company with effect from 9 September 2008 on the terms set out in the agreement. Under the agreement, Mr Banks-Cooper is entitled to a salary of £150,000 per year. In addition he is entitled to participate in such bonus or incentive schemes as may be provided by the Company from time to time. Mr Banks-Cooper's salary is subject to an annual review with provision for a discretionary increase in his salary. The Company will reimburse Mr Banks-Cooper's reasonable cost of accommodation whilst working at the Company's London office and will reimburse all his reasonable travelling expenses. The Company will pay contributions into a personal pension plan nominated by Mr Banks-Cooper at a rate of 10% of his annual basic salary. The Company has agreed a variation to Mr. Banks-Cooper's service agreement to extend the period of notice required to be given by either party to terminate the agreement from a period of not less than 3 months' to a period of not less than 6 months' prior written notice.
- (b) By a letter of appointment dated 4 July 2006, Henry Bellingham was appointed as a non-executive director of the Company for an initial term of 12 months, which continues thereafter until terminated by either party giving the other party not less than three months' written notice. Mr Bellingham is currently entitled to receive a fee of £25,000 per year for his services as a non-executive director, in addition to the reimbursement of his reasonable expenses.
- (c) By a letter of appointment dated 4 July 2006, Sir William Wells was appointed as a non-executive director of the Company for an initial term of 12 months, which continues thereafter until terminated by either party giving the other party not less than three months' written notice. Sir William Wells is currently entitled to receive a fee of £40,000 per year for his services as a non-executive director, in addition to the reimbursement of his reasonable expenses.
- (d) Andrew Wilson was appointed as a director of the Company on 28 April 2008. A letter of appointment was entered into on 9 February 2009 which sets out the terms on which Andrew Wilson was appointed as a non-executive director of the Company with effect from 28 April 2008. Andrew Wilson's term of appointment is for an initial period of 3 years from 28 April 2008 and will continue thereafter until terminated by either party giving the other not less than three months' prior written notice. Andrew Wilson is currently entitled to receive a fee of £25,000 per year for his services as a non-executive director, in addition to the reimbursement of his reasonable expenses.

Andrew Wilson was appointed as a director of the Company following the investment by Mayfair in the Company. He also acts as an adviser to Lord Ashcroft's investment companies in respect of their interests in public and private companies.

4.2 Material contracts

The following contracts (being contracts otherwise than in the ordinary course of business) have been entered into by the Company within the two years immediately preceding the date of this document and are or may be material:

- (a) On 9 February 2009, the Company entered into a subscription agreement with Mayfair for the subscription by Mayfair of Ordinary Shares at a price of 1.4p per share and an aggregate subscription price of £1,750,000. Completion of the subscription is conditional on the passing of the Resolutions and the admission of the Subscription Shares to trading on AIM. Mayfair has undertaken (subject to limited exceptions) not to dispose of the Subscription Shares for a period of 12 months from the date of the Subscription (the "**Lock-in Period**") and has agreed to certain other restrictions for a period of 12 months following the end of the Lock-in Period to help ensure that an orderly market for the Company's shares is maintained.
- (b) On 19 January 2009, the Company entered into a short-term loan agreement (the "**Loan Agreement**") with Mayfair pursuant to which Mayfair made available a loan facility of up to £250,000 to the Company to be used for general working capital purposes, the full amount of which has been drawdown by the Company. The amount drawdown under the Loan Agreement is repayable on the earlier of (i) one year from the date of the Loan Agreement, (ii) the agreement and completion of arrangements for the provision by Mayfair and/or persons connected with Mayfair of equity funding to the Company and (iii) the Company arranging and putting in place third party funding of an amount of £850,000 or more. Interest at the rate of 3.5 per cent. per annum will be charged on the amount drawdown under the Loan Agreement.
- (c) On 22 January 2009, the Company entered into an investment agreement (the "**Investment Agreement**") with City and David Walton Masters pursuant to which City and David Walton Masters subscribed for Loan Notes. Pursuant to the Investment Agreement, City is entitled to appoint one person to the board of the

