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This document is an admission document drawn up in accordance with the AIM Rules. This document is not an approved prospectus for the purposes of section 85 of FSMA. The Ordinary Shares are not being offered to the public in the United Kingdom (within the meaning of section 102B of FSMA) in connection with the Placing save in circumstances where it is lawful to do so without an approved prospectus (within the meaning of section 85 of FSMA) being made available to the public before the offer is made. This document has not been approved by the Financial Services Authority or any other regulatory authority in any jurisdiction.

Application will be made for the Placing Shares and the Existing Ordinary Shares to be admitted to trading on AIM. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the official list of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The London Stock Exchange has not itself examined or approved the contents of this document.



LUDORUM PLC

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered no. 5595899)

Placing of 4,950,000 Ordinary Shares of 1 pence each at 100 pence per share and Admission to trading on AIM

Nominated adviser and broker



Ordinary Share capital immediately following Admission

<i>Authorised</i>			<i>Issued and fully paid</i>	
Nominal Value	Number		Nominal Value	Number
£76,666.67	7,666,667	Ordinary Shares of 1 pence each	£50,000.01	5,000,001

Prospective investors should read the whole text of this document and should be aware that Ludorum plc is a newly incorporated company with no existing business record. Investment in Ludorum plc is therefore speculative and involves a degree of risk. In particular, prospective investors should consider the section entitled "Risk Factors" set out in Part 2 of this document. All statements regarding the Company's business should be viewed in light of these risk factors.

Investors should rely only on the information in this document. No person has been authorised to give any information or make any representations other than those contained in this document in connection with the Placing and, if given or made, such information or representations must not be relied on as having been authorised by the Company. The publication of this document does not, under any circumstances, create any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to, the date of this document.

The Placing Shares will, following Admission, rank *pari passu* in all respects with the Existing Ordinary Shares and will rank in full for all dividends or other distributions declared, made or paid on the Ordinary Shares after Admission. It is expected that Admission will become effective and that trading in the Ordinary Shares on AIM will commence on 3 April 2006. The Ordinary Shares are not dealt in on any regulated market or any other recognised investment exchange and no other such applications have been or are being made.

Investec, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Ludorum plc and no-one else in connection with Admission. Investec will not regard any other person as its client or be responsible to any other person for providing the protections afforded to clients of Investec or for advising any other person in relation to the transactions and arrangements detailed in this document.

Investec has been appointed as nominated adviser and broker to the Company. Investec's responsibilities as nominated adviser and broker to Ludorum plc under the AIM Rules are owed solely to the London Stock Exchange plc and not to the Company, any director of the Company or any other person. No liability whatsoever is accepted by Investec for the accuracy of any information or opinions contained in, or for the omission of any information from, this document.

This document does not constitute an offer for sale or an invitation to subscribe for, or the solicitation of an offer to buy or subscribe for, Ordinary Shares in any jurisdiction where such an offer or solicitation is unlawful and, subject to certain exceptions, is not for distribution in or into the United States, Canada, Japan, Australia, South Africa or the Republic of Ireland. The Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or under the applicable securities law of Canada, Japan, Australia, South Africa or the Republic of Ireland and, subject to certain exceptions, may not be offered for sale or subscription, or sold or subscribed directly or indirectly, within the United States, Canada, Japan, Australia, South Africa or the Republic of Ireland or to or by any national, resident or citizen of such countries.

Certain terms used in this document, including certain capitalised terms and certain technical and other terms, are defined, and certain selected industry and technical terms used in this document are defined and explained, in Part 5: Definitions.

Copies of this document will be available free of charge during normal business hours on any weekday (except public holidays) at the offices of Investec, 2 Gresham Street, London, EC2V 7QP and at the registered office of the Company, Building 3, Chiswick Park, 566 Chiswick High Road, London W4 5YA for a period of at least one month from the date of Admission.

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Forward-Looking Statements

Some of the statements in this document include forward-looking statements which include all statements other than those of historical facts, including those which reflect the Directors' current views with respect to financial performance, business strategy, plans and objectives of management for future operations (including development plans relating to the Company's products and services). These statements include forward-looking statements both with respect to the Company and the sectors and industries in which the Company operates. Statements which include the words "expects", "intends", "plans", "believes", "projects", "anticipates", "will", "targets", "aims", "may", "would", "could", "continue" and similar statements of a future or forward-looking nature.

All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause the Company's actual results to differ materially from those indicated in these statements. These factors include but are not limited to those described in the part of this document entitled "Risk Factors", which should be read in conjunction with the other cautionary statements that are included in this document. Any forward-looking statements in this document reflect the Company's current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Company's operations, results of operations, growth strategy and liquidity.

These forward-looking statements speak only as of the date of this document. Subject to any obligations under the AIM Rules, the Company undertakes no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or individuals acting on behalf of the Company are expressly qualified in their entirety by this paragraph. Prospective investors should specifically consider the factors identified in this document which could cause actual results to differ before making an investment decision.

DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors	Richard Elliot Rothkopf (<i>Executive Chairman</i>) Robert Ian Lawes (<i>Chief Executive Officer</i>) Charles Jerome Caminada (<i>Chief Operating Officer</i>) Simon Marshall Pearce (<i>Finance Director</i>) David Ossian Maloney (<i>Non- Executive Director</i>)
Company Secretary	Simon Marshall Pearce
Registered Office and Business Address of Ludorum and its Directors	Building 3, Chiswick Park 566 Chiswick High Road London W4 5YA
Telephone Number	+44 (0)20 8849 8735
Nominated Adviser and Broker	Investec Investment Banking a division of Investec Bank (UK) Limited 2 Gresham Street London EC2V 7QP
Auditors to Ludorum and Reporting Accountants	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH
Legal Advisers to the Company	Clifford Chance LLP 10 Upper Bank Street London E14 5JJ
Legal Advisers to the Placing	DLA Piper Rudnick Gray Cary UK LLP 3 Noble Street London EC2V 7EE
Registrar and Receiving Agent	Computershare Investor Services PLC PO Box 82 The Pavilions Bridgwater Road Bristol BS99 7NH

PLACING STATISTICS

Placing Price	100 pence
Number of Existing Ordinary Shares in issue prior to the Placing	50,001
Number of Placing Shares	4,950,000
Number of Ordinary Shares in issue following the Placing and Admission	5,000,001
Placing Shares as a proportion of the Enlarged Issued Ordinary Share Capital	98.99 per cent.
Market capitalisation at the Placing Price	£5 million
Gross proceeds of the Placing	£4.95 million
Estimated net proceeds of the Placing	£4.65 million
RIC code	LUD
ISIN number	GB00B0 ZH1L34

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this Admission Document	29 March 2006
Admission effective and dealings commence on AIM	3 April 2006
Expected date for CREST accounts to be credited	3 April 2006
Despatch of definitive share certificates commencing (where applicable)	10 April 2006

With the exception of the publication of this document, each of the times and dates set out above is subject to change without further notice.

PART 1

INFORMATION ON THE COMPANY

1. Introduction

Ludorum has been established in order to take advantage of the rapid evolution of technologies for the distribution of IP within the fields of media and entertainment. Ludorum will seek to acquire companies, programming libraries and/or other IP assets that the Directors believe offer the opportunity to create value for Shareholders through the application of their expertise, particularly in the commercial exploitation of IP rights. Alongside this, the Company intends to invest in the development of IP and enter into agency/consultancy arrangements for existing IP assets. Where appropriate, Ludorum may also take minority stakes in businesses within the media and entertainment field which the Directors believe have the potential to accelerate the Company's access to new technology platforms and content libraries. The Company's aim is to create a leading organisation which can exploit existing and new technologies to maximise revenue streams through the efficient management of IP rights that relate to a broad age profile.

2. Background

Ludorum is run by a proven executive management team, primarily drawn from the former senior management team of HIT Entertainment PLC, a company which was listed on the London Stock Exchange from 1996 to 2005. During this period, HIT developed into a leading pre-school entertainment company with a strong portfolio of classic properties including Bob the Builder, Thomas the Tank Engine, Barney, Angelina Ballerina and Pingu. HIT successfully managed these brands through the development of home-entertainment products and consumer-products licensing opportunities and, in the case of Guinness World Records, improved operating margins. Whilst part of the HIT senior management team, the Executive Directors (excluding Richard Rothkopf) were instrumental in the creation and implementation of "PBS Kids Sprout", the first dedicated 24-hour pre-school digital television channel and companion VOD service in the United States, which brought together HIT, Comcast (the major US cable operator), Sesame Workshop (a leading pre-school producer in the US) and PBS (the US public service broadcaster).

HIT was established in 1989 and listed on AIM in 1996 with a market capitalisation of £18 million. By the time it was the subject of a recommended takeover in May 2005, its market capitalisation had increased to £476 million. During this period, HIT raised additional funds from shareholders of only £274 million, thus approximately £202 million of shareholder value was created. Annualised growth in HIT's share price of 28 per cent. per annum since 1996 and compound growth in earnings per share of 37.5 per cent., demonstrates the success of both HIT's strategy and its management team.

3. Strategy

The Directors believe an opportunity exists to seek to create value through the application of their management expertise, experience and approach. From their management of HIT, the Executive Directors (excluding Richard Rothkopf) have extensive experience in developing entertainment-related IP, managing the commercial exploitation of IP rights (including the negotiation of broadcast rights and partnerships) and identifying and evaluating acquisition opportunities, quoted and unquoted, in the UK and overseas. The Directors believe that the evolution of communications technology and the emergence of new consumer markets are having a significant effect on the distribution of IP both in terms of the media by which it is delivered and the geographical markets it serves.

The Board's principal objectives will therefore be to implement an active investment strategy as follows:

- to acquire target companies which own IP rights or which the Directors believe would be relevant to the creation, distribution or exploitation of IP rights and will benefit by being under their ownership and control;
- to acquire programming libraries and other IP assets which the Directors believe can be developed and exploited to better effect under their ownership and control;
- to invest in the development of entertainment-based IP specifically intended for multiple distribution technologies and territories with ancillary merchandise and entertainment sales already "built-in" to the property; and
- to acquire minority stakes in businesses which the Directors believe have, with the Company's involvement, the potential to accelerate the Company's access to new technology platforms and content libraries.

The Directors believe that by implementing this multi-faceted approach and by applying their expertise and experience, value for Shareholders can be created. By focusing on the consumer and by utilising multiple media channels and geographical markets, the Company will aim to provide the creative community with an effective and profitable way to market, thereby becoming a conduit for new IP concepts. Entertainment is increasingly delivered not only through the traditional television platform but also by means of platforms such as the internet, mobile phones, video games and pod-casts. Equally, content is now being fashioned not only for European and US consumers, but also for a large number of markets around the world. The Directors believe that these fundamental changes to the market provide significant opportunities for the Company.

Accordingly, whilst Ludorum needs the flexibility to be able to react to opportunities as they arise, it is primarily intended that its investments in IP will be made by investing in companies and businesses within the entertainment-based media sector. The Directors do not intend to impose any geographical restrictions on where acquisitions may be made. Where an IP asset has been developed to the extent that it has achieved a significant improvement in value, the Directors will consider whether it is appropriate to realise this value in order to fund further investments. The Directors will also consider returning such realised capital to Shareholders if they consider it to be appropriate and in the best interests of Shareholders as a whole. The Directors may also seek further funds from Shareholders in due course if appropriate acquisition or IP development opportunities are identified.

The Board will seek to manage Shareholders' funds to maximise Shareholders' long-term returns. It is intended that acquisitions and other investments will be funded by a combination of the issue of further equity and finance from banks and similar institutions. It is the intention of the Directors that, in due course, the Company will be of a sufficient size and have the trading record necessary to be admitted to the Official List. This may result from either the acquisition of companies or assets which together would make the Company of a sufficient size to merit admission to the Official List or from the reverse takeover of a company which is itself admitted to the Official List.

4. Prospects

As the Company is recently incorporated, it is not possible to evaluate the Company's prospects at this stage which will depend, amongst other things, on its ability to make acquisitions, develop IP investments and the subsequent performance of its businesses.

The Directors have identified a number of potential acquisition opportunities which they intend to consider further and, in relation to some of these opportunities, have already initiated preliminary discussions. However, there can be no certainty at this stage that the Company will be able to effect an acquisition in the immediate future from any of the opportunities it has identified.

Should no acquisition be made within the 36 months following Admission, the Directors will convene a meeting of Shareholders to consider whether to continue exploring acquisition opportunities or to wind up the Company and distribute any residual cash to Shareholders.

5. Directors

The Board comprises the following Directors:

- Richard Rothkopf, Executive Chairman, aged 61. Between 1969 and 1975 Mr Rothkopf held various positions in Europe for Mobil Oil Corp. In 1975 he was appointed International Controller for Nixdorf Computer AG, Germany until 1977 when he became President of Douglas Dunhill Inc., a position he held until 1979. Since 1980, Mr Rothkopf has been Chairman and owner of Rothkopf Enterprises Inc. In addition, he held the position of Executive Chairman of Learning Curve International from 1993 until its acquisition by RC2 Corporation in 2003 and has been a director and Executive Vice President of RC2 Corporation since 2003. Mr Rothkopf, who is currently based in the United States, was appointed an Executive Director of Ludorum on 16 March 2006.
- Rob Lawes, Chief Executive Officer, aged 38. Mr Lawes was company accountant at Video Arts Television before joining HIT in 1989 as its Financial Controller and Company Secretary. In 1995, he was appointed to the board of HIT as Finance Director and became its Director of Corporate Development in 1997 and Commercial Director in 1999. From June 2001 until October 2004, Mr Lawes held the position of Chief Executive of HIT, following which he advised Apax Partners on its successful acquisition of HIT in May 2005. Mr Lawes was appointed an Executive Director of Ludorum on 10 January 2006.
- Charles Caminada, Chief Operating Officer, aged 48. Mr Caminada was National Sales Director of Triple M Radio in Sydney, Australia from 1981 until 1986. He joined London Weekend Television in

1987 as Sales Group Manager for its new Late Night Service until 1990 when he joined HIT as Senior Sales Executive. Mr Caminada was HIT's Head of Sales from 1993 until 1995 when he was appointed to the board as Sales Director. In 1999 he became Managing Director – Worldwide Distribution and in June 2001 Mr Caminada became HIT's President – Global Sales and Marketing. Between June 2002 and September 2005, he held the position of Chief Operating Officer of HIT. Mr Caminada was appointed an Executive Director of Ludorum on 10 January 2006.

- Simon Pearce, Finance Director, aged 45. Mr Pearce qualified as a Chartered Accountant with Spicer & Pegler in 1986, following which he worked in its corporate finance and investigations department until 1989 when he joined Pine Street Investments Limited, a venture capital company, as an Investment Analyst. In 1991, he joined Wassall PLC as Assistant to the Corporate Development Director, researching acquisitions and investments, and became its Company Secretary in 1994. In 2000, Mr Pearce was appointed Company Secretary of P&O Princess Cruises plc, a position he held until its acquisition by Carnival Corporation in 2003. From 2003 until July 2005 he was Company Secretary of HIT. Mr Pearce was appointed an Executive Director and Company Secretary of Ludorum on 10 January 2006.
- David Maloney, Non-Executive Director, aged 50. Mr Maloney graduated from Heriot Watt University, Edinburgh with a degree in Economics and spent the early part of his career with Paramount Pictures Corporation and Mobil Oil Corporation. David Maloney has held senior positions in a number of service sector companies, including Chief Financial Officer for Le Meridien Hotels & Resorts and Chief Financial Officer for Thomson Travel Group plc. He also spent 12 years working with Avis Europe plc latterly as group Finance Director, overseeing the group's flotation on the London Stock Exchange in 1997, and as Managing Director of the group's Spanish subsidiary. Mr Maloney is currently a non-executive director of Virgin Mobile plc and Micro Focus International plc, and he assisted the boards of both of these two companies with their respective flotations on the London Stock Exchange in 2004 and 2005. He is also a non-executive director of Carillion plc, and a fellow of the Chartered Institute of Management Accountants. Mr Maloney was appointed a Non-Executive Director of Ludorum on 28 March 2006.

6. Interests of Directors and Lock-in Arrangements

Immediately following Admission, assuming the Placing is fully subscribed, the interests of the Directors in the share capital of the Company will be as follows:

<i>Director</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of Enlarged Issued Share Capital</i>	<i>Number of Incentive Options</i>	<i>Percentage of authorised Ordinary Share capital</i>
Richard Rothkopf	220,000	4.40	200	0.0026
Rob Lawes ¹	440,000	8.80	390	0.0050
Charles Caminada ¹	292,000	5.84	280	0.0036
Simon Pearce ¹	35,000	0.70	70	0.0009
David Maloney	20,000	0.40	Nil	Nil

The Directors have undertaken, pursuant to AIM Rule 7 and subject to certain exceptions, not to transfer, charge or otherwise dispose of, nor agree or publicly announce their intention to do so, any of their Ordinary Shares for a period of 12 months from Admission. Further details of these, which are contained within the Placing Agreement, undertakings are set out in paragraph 10 of Part 4 of this document.

7. Incentive Option Plan

Ludorum has adopted the Incentive Option Plan and has granted Incentive Options over Ordinary Shares to certain of the Directors.

The Plan provides for the grant of an aggregate of 1,000 Incentive Options to participants. Incentive Options can be enlarged at certain times between 2009 and 2011 (or, if earlier, on a takeover or similar event affecting the Company) into options over Ordinary Shares having an aggregate value at the date of exercise equal to 20 per cent. of the increase in shareholder value between Admission and the date of enlargement. Participants will be selected by the remuneration committee and may be any employee of the Company although, at Admission, only the Executive Directors will be participants in the Plan. Thereafter, the remuneration committee expects to limit participation to only a limited number of senior employees. The

¹ Each holds 16,667 Deferred Shares of 99 pence following a share capital reorganisation on 28 March 2006.

remuneration committee can also determine the price payable for each Ordinary Share under an Incentive Option, although the intention is that the exercise price will be equal to the par value of an Ordinary Share.