Company as a non-executive director, at any time from the date of the Investment Agreement and ending on the later of the date which is 15 months after the date of the Investment Agreement and the date on which City ceases to hold at least 5 per cent. of the issued ordinary share capital of the Company from time to time. The Loan Notes were constituted, and the terms of the Loan Notes are governed, by a loan note instrument executed by the Company. Interest will accrue on the Loan Notes at the rate of 3.5% per annum until redemption or conversion. The Company may redeem the Loan Notes at any time between 6 months from the date of issue of the Loan Notes and 21 January 2014 at an amount equal to the nominal value of the Loan Note plus interest accrued up to the date of redemption. The Loan Note holder may convert the Loan Note into fully paid Ordinary Shares at any time until 21 January 2014. On conversion of any Loan Notes, the interest accrued on the Loan Notes to that date will be added to the principal amount of the Loan Notes and the aggregate amount will be converted into Ordinary Shares. The maximum number of Ordinary Shares which may be issued on conversion of the Loan Note is, therefore, 17,815,295 (calculated on the basis that the Loan Notes are not converted until five years from the date of the issue of the Loan Notes and the maximum amount of interest accruing on the Loan Notes is converted into Ordinary Shares). It is a term of issue of the Loan Notes that (subject to limited exceptions) the holder of Loan Notes is not permitted to dispose of shares issued to it on conversion of the Loan Notes for a period of 12 months from the date of issue and that, during the period commencing 12 months after the date of issue and ending 24 months after the date of issue, certain other restrictions on the disposal of such shares will apply to help ensure that an orderly market for the Company's shares is maintained.

- (d) On 2 October 2008, the Company entered into an agreement with Mayfair relating to the subscription by Mayfair for 24,470,933 new Ordinary Shares at a subscription price of 2.7625 per share and for an aggregate subscription price of £676,009.25. Mayfair undertook (subject to limited exceptions) not to dispose of the shares subscribed and allotted to it for a period of 12 months from the date of the subscription and further agreed, during the period commencing 12 months after the date of subscription and ending 24 months after the date of subscription, to certain other restrictions on the disposal of such shares to help ensure that an orderly market for the Company's shares is maintained.
- (e) On 29 November 2007, by way of a private placement, Mayfair subscribed for 26,250,000 new Ordinary Shares at a subscription price of 8p per share and for an aggregate subscription price of £2,100,000. Certain warranties were given to Mayfair by the Company and the directors of the Company at the time of the placement which expired on the date which was 6 months after the date of publication of the audited consolidated accounts of the Company for the year ended 31 December 2007.
- (f) On 20 April 2007, by way of a private placement, Fiske Nominees Limited subscribed for 18,000,000 new Ordinary Shares at a subscription price of 12p per share and an aggregate subscription price of £2,160,000 before expenses.
- (g) Strand was appointed as nominated adviser to the Company for the purposes of the AIM Rules on 12 September 2008. Pursuant to the terms on which Strand has been appointed, the Company has agreed to pay a retainer fee of £30,000 per annum to Strand to be reviewed annually. In addition, the Company will pay to Strand any properly incurred out-of-pocket expenses. The agreement is terminable by either party giving 30 days written notice.
- (h) On 5 February 2009, the Company entered into an agreement with SP Angel pursuant to which SP Angel agreed to provide financial advice to the Company in connection with the Subscription and other matters. The remuneration payable to SP Angel is an initial fee of £20,000 plus an additional fee of £45,000 which is contingent on completion of the Subscription taking place and £25,000 of which additional amount will be applied by SP Angel in the subscription for and be satisfied by the issue of new Ordinary Shares at a subscription price of 1.4p per Ordinary Share. The Company has also agreed to reimburse SP Angel's out-of-pocket expenses incurred in connection with the engagement.
- (i) On 15 January 2009 the Company entered into an agreement with CairnSea pursuant to which CairnSea agreed to act as independent adviser to the Company for the purposes of Rule 3 of the City Code in connection with the Subscription and the Waiver. The Company agreed to pay to CairnSea a fee of £10,000 plus out-of-pocket expenses.
- (j) An agreement (the "**IIA Acquisition Agreement**") dated 25 January 2008 made between (1) the Company, (2) Leigh Hornby and (3) Gary Richardson (Leigh Hornby and Gary Richardson being, together, the "**IIA Sellers**") pursuant to which the Company acquired the entire issued share capital of Independent Investment Associates Limited ("**IIA**"). The consideration was the aggregate of: (i) £1,100,000 cash consideration subject to a completion accounts adjustment; (ii) the issue of Ordinary Shares to the value of £1,000,000 based on the average closing market price of Ordinary Shares as quoted on AIM for the 25 business days preceding completion of the acquisition of IIA (the "**Consideration Shares**"); and (iii) deferred consideration payable in cash and contingent upon earnings for the year ended 31 December 2007 of an amount of up to £200,000, the full amount of which deferred consideration became payable and has now been paid. The IIA Acquisition Agreement contains warranties and indemnities expiring on 25 January 2105 in the case of tax warranties/indemnities and on 25 January 2010 in the case of all other warranties. The IIA Sellers' liability under the warranties is limited to £1,300,000 plus the value of the Consideration Shares at

the date of the claim, subject to a maximum aggregate liability of £2,300,000. The IIA Sellers undertook (subject to certain exceptions) not to dispose of any Consideration Shares held by them for a period of 2 years from completion of the acquisition and further agreed, during the period commencing 2 years after completion of the acquisition and ending 3 years after completion, to certain other restrictions on the disposal of such shares to help ensure that an orderly market for the Company's shares is maintained.

- (k) An agreement (the "**TFS Acquisition Agreement**") dated 14 May 2008 made between (1) the Company and (2) Francis McWilliams and others (the "**TFS Sellers**") pursuant to which the Company acquired the entire issued share capital of Throgmorton Financial Services Limited ("**TFS**"). The consideration was the aggregate of: (i) £800,000 cash consideration subject to a completion accounts adjustment (the "**TFS Cash Consideration**"); and (ii) the allotment and issue of Ordinary Shares to the value of £800,000 based on the average mid-market price of Ordinary Shares as quoted on AIM for the 22 days prior to completion of the acquisition of TFS (the "**TFS Consideration Shares**"). On completion, £400,000 of the TFS Cash Consideration was paid to the TFS Sellers and 40 per cent. of the TFS Consideration Shares were allotted and issued to the TFS Sellers. The balance of the TFS Consideration Shares (the "**TFS Escrow Shares**") were allotted and issued to an escrow nominee to hold the shares on trust in escrow. The payment of the balance of the TFS Cash Consideration was to be made and the TFS Escrow Shares were to be released in tranches depending on the satisfaction of certain performance conditions (the "**TFS Performance Conditions**") for each of the financial years ended or ending on 31 December 2007, 2008 and 2009. For the year ended 31 December 2007, the Company paid to the TFS Sellers a further £200,000 in respect of TFS Cash Consideration and transferred to the TFS Sellers one-third of the TFS Escrow Shares. Subject to the satisfaction of the TFS Performance Conditions for the year ended 31 December 2008, the Company is liable to pay to the TFS Sellers up to £200,000 in respect of the balance of the TFS Cash Consideration and transfer to the TFS Sellers up to a further one-third of the TFS Escrow Shares. Subject to the satisfaction of the TFS Performance Conditions for the year ending 31 December 2009, the Company is liable to transfer to the TFS Sellers Ordinary Shares up to a maximum of the remaining TFS Escrow Shares (being the final one-third of the TFS Escrow Shares). The Company has also agreed to allot and issue further shares in the Company if TFS exceeds the TFS Performance Conditions in each of the year ended 31 December 2008 and the year ending 31 December 2009 by allotting, in respect of each such year where the TFS Performance Conditions are exceeded, such number of shares of a value of up to £50,000. If any of the TFS Escrow Shares are not released to the TFS Sellers, those shares will be sold in the market and the proceeds of sale paid to the Company. The TFS Acquisition Agreement contained certain warranties and indemnities expiring on 14 May 2015 (in the case of tax warranties/indemnities) and on 30 September 2009 (in the case of all other warranties) and the