If any Incentive Options lapse in the future (e.g. due to a participant ceasing employment), then the remuneration committee may re-allocate the lapsed Incentive Options to any eligible employee, including participants in the Plan at that time. Incentive Options are personal to a participant and, except on death, may not be transferred. Further details of the Incentive Options are set out in paragraph 8 of Part 4 of this document.

On 28 March 2006 940 Incentive Options were granted conditional on Admission taking place to the Executive Directors as follows:

<i>Name</i>	<i>Number of Ordinary Shares subject to Incentive Option</i>
Richard Rothkopf	200
Rob Lawes	390
Charles Caminada	280
Simon Pearce	70

The exercise price under each of the above Incentive Options is 1 pence per Ordinary Share.

The remuneration committee has the right, up to six months after Admission, to claw back approximately 10 per cent. of each of the above Incentive Options (with a view to re-allocating them to other persons eligible to participate in the Plan) if it considers appropriate.

8. Employee Share Scheme

As the Company develops, the Board intends to establish a separate share-based incentive scheme for those persons employed by the Company following Admission (the “**Employee Scheme**”). The Board intends that the Executive Directors and any other participants of the Incentive Option Plan will not be eligible to participate in the Employee Scheme prior to 2011. The terms of the Employee Scheme will be determined by management in due course.

9. Reasons for the Placing and Use of Proceeds

The net proceeds of the Placing will be used by the Company to implement its strategy set out in paragraph 3 of this Part 1. The Directors believe that the quotation on AIM will give the Company a higher profile than if it were an unquoted company and provide access to capital which will be required to implement its strategy. Pending identification of suitable investments, the net proceeds of the Placing will be placed on deposit and used to fund the working capital requirements of the Company which may include any acquisition costs incurred by the Company.

10. Details of the Placing

Pursuant to the Placing Agreement, Investec has agreed to use its reasonable endeavours to procure institutional and other investors for the Placing Shares at the Placing Price. The Placing is conditional on, *inter alia*, Admission becoming effective no later than 3 April 2006 (or such other date as Investec and the Company may agree but in any event no later than 28 April 2006) and the Placing Agreement not having been terminated prior to Admission. Investec is entitled in certain circumstances to terminate the Placing Agreement prior to Admission, including, *inter alia*, for a breach by the Company or the Directors of any of the warranties contained in, or any other material breach of, the Placing Agreement or on the occurrence of a material adverse change in relation to the Company or the Placing or a *force majeure* event.

The Placing is not underwritten. The Placing Shares will be issued credited as fully paid and will, on issue, rank *pari passu* with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid on the Ordinary Shares after Admission.

The Placing is intended to raise £4.95 million before expenses. After the expenses of the Placing and Admission, estimated in total at £0.3 million (excluding VAT), the Placing is intended to raise approximately £4.65 million. Further details of the Placing Agreement are set out in paragraph 15.1 of Part 4 of this document.

11. Dividends and Dividend Policy

The Directors do not envisage declaring a dividend in the short to medium term. Initially, the Directors intend that any positive net cash flows generated by the Company will be applied in the development of its strategy. However, once sufficient distributable reserves are available, the Directors will consider an appropriate dividend policy.

12. Employees

At the date of this document, the only employees of the Company are the Chairman (who is employed on a part-time basis) and the other three Executive Directors. The business address of each of the Executive Directors, other than the Chairman, is the Company's head office in Chiswick, London. The Chairman is based in Chicago, United States.

13. Corporate Governance

The Directors recognise the value and importance of high standards of corporate governance and intend to observe the requirements of the Combined Code to the extent they consider appropriate taking into account the Company's size, stage of development and resources.

The Company's corporate governance framework includes a schedule of matters reserved for the Board and a statement of the division of responsibilities between the Chairman and the Chief Executive Officer of the Company.

The corporate governance framework also includes an audit committee comprising Richard Rothkopf and David Maloney, which has been established by the Company to operate from Admission and will meet at least three times each year. Its responsibilities include ensuring that the Group's financial and accounting systems are providing accurate and up-to-date information on its current financial position, that the Group's published financial statements represent a true and fair reflection of this position and that external audit and internal controls are conducted and maintained effectively.

In addition, the Company has established a remuneration committee also comprising Richard Rothkopf and David Maloney, and also to operate from Admission. The responsibilities of the remuneration committee include determining the terms of each Executive Director's service contract and any bonus payment, setting their remuneration and considering the grant of options under the Incentive Option Plan.

The Company has also adopted the Model Code as its share dealing code.

14. Taxation

Further information on United Kingdom taxation with regard to the Ordinary Shares is set out in paragraph 11 of Part 4 of this document entitled "United Kingdom Taxation". All information in relation to taxation in this document is intended only as a general guide to the current United Kingdom tax position. If you are in any doubt as to your own position, or are subject to tax in a jurisdiction other than the United Kingdom, you should consult your own independent professional adviser immediately.

15. Admission, Settlement and Dealings

Application has been made to the London Stock Exchange for the Enlarged Issued Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective, and that dealings in the Ordinary Shares on AIM will commence on 3 April 2006.

The Placing Shares will be in registered form and no temporary documents of title will be issued. Application has been made for all of the issued and to be issued Ordinary Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place through CREST.

16. Risk Factors, Financial Information and Additional Information

Your attention is drawn to the Risk Factors, Financial Information and Additional Information in Parts 2, 3 and 4 respectively of this document.

PART 2

RISK FACTORS

An investment in the Ordinary Shares is subject to a number of risks. The following specific factors should be carefully considered, in addition to all other information set out in this document, in evaluating whether to make an investment in the Company. The Directors consider the following risks to be the most significant for potential investors, but the risks listed below do not necessarily comprise all those associated with an investment in the Company and are not set out in any order of priority. If you are in any doubt about the action you should take, you should consult a person authorised under FSMA who specialises in advising on the acquisition of shares and other securities.

If any of the following risks relating to the Company were to materialise, the Company's business, financial condition, results or future operations could be materially adversely affected. In such cases, the market price of the Ordinary Shares could decline and an investor may lose part or all of his investment. Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect upon the Company.

Risk factors associated with the Company's business

Acquisition Opportunities

There can be no guarantee that the Company will successfully identify any target companies, businesses or assets meeting the objectives outlined in this Admission Document. Ludorum may be unable to effect an acquisition where there is an identified opportunity and, as a result, resources may be expended and costs incurred without a transaction being completed. Whilst the Directors will seek to minimise such expenditure, due to the nature of mergers and acquisitions, it is expected that, from time to time, the Company may be required to pay professional fees arising from incomplete attempts to acquire, merge or dispose of target companies, businesses and/or assets.

Ordinary Shares as Consideration

It is the Company's intention, where appropriate, to use Ordinary Shares to satisfy all or part of the consideration payable for acquisitions. Any such additional issues of Ordinary Shares may be dilutive to Shareholders. When ascribing a value to those Ordinary Shares, the Directors may have regard not only to the market value of the Ordinary Shares but also to the underlying assets of the Company and, in particular, in the event of a significant increase in the Company's Ordinary Share price prior to an initial acquisition, it is possible that such new Ordinary Shares may be issued at less than the market price of the Company's Ordinary Shares at that time.

Adverse movements in the Company's share price and market conditions may impact the Company's ability to finance acquisitions and execute its current objectives. Furthermore, there can be no guarantee that sellers of target companies, businesses or assets will be prepared to accept shares traded on AIM as consideration and this may limit the Company's ability to implement its strategy. This may result in the Company seeking to raise additional funding from its Shareholders.

Potential Loss on Investments

The Company's strategy carries inherent risks and there can be no guarantee that any appreciation in the value of an Acquired Business will occur or that the objectives of the Company will be achieved. For example: (i) an Acquired Business may experience trading difficulties after acquisition by the Company or may not be able to improve its performance to the level the Board anticipated; or (ii) the Company may not be able to conduct a full investigation of the Acquired Business prior to acquisition and previously undisclosed underperformance or other adverse matters may only come to light after acquisition; or (iii) the Company may not be able to achieve any intended valuation or exit route from an Acquired Business.

Concentration of Investments

The Company will focus on an initial acquisition and other ancillary acquisitions in areas related to the media and entertainment IP distribution industries, which means that it will be exposed to a particular business sector and possibly a specific geographical location. The spread of businesses envisaged by the intended strategy is relatively narrow and would therefore not significantly mitigate risk.

Economic Conditions

The Company's performance may be affected by changes in economic or market conditions or changes in the Company's legal, regulatory or taxation environment.

Loss of Key Management

The Company's success will depend largely on the expertise of the Executive Directors. The retention of their services cannot be guaranteed.

Ability to Recruit and Retain Staff

The Company may be adversely affected by an inability to recruit and retain suitable personnel as the Company's business grows in size and develops.