TFS Sellers' liability under the warranties is limited to £800,000. The TFS Sellers undertook (subject to certain exceptions) not to dispose of any TFS Consideration Shares held by them for a period of 2 years from completion of the acquisition and further agreed, during the period commencing 2 years after completion of the acquisition and ending 3 years after completion, to certain other restrictions on the disposal of such shares to help ensure that an orderly market for the Company's shares is maintained.
- (l) An agreement (the "**TAM Acquisition Agreement**") dated 3 September 2007 made between (1) the Company and (2) Stephen Hadley and others (the "**TAM Vendors**") pursuant to which the Company acquired the entire issued share capital of Throgmorton Asset Management Limited ("**TAM**"). The consideration was the aggregate of: (i) £1,030,192 payable in cash to the holders of ordinary shares in TAM, subject to a completion accounts adjustment; (ii) a further cash payment of not more than £300,000 payable to the holders of ordinary shares in TAM on or before 21 December 2007, subject to the satisfaction of certain conditions, the full amount of which was paid; (iii) the allotment and issue of 9,000,000 Ordinary Shares (the "**TAM Consideration Shares**") and (iv) £169,808 payable in cash to the holders of participating shares in TAM. 3,000,000 of the TAM Consideration Shares were allotted and issued to those TAM Vendors selling ordinary shares in TAM with the balance of the TAM Consideration Shares, being 6,000,000 Ordinary Shares (the "**TAM Escrow Shares**"), being allotted and issued to an escrow nominee to hold the same on trust in escrow. Release of the TAM Escrow Shares was and is dependent on the satisfaction of certain performance conditions (the "**TAM Performance Conditions**") for each of the years ended 31 December 2007 and 2008. Subject to the satisfaction of the TAM Performance Conditions for the year ended 31 December 2007, the Company agreed that up to a maximum of one half of the TAM Escrow Shares would be released to the TAM Vendors. Subject to the satisfaction of the TAM Performance Conditions for the year ended 31 December 2008, the Company agreed that up to a maximum of the balance of the TAM Escrow Shares, being up to a further 3,000,000 Ordinary Shares, be released to the TAM Vendors. Any Ordinary Shares not released to the TAM Vendors will be sold in the market and the proceeds of sale paid to the Company. The TAM Acquisition Agreement contained certain warranties and indemnities expiring on 3 September 2014 (in the case of tax warranties/indemnities) and on 3 September 2009 (in the case of all other warranties) and the TAM Vendors' liability under the warranties is limited to: (a) £1,500,000; plus (b) the value at the date of the claim of the TAM Consideration Shares issued to the TAM Vendors (subject to a maximum value of £1,500,000). The TAM Vendors undertook (subject to certain exceptions) not to dispose of any

TAM Consideration Shares held by them for a period of 2 years from completion of the acquisition and further agreed, during the period commencing 2 years after completion of the acquisition and ending 3 years after completion, to certain other restrictions on the disposal of such shares to help ensure that an orderly market for the Company's shares is maintained.