Reliance on IP and/or Inadequate Protection of IP

In the future the Company will rely upon trademark and copyright protection and confidentiality laws and contracts to protect any IP rights acquired by the Company or held by any Acquired Business. Although, to the extent that it considers them to be commercially reasonable, the Company may take precautions to protect such IP rights, unauthorised parties may attempt to copy or otherwise obtain and use them. There can be no assurance that the IP acquired by Ludorum (whether by the Company itself or through the acquisition of an Acquired Business) will not be challenged or will continue to be owned by it indefinitely and litigation may be necessary to protect such IP rights. Such litigation could result in substantial costs to the Company and diversion of effort by the Executive Directors with no guarantee of success. The failure of Ludorum to protect this proprietary information, and the expense of doing so, could have a material adverse effect on its operating results and financial condition.

Intellectual Property Claims Against the Company

From time to time the Company or an Acquired Business may be the subject of third party claims that its products or services have misappropriated or infringed the IP rights of others with respect to their previously-developed theatrical motion pictures, stories, characters, other entertainment or IP. There can be no guarantee that infringement or misappropriation claims (or claims for indemnification resulting from such claims) will not be asserted or prosecuted against the Company, or that any assertions or prosecutions will not materially adversely affect its business, financial condition or results of operations. Irrespective of the validity or the successful assertion of such claims, the Company may incur significant costs and diversion of resources with respect to the defence thereof, which may have a material adverse effect on the Company's business, financial condition or results of operations.

Risk factors associated with the Company's industry and markets

The Entertainment Industry

Operating in the entertainment content and merchandising industries involves a substantial degree of risk. The commercial success of television programmes and other forms of home entertainment is determined primarily by audience reaction, which is unpredictable (particularly in the pre-school market in which most of the Executive Directors have expertise and the Company will seek to operate). Such commercial success also depends upon the quality and acceptance of other competing programmes and alternative forms of entertainment released into the marketplace at or near the same time, critical reviews, the availability of other leisure activities and general economic conditions, all of which are subject to change and cannot be predicted with certainty. Additionally, merchandising opportunities and the acquisition and creation of brands depends in large part upon success in the television and home entertainment market. The Company's success will depend on the experience and judgement of the Company's management to select and develop or acquire suitable brand and production opportunities.

The Company's success will also depend on its ability to negotiate broadcast and distribution rights for any programming libraries it acquires. There can be no guarantee that the Company's programmes will obtain favourable ratings or reviews or that broadcasters or distributors will license the rights to broadcast or distribute any programmes acquired by the Company. Furthermore, the popularity of a particular programme and its ratings may diminish over time.

As the Company's business and operating results will ultimately depend upon the appeal to consumers of the brands and programming it acquires, a decline in the popularity of the acquired brands or the failure of new brands to achieve and sustain market acceptance could result in reduced overall revenues, which could have a material adverse effect on the Company's business, financial condition and results of operations.

Furthermore, consumer preferences with respect to entertainment are continuously changing and are difficult to predict and can vary from months to years. Accordingly, there can be no assurances that:

- any brands or programming acquired by the Company will continue to be popular for any significant period of time after such acquisition;
- any new brands or programming the Company represents or produces will achieve an adequate degree of popularity or will achieve popularity quickly enough to maintain retail support; or
- any brand's life cycle will be sufficient to permit the Company profitably to recover advance payments, guarantees, development, marketing, royalties and other costs.

The Company's failure to anticipate, identify and react successfully to consumer preferences could have a material adverse effect on its revenues, profitability and results of operations. In addition, the volatility of consumer preferences may cause the Company's revenues and net income to vary significantly between comparable periods.

Competition

Television and home entertainment production and distribution are highly competitive businesses and the Company (together with any Acquired Business) will also face competition from companies within alternative leisure industries. The Company and any Acquired Businesses may compete with a variety of companies for access to time slots for broadcast of programmes, acquisition of characters, storylines, ideas and treatments with which to build its library, the recruitment and retention of talented personnel and the licensing and distribution of its proprietary products. Many potential competitors of the Company and any Acquired Businesses may have longer operating histories, greater name recognition, larger installed customer bases and significantly greater financial, technical, marketing and technological resources.

Competition in the media, entertainment and related IP marketplace may increase significantly and this may limit the ability of the Company in the future to maintain market share or revenue levels.

Technological Changes

The entertainment industry is continuing to undergo significant changes, primarily due to technological developments. Due to the rapid growth of technology, shifting consumer tastes and the popularity and availability of other forms of entertainment, it is impossible to predict the overall effect these factors will have on the potential revenue from, and profitability of, home entertainment programming. Whilst the Directors believe that new platforms for the delivery of entertainment will provide significant opportunities for the Company, if the Company is unable to exploit new delivery channels its business, results of operations or financial condition could be materially adversely affected. In addition, success in these new channels could diminish results in channels where the Executive Directors have previously enjoyed success and built up expertise.

Risk factors associated with the Ordinary Shares

Share Price Volatility and Liquidity

The share price of quoted emerging companies can be highly volatile and shareholdings illiquid. The price at which the Ordinary Shares are quoted and the price which investors may realise for their Ordinary Shares will be influenced by a large number of factors, some specific to the Company and its operations and some which may affect quoted companies generally. These factors could include the performance of the Company, large purchases or sales of the Ordinary Shares, legislative changes and general economic, political or regulatory conditions.

Investment in AIM Securities

Investment in shares traded on AIM is perceived to involve a higher degree of risk and be less liquid than investment in companies whose shares are listed on the Official List. An investment in the Ordinary Shares may be difficult to realise. Prospective investors should be aware that the value of the Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may therefore realise less than, or lose all of, their investment.

Furthermore, rules requiring companies listed on AIM to seek shareholder approval for certain transactions (including acquisitions, mergers and disposals within prescribed thresholds) differ from those which apply to companies listed on the Official List. Accordingly, investors will not receive the same opportunities to vote on

potential acquisitions, mergers and disposals proposed by the Company as if it were listed on the Official List.

Absence of Prior Trading Market

Prior to the Placing, there has been no public trading market for the Ordinary Shares. The Placing Price may not be indicative of the market price for the Ordinary Shares following Admission. Following Admission, the trading price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, including those referred to in this section, as well as stock market fluctuations and general economic conditions that may adversely affect the market price of the Ordinary Shares, regardless of the Company's actual performance or conditions in its key markets.

Effect of Exchange Rate Fluctuations

The Ordinary Shares are, and any dividends to be paid in respect of them will be, denominated in pounds sterling. An investment in the Ordinary Shares by an investor whose principal currency is not sterling exposes the investor to foreign currency rate risk. Any depreciation of sterling in relation to such foreign currency will reduce the value of an investment in the Ordinary Shares or any dividends in foreign currency terms, and any appreciation of sterling will increase the value in foreign currency terms.

Stock Market Perception

The market perception of securities related to the media and entertainment sectors (and other closely related sectors) may change and, accordingly, the value of the Ordinary Shares may fluctuate or decline.

PART 3

FINANCIAL INFORMATION

Pro forma statement of net assets of the Company at 28 February 2006

The following unaudited pro forma statement of net assets of the Company has been prepared in order to illustrate how the consolidated net assets of the Company as at 28 February 2006 might have been affected had the Placing been completed on that date. It is prepared in accordance with the notes set out below. This pro forma was prepared in accordance with the accounting policies set out in note 1 to the financial statements shown on page 21. This information has been prepared for illustrative purposes only and, by its nature, addresses a hypothetical situation which may not give a true picture of the results if the Placing had been completed on 28 February 2006.

	<i>At 28 February 2006 (Note 1)</i>	<i>Proceeds from the Placing (Note 2)</i>	<i>Other adjustments (Note 3)</i>	<i>Unaudited pro forma net assets 28 February 2006</i>
Non-current assets				
Property, plant and equipment	9	—	—	9
	<u>9</u>	<u>—</u>	<u>—</u>	<u>9</u>
Current assets				
Trade and other receivables	15	—	—	15
Cash and cash equivalents	5	4,635	(84)	4,556
	<u>20</u>	<u>4,635</u>	<u>(84)</u>	<u>4,571</u>
Liabilities				
Financial liabilities				
Directors' loans	(14)	—	14	0
Trade and other payables	(25)	—	—	(25)
	<u>(39)</u>	<u>—</u>	<u>14</u>	<u>(25)</u>
Net current liabilities	(19)	4,635	(70)	4,546
Net (liabilities)/assets	<u>(10)</u>	<u>4,635</u>	<u>(70)</u>	<u>4,555</u>

Notes:

1. The net assets of the Company as at 28 February 2006 have been extracted without material adjustment from the financial information set out in Part 3 of this document.
2. The net proceeds from the Placing are estimated to be £4.6 million (after estimated expenses of £0.3 million).
3. Other adjustments represent calls on partly-paid share capital, repayment of directors' loans and payments, which are conditional on Admission, payable to directors in recognition of work done in setting up the Company and preparing for Admission.
4. No account has been taken of the trading or other transactions of the Company since 28 February 2006.

The Directors
Ludorum plc
Building 3
Chiswick Park
566 Chiswick High Road
London W4 5YA

Investec Bank (UK) Limited
2 Gresham Street
London EC2V 7QP

29 March 2006

Dear Sirs

Ludorum PLC

We report on the financial information set out below. This financial information has been prepared for inclusion in the AIM Admission Document dated 29 March 2006 (the “**Admission Document**”) of Ludorum plc (the “**Company**”) on the basis of the accounting policies set out in note 1 to the financial statements shown on page 21. This report is required by item 20.1 of Annex I set out in Schedule Two of the AIM Rules and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information and in accordance with International Financial Reporting Standards.

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Basis of opinion

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

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

Opinion

In our opinion, the financial information gives, for the purposes of the Admission Document dated 29 March 2006, a true and fair view of the state of affairs of the Company as at the dates stated and of its profits, cash flows and changes in equity for the periods then ended in accordance with the basis of preparation set out in note 1 and in accordance with the applicable financial reporting framework as described in note 1.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with item 20.1 of Annex I set out in Schedule Two of the AIM Rules.

Yours faithfully

PricewaterhouseCoopers LLP
Chartered Accountants

PROFIT AND LOSS ACCOUNT

for the period from incorporation on 18 October 2005 to 28 February 2006

	<i>Notes</i>	<i>2006</i> <i>£000</i>
Continuing operations		
Administrative expenses		18
Other expenses		<u>5</u>
Operating loss	2	<u>(23)</u>
Loss before taxation		(23)
Taxation	4	<u>—</u>
Loss for the period from continuing operations		<u>(23)</u>
Loss for the period		<u>(23)</u>
Basic and diluted earnings per share	5	<u>(123.3)p</u>

BALANCE SHEET

as at 28 February 2006

	<i>Notes</i>	<i>2006</i> <i>£000</i>
Assets		
Non-current assets		
Property, plant and equipment	6	<u>9</u>
		<u>9</u>
Current assets		
Trade and other receivables	7	15
Cash and cash equivalents	8	<u>5</u>
		<u>20</u>
Liabilities		
Current liabilities		
Financial liabilities		
Directors' loans	9	(14)
Trade and other payables	10	<u>(25)</u>
		<u>(39)</u>
Net current liabilities		<u>(19)</u>
Net liabilities		<u>(10)</u>
Shareholders' equity		
Called up share capital	11	13
Retained losses	12	<u>(23)</u>
Total shareholders' equity		<u>(10)</u>

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	<i>Share capital £000</i>	<i>Retained earnings £000</i>	<i>Total shareholders' equity £000</i>
At 18 October 2005	—	—	—
Loss for the period	—	(23)	(23)
New shares issued	13	—	13
At 28 February 2006	<u>13</u>	<u>(23)</u>	<u>(10)</u>

CASH FLOW STATEMENT

for the period from incorporation on 18 October 2005 to 28 February 2006

	<i>Notes</i>	<i>2006</i> <i>£000</i>
Cash flows from operating activities		
Cash used in operations	13	(9)
Rent deposit paid		(4)
Net cash used in operating activities		<u>(13)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	6	(9)
Net cash used in investing activities		<u>(9)</u>
Cash flows from financing activities		
Net proceeds from directors' loans	9	14
Net proceeds from issue of share capital	11	13
Net cash generated from financing activities		<u>27</u>
Net increase in cash and cash equivalents		<u>5</u>
Cash and cash equivalents at 18 October 2005		<u>—</u>
Cash and cash equivalents at 28 February 2006	8	<u><u>5</u></u>

NOTES TO THE FINANCIAL STATEMENTS

for the period from incorporation on 18 October 2005 to 28 February 2006

1. Accounting policies

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

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations as adopted by the EU. The financial statements have been prepared under the historical cost convention. A summary of the more important group accounting policies is set out below.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from these estimates.

The directors consider it appropriate to apply the going concern basis in the preparation of the financial statements as the placing described in the Admission Document will provide adequate capital to allow the Company to pursue the strategy outlined in that document.

Property, Plant & Equipment

Property, plant and equipment comprise computer equipment which is recorded at purchase cost less any costs at acquisition. Depreciation is calculated so as to write off the cost of the assets, less their estimated residual values, over their expected useful economic lives. Computer equipment is depreciated on a straight-line basis over its estimated useful life of three years.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances held in a UK clearing bank account.

Tax and deferred tax

Taxation is recognised on profits at the rate of corporation tax applicable to small companies of 19 per cent. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where there is an obligation to pay more tax or a right to pay less tax in the future. Deferred tax assets are recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be available taxable profits against which the future reversal of the underlying timing differences can be offset.

Operating leases

Payments relating to operating leases are expensed in the profit and loss account on a straight line basis over the lease term. Initial rent deposits are shown as a debtor in the balance sheet.

Share capital

The Company's share capital consists of ordinary shares of £1 nominal value. With the exception of two such shares, which are fully paid-up, the shares are paid up as to one quarter of their nominal value. Amounts due on partly-paid shares are not recognised as a debtor until a call has been issued by the Company. No dividends have been declared or paid on the shares.

2. Loss before taxation

	<i>2006</i>
	<i>£000</i>
The following items have been included in arriving at loss before taxation	
Operating lease rentals — property, plant and equipment	4
	<hr/>
	4
	<hr/> <hr/>

3. Employees and directors

At 28 February 2006, the directors did not have service agreements with the Company and had not drawn any remuneration from the Company during the period. The Company does not have any other employees.

4. Taxation

	<i>2006</i>
	<i>£000</i>
Current tax	
Continuing operations	—
Deferred tax	
Continuing operations	—
Taxation	—

The tax assessed for the period differs from the standard rate of corporation tax in the UK. The differences are explained below:

	<i>2006</i>
	<i>£000</i>
Loss before taxation	(23)
Loss before taxation multiplied by the rate of UK corporation tax applicable to small companies of 19%	4
Effect of:	
Losses available to carry forward	(4)
Taxation	—

The unprovided deferred tax asset at 28 February 2006 is estimated to be £4,400 and is in respect of trading losses incurred.

5. Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. As there are no potential dilutive issues of ordinary shares, there is no difference between basic and diluted earnings per share.

	<i>Earnings</i>	<i>Weighted</i>	<i>Per-share</i>
	<i>£000</i>	<i>average</i>	<i>amount</i>
		<i>number of</i>	<i>pence</i>
		<i>shares</i>	
Basic and diluted EPS			
Loss attributable to ordinary shareholders	(23)	18,658	(123.3)
	(23)	18,658	(123.3)

6. Property, plant and equipment

	<i>Office</i>
	<i>equipment</i>
	<i>£000</i>
Cost	
At 18 October 2005	—
Additions	9
At 28 February 2006	9
Accumulated depreciation	
At 18 October 2005	—
Charge for the period	—
At 28 February 2006	—
Net book amount at 28 February 2006	9

The Company considers at each reporting date whether there is any indication of impairment of its assets. In the event that impairment is identified, the carrying amount of the assets is written down immediately to its estimated recoverable amount.

7. Trade and other receivables

	<i>2006</i> <i>£000</i>
Amounts falling due within one year:	
Rent deposit	4
VAT recoverable	5
Prepayments and accrued income	6
	<u>15</u>
	<u><u>15</u></u>

On 11 January 2006, the Company entered into an agreement for the rental of office accommodation for a six-month period commencing on 16 January 2006. A deposit equivalent to 60 days' rent was lodged with the lessor which is repayable after the premises have been vacated.

8. Cash and cash equivalents

	<i>2006</i> <i>£000</i>
Cash at bank and in hand	5
	<u>5</u>
	<u><u>5</u></u>

9. Financial liabilities

	<i>2006</i> <i>£000</i>
Directors' loans	14
	<u>14</u>
	<u><u>14</u></u>

Directors' loans comprise loans of £7,000 from each of Rob Lawes and Charles Caminada. These are short-term interest-free loans which are repayable on demand.

10. Trade and other payables

	<i>2006</i> <i>£000</i>
Trade payables	8
Amounts owed to directors	16
Accruals	1
	<u>25</u>
	<u><u>25</u></u>

Amounts owed to directors comprise trade expenses paid on the Company's behalf by each of the directors.

11. Called up share capital	<i>2006</i> <i>£000</i>
Authorised	
50,001 ordinary shares of £1 each	50
	<u>50</u>
Issued and fully-paid	
At 18 October 2005 and 28 February 2006	
2 ordinary shares of £1 each	—
	<u>—</u>
Issued and partly-paid	
At 18 October 2005	—
Issued during the period	
49,999 ordinary shares of £1 each	13
	<u>13</u>
At 28 February 2006	<u>13</u>

On incorporation, one ordinary share in the Company was issued to each of Clifford Chance Nominees Limited and Clifford Chance Secretaries Limited, being the subscribers under the Company's memorandum of association. These shares were fully paid up.

On 10 January 2006, 16,667 ordinary shares were issued to each of Rob Lawes and Charles Caminada and 16,665 ordinary shares were issued to Simon Pearce. These shares were paid up as to one quarter of their nominal value.

Holders of the ordinary shares shall be entitled to participate in any dividend declared and paid by the Company and, on a winding-up, in the assets of the Company according to the amounts paid up on the ordinary shares.