- (m) An agreement (the "**AFM/AEL Disposal Agreement**") dated 2 October 2008 made between (1) the Company and (2) John Gracey (the "**AFM/AEL Buyer**"), the Company agreed to sell to the AFM/AEL Buyer the entire issued share capital of Arc Fund Management Limited ("**AFM**") and Arc Equities Limited ("**AEL**") for a consideration of £2.00 being apportioned as £1 for the shares in AFM and £1 for the Shares in AEL. No warranties or indemnities were given by the Company save as to legal and beneficial ownership of the shares in AFM and AEL. Pursuant to the AFM/AEL Disposal Agreement, AFM and the Company entered into a licence dated 2 October 2008 pursuant to which AFM granted a licence to the Company to occupy office space at 21-22 Lovat Lane, London. The Company ceased to occupy these premises on 19 December 2008. Further, the Company, AFM and AEL entered into a loan agreement on 2 October 2008 whereby the Company agreed to provide AFM and AEL with loan facilities of up to £450,000 in aggregate in order to assist the funding of AFM and AEL's working capital requirements. The full amount of the loan facilities was advanced to AFM/AEL by the Company. The Company and AFM and AEL agreed that, on completion of the AFM/AEL Disposal Agreement and the disposal of AFM and AEL, the amounts advanced under the loan facilities would not be repaid and all amounts then owing to the Company by AFM and AEL under such facilities were written off by the Company.
- (n) An agreement (the "**ACI Disposal Agreement**") dated 2 October 2008 made between (1) the Company, (2) Tradeking Limited and (3) John Gracey, the Company agreed to sell the entire issued share capital of Arc Capital and Income PLC ("**ACI**") to Tradeking Limited (the "**Buyer**") for the aggregate consideration of: (i) £150,000 payable in cash on completion; and (ii) deferred consideration payable in the event that profit before interest and taxation of ACI (within the meaning defined in the ACI Disposal Agreement) for the 2 years ending 31 December 2010 exceeds £1,000,000, in which event the Buyer shall pay to the Company an amount in cash equal to 30 per cent. of such profit. The amount of the deferred consideration that may be payable to the Company may not exceed £3,400,000. To the extent that any deferred consideration becomes payable, it must be paid to the Company by no later than 31 December 2011. All monies payable under the ACI Disposal Agreement are guaranteed by John Gracey until the ultimate balance of sums payable by the Buyer is discharged. No warranties or indemnities were given by the Company save as to legal and beneficial ownership of the ACI shares. In connection with the ACI Disposal Agreement, on 28 October 2008, Tradeking Limited and the Company also granted to the Company a charge over 353,000 ordinary A voting shares of £1.00 each in the share capital of ACI and 477,000 ordinary B non-voting shares of £1.00 each in the share capital of ACI as security for all present and future monies, obligations and liabilities owed by Tradeking Limited to the Company in connection with the ACI Disposal Agreement.
- (o) An agreement dated 2 October 2008 made between (1) AFM, (2) AEL, (3) ACI (together, the "**Arc Companies**") and the Company (the "**Intra Group Agreement**") pursuant to which the Company acquired certain assets from the Arc Companies, including certain employees, for the consideration of £1.00. Pursuant to the Intra Group Agreement, the Arc Companies also agreed to take steps to seek to procure the release of the Company from its obligations as guarantor under the leases referred to in paragraph 4.2(r) of this Part IV below. Pursuant to the Intra Group Agreement, the Arc Companies and the Company also entered into a facilities and services agreement dated 2 October 2008 pursuant to which the Arc Companies and the Company agreed to mutually assist each other with regard to (i) operational assistance with and use of certain shared information technology systems, (ii) compliance with financial services legislation and requirements of the Financial Service Authority which had previously been dealt with on a joint basis and (iii) any other mutual assistance as may be agreed in writing between the parties. The Company and the Arc Companies also agreed to respectively provide certain services to each other, including services relating to accounting, compliance, administration, information technology and file storage. This facilities and services agreement automatically terminates after a period of 6 months, unless the parties agree otherwise.
- (p) An agreement between the Company and John Gracey dated 2 October 2008 pursuant to which Mr Gracey agrees to make himself available to the Company to provide consultancy services to the Company in relation to the business of the Company. The agreement shall continue for a period of 6 months, after which it shall automatically terminate without notice unless otherwise agreed by the parties.
- (q) By an agreement dated 28 October 2008 made between the Company and the Arc Companies, each of the Company and the Arc Companies granted to each other a non-exclusive revocable gratuitous licence to use certain intellectual property rights in the United Kingdom for a term which shall terminate on 2 October 2009.