12. Retained losses	<i>2006</i> <i>£000</i>
At 18 October 2005	—
Loss for the period	(23)
	<u>(23)</u>
At 28 February 2006	<u>(23)</u>

13. Cash flow from operating activities	<i>2006</i> <i>£000</i>
Continuing operations	
Loss before taxation	(23)
Changes in working capital:	
(Increase) in Trade and other receivables	(11)
Increase in Payables	25
	<u>(9)</u>
Cash generated from continuing operations	<u>(9)</u>

14. Operating lease commitments	<i>2006</i> <i>£000</i>
Commitments under non-cancellable operating leases expiring:	
Within one year	(15)
	<u>(15)</u>

The Company has entered into a short-term non-cancellable operating lease on its head office in Chiswick, London.

15. Related party transactions

During the period, the Company received loans from directors totalling £14,000. In addition, amounts totalling £16,000 are included in trade payables representing amounts due to directors in respect of expenses incurred on behalf of the Company. At 28 February 2006, these balances remained outstanding. No other transactions with related parties have been identified during the period.

16. Post balance sheet events

The Company announced on 17 March 2006 that it intends to seek the admission of its ordinary shares to trading on the AIM Market of the London Stock Exchange plc. Further details of the placing and admission to trading are set out in Part 1 of the Admission Document. Immediately prior to, but conditional upon, Admission, the Company will issue a call on its existing partly-paid ordinary share capital, sub-divide and reclassify its issued share capital and increase its authorised share capital.

In connection with the Placing and Admission the Company will incur liabilities totalling £159,000 representing fees and costs which will fall due within one year irrespective of whether the Placing and Admission proceed. Fees and costs totalling a further £156,000 will fall due within one year if the Placing and Admission proceed.

In addition, the Company has entered into service agreements with each of the directors which are conditional upon Admission. Details of these agreements are set out in paragraph 7 of Part 4 of the Admission Document. The Company has also committed to introduce the Ludorum 2006 Incentive Option Plan upon Admission. Further details of the Plan are set out in paragraph 8 of Part 4 of the Admission Document.

In recognition of the work done in setting up the Company and preparing for Admission, the Company has also agreed to pay to each of Rob Lawes, Charles Caminada and Simon Pearce, a sum equivalent to three months' salary. This payment is conditional upon, and will be made following Admission.

PART 4

ADDITIONAL INFORMATION

1. Responsibility

- 1.1 The Company and its Directors (whose names appear on page 4 of this document) accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and contains no omission likely to affect its import.

2. The Company

- 2.1 The Company was incorporated in England and Wales on 18 October 2005 with registered number 5595899 under the Act as a public company limited by shares with the name Sackgrove PLC.
- 2.2 The Company changed its name to Ludorum plc on 19 December 2005.
- 2.3 The principal legislation under which the Company operates is the Act.
- 2.4 On 11 January 2006, the Company was granted a certificate under section 117 of the Act entitling it to commence business.
- 2.5 The registered office, head office and the principal place of business of the Company is at Building 3, Chiswick Park, 566 Chiswick High Road, London W4 5YA (tel. no. 020 8849 8735 or, if calling from outside the United Kingdom, +44 20 8849 8735).

3. Share Capital

- 3.1 The authorised, issued and fully paid share capital of the Company as at the date of this document is as follows:

	<i>Authorised</i>			<i>Issued and fully paid</i>	
	<i>Number of Shares</i>	<i>Amount (£)</i>	<i>Nominal Value</i>	<i>Number of Shares</i>	<i>Amount (£)</i>
Ordinary Shares	7,666,667	76,666.67	1 pence each	50,001	500.01
Deferred Shares	50,001	49,500.99	99 pence each	50,001	49,500.99

- 3.2 The authorised, issued and fully-paid share capital of the Company immediately following Admission is expected to be as follows:

	<i>Authorised</i>			<i>Issued and fully paid</i>	
	<i>Number of Shares</i>	<i>Amount (£)</i>	<i>Nominal Value</i>	<i>Number of Shares</i>	<i>Amount (£)</i>
Ordinary Shares	7,666,667	76,666.67	1 pence each	5,000,001	50,000.01
Deferred Shares	50,001	49,500.99	99 pence each	50,001	49,500.99

- 3.3 On incorporation, the authorised share capital of the Company was £50,000 divided into 50,000 ordinary shares of £1.00 each, of which two ordinary shares were issued at par fully paid up to the subscribers.

- 3.4 At an extraordinary general meeting of the Company held on 10 January 2006:

3.4.1 the Company's authorised share capital was increased to £50,001 by the creation of one ordinary share of £1.00;

3.4.2 the Directors were generally and unconditionally authorised, pursuant to section 80 of the Act, to exercise all powers of the Company to allot relevant securities (within the meaning of that section) up to an aggregate nominal amount of £50,001 for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) on 10 January 2011, but the Company may make an offer or agreement which would or might require relevant securities to be allotted after expiry of this authority and the directors may allot relevant securities pursuant to such offer or agreement; and

3.4.3 the Directors were empowered, pursuant to section 95 of the Act, to allot equity securities (within the meaning of section 94(2) of the Act) for cash pursuant to the general authority conferred by the resolution set out in paragraph 3.4.2 above, as if section 89(1) of the Act did not apply to the allotment, provided that the power conferred by this resolution will expire 5 years after the date of the passing of the resolution;

3.5 On 10 January 2006, 49,999 ordinary shares of £1.00 each were issued paid up as to one-quarter of their nominal value to the following persons:

<i>Name</i>	<i>Number of ordinary shares of £1.00 each</i>
Rob Lawes	16,667
Charles Caminada	16,667
Simon Pearce	16,665

On the same date, the two fully-paid ordinary shares of £1.00 each issued to the subscribers on incorporation of the Company were transferred to Simon Pearce.

The balance of the nominal value of the partly-paid ordinary shares was paid up in full on 28 March 2006.

3.6 On 30 January 2006 the registered office of the Company was changed from 10 Upper Bank Street, London E14 5JJ to Building 3, Chiswick Park, 566 Chiswick High Road, London W4 5YA.

3.7 The Shareholders resolved at an extraordinary general meeting of the Company held on 28 March 2006 that:

3.7.1 each ordinary share of £1.00 each in the capital of the Company be sub-divided into one Ordinary Share and one ordinary share of 99 pence;

3.7.2 immediately upon such sub-division, each ordinary share of 99 pence be reclassified as a Deferred Share of 99 pence each having the following rights and restrictions:

- (a) the holder of a Deferred Share shall, in that capacity, have no right to receive notice of, or to attend, speak or vote, either in person or by proxy, at any general meeting of the Company;
- (b) the holder of a Deferred Share shall, in that capacity, not be entitled to participate in the profits of the Company. Deferred Shares shall not confer any right to participate in any offer or invitation by way of rights or otherwise to subscribe for additional shares in the Company or confer any right to participate in any issue of bonus shares;
- (c) notwithstanding any provision of the Articles of Association and unless specifically required by the provisions of the Act, the Company shall not be required to issue a share certificate in respect of any Deferred Share;
- (d) on a return of capital or other capital distribution by the Company (whether on liquidation or otherwise), the holder of a Deferred Share shall be entitled to receive an amount not exceeding the nominal value of each Deferred Share held by it but only after there has been paid in respect of each Ordinary Share then in issue out of the surplus available to members as a result of the distribution, not less than £10,000 per Ordinary Share;
- (e) the Company may, at its option, purchase any or all of the Deferred Shares at a price of 0.1 pence per Deferred Share at any time;
- (f) in the event of the transfer or purchase of the Deferred Shares, the Company shall be authorised to retain any share certificate relating to such shares; and
- (g) upon purchase by the Company of any Deferred Shares, the Board may convert and sub-divide the authorised but unissued share capital created as a consequence of such redemption into Ordinary Shares;

3.7.3 the authorised share capital of the Company be increased from £50,001 to £126,167.06 by the creation of 7,616,666 Ordinary Shares;

3.7.4 in place of all existing authorities and powers, the Directors be generally and unconditionally authorised pursuant to section 80 of the Act to exercise all the powers of the Company to allot

relevant securities (within the meaning of that section) up to an aggregate nominal amount of £76,166 for a period expiring (unless previously renewed varied or revoked by the Company in general meeting) on 28 March 2011, but the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after expiry of this authority and the Directors may allot relevant securities in pursuant of that offer or agreement;

3.7.5 in place of all existing authorities and powers, the Directors be empowered pursuant to section 95 of the Act to allot equity securities (within the meaning of section 94(2) of the Act) for cash pursuant to the general authority conferred by the resolution set out in paragraph 3.7.4 as if section 89(1) of the Act did not apply to the allotment, provided that the power conferred by this resolution:

(a) will expire (unless previously renewed varied or revoked by the Company in general meeting) on 28 March 2011, but the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after expiry of this power and the Directors may allot equity securities in pursuant of that offer or agreement as if the power conferred by this resolution had not expired; and

(b) is limited to:

(i) allotments of equity securities in connection with a rights issue;

(ii) the allotment for cash of up to 4,950,000 Ordinary Shares in connection with the Placing; and

(iii) allotments of Ordinary Shares for cash otherwise than pursuant to paragraphs (i) or (ii) up to an aggregate nominal amount of 2,500.