- (r) Leases dated 21 November 2006 made between (1) Mumco Limited and (2) AFM in relation to premises at Lovat Lane, London EC3R pursuant to which the Company agreed to act as guarantor in respect of the obligations by AFM to pay the rents reserved by the leases, to perform the tenant covenants of the leases and to observe and perform any obligations that AFM enters into in any authorised guarantee agreement made in respect of the leases. The yearly rent under each lease is £25,000 (therefore an aggregate yearly rent of £50,000) and each lease is for a term of 5 years.

5 **General**

- 5.1 CairnSea Investments Limited has given and not withdrawn its written consent to the issue of this document with the inclusion of its name and the references thereto in the form and context in which they appear.
- 5.2 Strand Partners Limited has given and not withdrawn its written consent to the issue of this document with the inclusion of its name and the references thereto in the form and context in which they appear.
- 5.3 SP Angel Corporate Finance LLP has given and not withdrawn its written consent to the issue of this document with the inclusion of its name and the references thereto in the form and context in which they appear.

6 **Documents for inspection**

Copies of the documents listed below will be available for inspection during normal business hours on any weekday (Saturday and public holidays excepted) for one month from the date of this document at the offices of Cobbetts LLP at 70 Gray's Inn Road, London WC1X 8BT:

- 6.1 the Circular;
- 6.2 memorandum and articles of association of the Company and of Mayfair;
- 6.3 audited consolidated accounts of the Company for the two financial periods ended 31 December 2006 and 31 December 2007;
- 6.4 the material contracts of the Company referred to in paragraph 4.2 of this Part IV;
- 6.5 the service contracts and letters of appointment of the Directors referred to in paragraph 4.1 of this Part IV;
- 6.6 the irrevocable undertakings referred to in paragraph 2.7 of this Part IV;
- 6.7 the letters from CairnSea Investments Limited, Strand Partners Limited and SP Angel Corporate Finance LLP referred to in paragraph 5 of this Part IV.

9 February 2009

CONSOLIDATED ASSET MANAGEMENT (HOLDINGS) PLC

(Registered in England and Wales with No. 5535356)

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Consolidated Asset Management (Holdings) Plc (the “Company”) will be held at the offices of Strand Partners Limited, 26 Mount Row, London W1K 3SQ for the purpose of considering and, if thought fit, passing the following resolutions of which resolutions 1 and 2 will be proposed as ordinary resolutions, resolution 3 will be proposed as a special resolution and resolution 4 will be proposed as an ordinary resolution and taken on a poll of independent shareholders.

ORDINARY RESOLUTION

Resolution 1 – Increase in the authorised share capital

THAT the authorised share capital of the Company be increased from £3,000,000 to £5,000,000 by the creation of 400,000,000 new ordinary shares of 0.5p each in the capital of the Company ranking pari passu in all respects with the existing ordinary shares of 0.5p each in the capital of the Company.

Resolution 2 – Grant of authority to the Directors to allot shares

THAT, subject to and conditionally upon the passing of resolutions 3 and 4 set out in the Notice convening this General Meeting (the “Notice”), for the purposes of section 80 of the Companies Act 1985 (and so that expressions used in this resolution shall bear the same meanings as in the said section 80), the directors of the Company (the “Directors”) be and are generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities:

- (a) of a nominal amount equal to £625,000 to Mayfair Limited on the terms described in the circular dated and sent to shareholders of the Company on the same date as the Notice and of which the Notice forms part; and
- (b) additionally, up to a maximum nominal amount of £3,250,000 to such persons and at such times and on such terms as they think proper during the period commencing on the date of this resolution and expiring at the end of the next Annual General Meeting of the Company to be held after the date on which this resolution is passed (unless previously revoked or varied by the Company in general meeting) and the Company be and is hereby authorised to make, prior to the expiry of such period, any offer or agreement which would or might require relevant securities to be allotted after the expiry of the said period and the Directors may allot relevant securities in pursuance of any such offer or agreement notwithstanding the expiry of the authority given by this resolution;

and so that all previous authorities of the Directors pursuant to the said section 80, to the extent unused, be and are hereby revoked.

SPECIAL RESOLUTION

Resolution 3 – Disapplication of statutory pre-emption rights

THAT, subject to and conditionally upon the passing of resolution 2 set out in the Notice convening this General Meeting (the “Notice”), the Directors be and are empowered in accordance with section 95 of the Companies Act 1985 (the “Act”) to sell treasury shares (as defined in section 162A of the Act) for cash and make other allotments of equity securities (and the expression “allotment of equity securities” and like expressions used in this resolution shall have the meaning given to them by virtue of section 94 of the Act) for cash pursuant to the authority conferred on them to allot relevant securities (as defined in section 80 of the Act) by that resolution, in each case, as if section 89(1) and sub-sections (1)-(6) of section 90 of the Act did not apply to any such sale or allotment, provided that the power conferred by this resolution shall be limited to:

- (a) the allotment of equity securities in connection with an issue or offering in favour of holders of equity securities and any other persons entitled to participate in such issue or offering (other than the company itself in respect of any shares held by it as treasury shares) where the equity securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as may be) to the respective number of equity securities held by or deemed to be held by them on the record date of such allotment, subject only to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws or requirements of any recognised regulatory body or stock exchange in any territory; and
- (b) the allotment of equity securities of a nominal amount equal to £625,000 to Mayfair Limited on the terms described in the circular dated and sent to shareholders of the Company on the same date as the Notice and of which the Notice forms part; and
- (c) the allotment of equity securities (otherwise than pursuant to paragraphs (a) and (b) of this resolution) up to an aggregate nominal value not exceeding £2,000,000;

and this power, unless renewed, shall expire at the end of the next Annual General Meeting of the Company to be held after the date on which this resolution is passed but shall extend to the making, before such expiry, of an offer or agreement which would or might require an allotment of equity securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

ORDINARY RESOLUTION ON A POLL

Resolution 4 – Approval of waiver of obligations under Rule 9 of the City Code on Takeovers and Mergers

THAT the waiver granted by the Panel on Takeovers and Mergers of the obligation that would otherwise arise on Mayfair Limited to make a general offer to shareholders of the Company pursuant to Rule 9 of the City Code on Takeovers and Mergers (the “City Code”) as a result of the issue of new shares in the Company to Mayfair Limited pursuant to the proposals described in the circular of the Company of which this Notice of General Meeting forms a part, is hereby approved.

Note: in order to comply with the City Code, Resolution 4 will be taken on a poll and Mayfair, which is disenfranchised from voting, has undertaken not to vote on this Resolution.

By order of the Board
Christopher Lawes
Company Secretary

Registered office:
58 Queen Anne Street
London
W1G 8HW

9 February 2009

NOTES

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A Proxy Form which may be used to make such appointment and give proxy instructions accompanies this notice.
2. To be valid, the Proxy Form must be received at the Company’s registered office at 58 Queen Anne Street, London W1G 8HW by no later than 9.00am on 23 February 2009.
3. The return of a completed Proxy Form will not prevent a shareholder attending the General Meeting and voting in person if he/she wishes to do so.
4. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only shareholders registered in the register of members of the Company as at 9.00am on 23 February 2009 shall be entitled to attend and vote at the General Meeting in respect of the number of shares registered in their name at such time. If the General Meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned meeting is 6.00pm on the day preceding the date fixed for the adjourned meeting. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the meeting.
5. As at 6 February 2009 (being the last business day prior to publication of this notice), the Company’s issued share capital consisted of 173,115,730 Ordinary Shares each carrying one vote. Therefore, the total voting rights in the Company as at 6 February 2009 are 173,115,730.
6. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then, on a poll, those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who

attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure. The guidance includes a sample form of representation letter if the chairman is being appointed as described in (i) above. In particular, the Company notes the recommendation of the Institute of Chartered Secretaries and Administrators that corporate shareholders intending to vote part(s) of their shareholdings in different ways appoint proxies rather than corporate representatives.