3.8 The Board intends that the Company purchases the 50,001 issued Deferred Shares of 99 pence each for a price of 0.1 pence per Deferred Share as soon as the necessary shareholder approvals are obtained.

3.9 As at 29 March 2006, of the unissued share capital, a maximum of 1,000,000 Ordinary Shares are reserved for issue in respect of Incentive Options granted or to be granted under the Incentive Option Plan (details of which are set out in paragraph 8 below).

3.10 The Existing Ordinary Shares are in registered form and, from Admission, will be capable of being held in uncertificated form and title to such shares may be transferred by means of a relevant system (as defined in the Regulations). Where Ordinary Shares are held in certificated form, share certificates will be sent to the registered members by first class post. Where Ordinary Shares are held in CREST, the relevant CREST stock account of the registered members will be credited.

4. Memorandum and Articles of Association

4.1 The objects of Ludorum are set out in full in clause 4 of its memorandum of association and include acting as an investment holding company and co-ordinating the business of any companies in which Ludorum is for the time being interested.

4.2 The Articles of Association contain provisions to the following effect:

4.2.1 Rights Attaching to Ordinary Shares

(a) Voting rights of members

Subject to any special terms as to voting for the time being attached to any shares (as to which there are none at present), and subject to disenfranchisement in the event of non-payment of any call or other sum due and payable in respect of any share or non-compliance with any statutory notice requiring disclosure of the beneficial ownership of any shares, on a show of hands every member at a general meeting who (being an individual) is present in person, or (being a corporation) is present by a representative, has one vote and on a poll every member present in person, by proxy or by representative has one vote for each share of which he is the holder. In the case of joint holders, the vote of the person whose name stands first in the register of members and who tenders a vote is accepted to the exclusion of any votes tendered by any other joint holders.

Unless the Board decides otherwise, no member shall be entitled to be present or vote (whether in person or by proxy), at a general meeting or at a separate meeting of the holders of any class of shares in the capital of the Company, in respect of any share held by him if a call or other amount due and payable in respect of the share is unpaid.

(b) Dividends

Subject to the provisions of the Act and the Articles, the Company may by ordinary resolution declare dividends to be paid to its members in accordance with their respective rights and interests, provided that no dividend may exceed the amount recommended by the Board.

Except as provided by the rights attached to, or the terms of issue of, any shares, dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is declared and paid, but no amount paid up on a share in advance of a call may be treated for these purposes as paid up on the share.

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

Any unclaimed dividend, interest or other amount payable by the Company in respect of a share may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. Any dividend which has remained unclaimed for twelve years from the date it was declared or became due for payment is forfeited and ceases to remain owing by the Company.

Subject to the provisions of the Act, the Board may pay interim dividends and also any fixed rate dividend if it appears to the Board to be justified by the profits of the Company available for distribution. If the Board acts in good faith, it is not liable to holders of shares with preferred rights for any loss arising from the payment of interim dividends on other shares. No dividend or other moneys payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share. There are no fixed dates on which entitlement to dividends arise.

The Board may, with the prior authority of an ordinary resolution of the Company, direct that payment of a dividend may be satisfied wholly or in part by the distribution of specific assets and in particular of paid-up shares or debentures of another company. Subject to the provisions of the Act, the Board may, with the prior authority of an ordinary resolution of the Company, offer to holders of shares the right to elect to receive shares credited as fully paid instead of cash in respect of all or part of a dividend or dividends.

The Company is not obliged to send or transfer a dividend or other amount payable to a shareholder if a cheque, warrant or money order is returned undelivered or left uncashed or transfer not accepted on two consecutive occasions, or, following one such occasion, reasonable enquiries have failed to establish another address or account of the person entitled to the payment, until the shareholder notifies the Company of an address or account to be used for that purpose.

(c) Return of capital

On a voluntary winding-up of the Company, the liquidator may, on obtaining any sanction required by law, divide among the members in kind the whole or any part of the assets of the Company, whether or not the assets consist of property of one kind or of different kinds, and vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members. For such purpose the liquidator may set the value he deems fair on a class or classes of property, and may determine on the basis of that valuation and in accordance with the then existing rights of members how the division is to be carried out between members or classes of members. The liquidator may not, however, distribute to a member without his consent an asset to which there is attached a liability or potential liability for the owner.

4.2.2 *Transfer of Shares*

Shares may be transferred by an instrument of transfer in writing in any usual form, or in such other form as the Board may approve. The instrument of transfer shall be executed by or on behalf of the transferor and (in the case of a share which is not fully paid) by or on behalf of the transferee. The Board may, in its absolute discretion and without giving any reason, refuse to

register any transfer of any share to any person whether or not it is fully paid up or a share on which the Company has a lien.

4.2.3 *Changes in Capital and Purchase of Own Shares*

- (a) The Company may by way of ordinary resolution:
 - (i) increase its share capital by a sum to be divided into shares of an amount prescribed by the resolution;
 - (ii) consolidate and divide all or any of its share capital into shares of a larger amount;
 - (iii) subject to the Act, sub-divide all or part of its shares into shares of a smaller amount and may by the resolution decide that the shares resulting from the sub-division have amongst themselves a preference or other advantage or be subject to a restriction; and
 - (iv) cancel any shares which have not, at the date of the resolution, been taken or agreed to be taken by a person and diminish the amount of its share capital by the amount of the shares so cancelled.
- (b) Subject to the Act and the rights attached to existing shares, the Company may also:
 - (i) by special resolution, reduce its share capital, any capital redemption reserve, share premium account or other undistributable reserve; and
 - (ii) purchase, or agree to purchase in the future, its own shares.

4.2.4 *Variation of Rights*

Subject to the Act, whenever the share capital of the Company is divided into different classes of shares, all or any of the rights for the time being attached to any class of shares may be varied, as provided by those rights or, if there is no such provision, then either with the consent in writing of the holders of at least three-fourths in nominal value of the issued shares of that class (excluding any shares of that class held as treasury shares) or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the issued shares of that class validly held in accordance with the Articles. In addition to the provisions of the Act regarding the variation of class rights, the Articles provide that the rights attached to a class of shares are not, unless otherwise expressly provided by those rights, deemed to be varied by the creation, allotment or issue of further shares ranking *pari passu* with or subsequent to them or by the purchase or redemption by the Company of its own shares in accordance with the Act and the Articles.

4.2.5 *Forfeiture*

The Company may serve notice on the members in respect of any amounts unpaid on their shares. The member shall be given not less than 14 clear days notice to pay the unpaid amount, together with any interest and all costs, charges and expenses incurred by the Company. In the event of non-compliance, a share in respect of which the notice is given may be forfeited by resolution of the Board.

4.2.6 *Redeemable Shares*

Subject to the Acts (as defined in the Articles) and to the rights attached to existing shares, shares may be issued on terms that they are to be redeemed or, at the option of the Company or the holder, are liable to be redeemed.

4.2.7 *General Meetings*

An annual general meeting and an extraordinary meeting called for the passing of a special resolution shall be called by not less than 21 clear days' notice, and an extraordinary meeting of the Company other than an annual general meeting or a meeting for the passing of a special resolution shall be called by not less than 14 clear days' notice. The notice shall specify whether the meeting is an annual general meeting or an extraordinary general meeting, the place, the date and time of meeting and, in the case of any special business, the general nature of that business. A notice convening a meeting to pass an extraordinary resolution or a special resolution as the case may be shall specify the intention to propose the resolution as such.

The notice of the meeting may also specify a time which shall not be more than 48 hours before the time fixed for the meeting by which a person must be entered on the register in order to have the right to attend or vote at the meeting.

The accidental omission to send notice of a meeting or any document relating to the meeting or the non-receipt of such notice or document shall not invalidate the proceedings at that meeting.

All shareholders present in person or by duly appointed corporate representative, and their duly appointed proxy or proxies shall be entitled to attend all general meetings of the Company.

4.2.8 *Notices*

- (a) A notice to be given to or by a person pursuant to the Articles (other than a notice convening a meeting of the Board or of a committee of the Board) shall be in writing or in an electronic communication to an address for the time being notified for that purpose to the person giving the notice.
- (b) A notice or other document may be served by the Company on any member personally or by post in a pre-paid envelope at his address stated in the register of members (or another address notified for the purpose) or by leaving it at such address in an envelope addressed to the member or by giving it by electronic communication to an address for the time being notified to the Company by the member for that purpose or by any other means authorised in writing by the member concerned. In the case of joint holders of a share, a notice or other document shall be given to whichever of them is named first in the register in respect of the joint holding. If postal services in the UK are suspended or curtailed and the Company is unable effectively to convene a general meeting by notices sent by post to those members who have not notified an address for electronic communications pursuant to the Articles, a general meeting may be convened by advertisement in at least one UK national newspaper. A member whose address in the register of members of the Company is outside the UK and who gives to the Company an address within the UK at which notices or other documents may be served on him shall be entitled to have notices served on him at that address but, unless he does so, shall not be entitled to receive notices or other documents from the Company.

4.2.9 *Directors*

- (a) **Appointment**

There is no age limit for Directors.

Directors may be appointed by the Company by ordinary resolution or by the Board. A Director appointed by the Board holds office only until the dissolution of the next annual general meeting and is not taken into account in determining the Directors who are to retire by rotation at that meeting. Unless and otherwise determined by ordinary resolution, the number of Directors shall be not less than two and is not subject to a maximum number.

A Director of the Company need not be a member of the Company.

- (b) **Remuneration**

Unless otherwise decided by the Company by ordinary resolution, the Company shall pay to the Directors by way of remuneration for their services as Directors, such fees as the Board decides or such amount as the Company may, by ordinary resolution, decide. Such fees shall be divided among the Directors in such proportion as the Board decides or, if no decision is made, equally. Subject to the Act and Articles, the Board may arrange for part of a fee payable to a Director to be provided in the form of fully paid shares in the capital of the Company.

Any Director who is appointed to any executive office shall be entitled to such remuneration as the Board may determine, and may be in addition to, or instead of, any fees payable to him for his services as a Director.

The Board shall also be repaid all reasonable travelling, hotel and other expenses properly incurred by them in the performance of their duties, including the expenses of attending the meetings of the Board, committee meetings, general meetings and separate meetings of the holders of any class of securities of the Company.

The Board may grant reasonable additional remuneration and expenses in addition to a Director's ordinary remuneration (if any) to any Director of the Company who goes or resides abroad at the request of the Board or who performs any special service on behalf of the Company.

The Board may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits and to provide death or disability benefits or other allowances or gratuities to a person who is or has at any time been a Director of the Company or a Director of any company which is or was a subsidiary undertaking of or allied to or associated with the Company or a subsidiary of the Company or a predecessor in business of the Company or of a subsidiary undertaking of the Company and to the relatives or dependants of any such person. For this purpose the Board may establish, maintain, subscribe and contribute to any scheme, trust or fund and pay premiums.

(c) Retirement by Rotation

At each annual general meeting one-third of the Directors (or, if their number is not three or a multiple of three, the number nearest to but not less than one-third) who are subject to retirement by rotation will retire by rotation and be eligible for re-election, provided that if there are fewer than three Directors who are subject to retirement by rotation, one shall retire from office. The Directors to retire will be those who wish to retire and those Directors who have been longest in office since their last appointment or reappointment or, in the case of those who were appointed or reappointed on the same day, will (unless they otherwise agree) be determined by lot.

(d) Directors' Interests

A Director who, to his knowledge, is in any way, whether directly or indirectly, interested in a contract, arrangement, transaction or proposal with the Company shall declare the nature of his interest at a meeting of the Directors at which the question of entering into the contract, arrangement, transaction or proposal is first considered, if he knows his interest then exists, or, in any other case, at the first meeting of the Board after he knows that he is or has become interested.

A Director may not vote on or be counted in any quorum in relation to a resolution of the Board or of a committee of the Board concerning any contract, arrangement, transaction or proposal to which the Company is or is to be a party and in which he has an interest which is, to his knowledge, a material interest (otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise in or through the Company). Notwithstanding the above, this prohibition does not apply to a resolution concerning any of the following matters:

- (i) the giving of a guarantee, security or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of, or for the benefit of, the Company or any of its subsidiary undertakings;
- (ii) the giving of a guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility under a guarantee or indemnity or by the giving of security;
- (iii) any contract, arrangement, transaction or proposal concerning an offer of shares, debentures or other securities of the Company or any of its subsidiary undertakings for subscription or purchase, in respect of which he is or may be entitled to participate as a holder of any such securities or in the underwriting or sub-underwriting of which he is to participate;
- (iv) any contract, arrangement, transaction or proposal to which the Company is or is to be a party concerning another company (including a subsidiary undertaking of the Company) in which he is interested (directly or indirectly) whether as an officer, shareholder, creditor or otherwise if he does not to his knowledge hold an interest in shares (within the meaning of sections 198 to 211 of the Act) representing one per cent. or more of either any class of equity share capital of such company or of the voting rights of that company;

- (v) any contract, arrangement, transaction or proposal for the benefit of employees of the Company or any of its subsidiary undertakings which does not award him a privilege or benefit not generally awarded to the employees to whom it relates; and
- (vi) any contract, arrangement, transaction or proposal concerning the purchase or maintenance of an insurance policy for the benefit of directors.

Subject to the Act and provided he has disclosed to the Board the nature and extent of any direct or indirect interest of his, a Director, notwithstanding his office:

- (i) may enter into or otherwise be interested in any contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested, either in connection with his tenure of an office or place of profit or as seller, buyer or otherwise;
- (ii) may hold another office or place of profit with the Company (other than the office of auditor of the Company or auditor of any subsidiary) in conjunction with his office as Director and he (or his firm) may also act in a professional capacity for the Company and may be remunerated for doing so as the Board may decide;
- (iii) may be a director or other officer of, or may be employed by, or be party to a contract, transaction, arrangement or proposal with or otherwise interested in, a company promoted by the Company or in which the Company is otherwise interested or as regards which the Company has a power of appointment; and
- (iv) is not liable to account to the Company for a profit, remuneration or other benefit realised by any such contract, arrangement, transaction, proposal, office or employment and no such contract, arrangement, transaction or proposal is avoided on the grounds of any such interest or benefit.

A Director shall not vote or be counted in the quorum at a meeting of the Directors or committee meeting in respect of any resolution concerning his own appointment (including fixing and varying the terms of his appointment or its termination), as the holder of any office or place of profit with the Company or any other company in which the Company is interested but, where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment or its termination) of two or more Directors to offices or places of profit with the Company or a company in which the Company is interested, those proposals shall be divided and considered in relation to each Director separately; and in such case each of the Directors concerned (if not otherwise debarred from voting under the Articles) shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.

4.2.10 *Failure to Disclose Interests in Shares*

If any member or other person appearing to be interested in shares of the Company has been duly served with a notice under section 212 of the Act and is in default for 14 days from the date of service of the notice in supplying to the Company the information thereby required, or, in purported compliance with such a notice, has made a statement which is false in a material particular, then the Board may impose restrictions upon the relevant shares.

The restrictions available are the suspension of voting or other rights conferred by membership in relation to meetings of the Company in respect of the relevant shares and, additionally, in the case of shareholders representing at least 0.25 per cent. in nominal value of their class of shares (excluding any shares of their class held as treasury shares), the withholding of payment on dividends on, and in certain cases the restriction of transfers of, the relevant shares.

The restrictions shall cease to apply seven days after the earlier of, receipt by the Company of notice of an excepted transfer (but only in relation to the shares transferred) and, receipt by the Company (in a form satisfactory to the Board) of all the information required by the section 212 notice.

4.2.11 *Borrowing powers*

The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or part of the undertaking, property and assets (present or future) and uncalled capital of the Company and, subject to the Acts (as defined in the Articles), to issue debentures and other

securities, whether outright or as collateral security for a debt, liability or obligation of the Company or of a third party.

5. Other Directorships

5.1 In addition to their directorships of the Company, the Directors hold or have held the following directorships within the past five years.

<i>Name</i>	<i>Current directorships</i>	<i>Previous directorships</i>
Richard Rothkopf	Rothkopf Enterprises Inc. RC2 Corporation Acre 689 Limited Bondco 998 Limited	None
Rob Lawes	None	Captain Pugwash Limited Entermode Limited Guinness World Records Limited Gullane (Development) Limited Gullane (Distribution) Limited Gullane (Licensing) Limited Gullane (Music Publishing) Limited Gullane (Productions) Limited Gullane (Thomas) Limited Gullane Children's Books Limited Gullane Entertainment Limited Hit Entertainment Finance Limited Hit Entertainment Limited (formerly HIT Entertainment PLC) Hit Entertainment Services Limited Hit Holdings 1 Limited Hit Holdings 2 Limited Hit Ventures 1 Hit Ventures 2 Hit Ventures 5 Limited Hot Animation Limited Ludgate 151 Limited Magic Railroad Productions Limited Moonbeam Limited Prism Art & Design Limited Television Support Services Limited The Britt Allcroft Company Ltd The Magic Railroad Company Limited The Media Merchants Television Company Limited Wildchannel Limited

<i>Name</i>	<i>Current directorships</i>	<i>Previous directorships</i>
Charles Caminada	None	Captain Pugwash Limited Entermode Limited Guinness World Records Limited Gullane (Development) Limited Gullane (Distribution) Limited Gullane (Licensing) Limited Gullane (Music Publishing) Limited Gullane (Productions) Limited Gullane (Thomas) Limited Gullane Children's Books Limited Gullane Entertainment Limited Hit Entertainment Finance Limited Hit Entertainment Limited (formerly HIT Entertainment PLC) Hit Entertainment Services Limited Hit Holdings 1 Limited Hit Holdings 2 Limited Hit Ventures 1 Hit Ventures 2 Hit Ventures 3 Hit Ventures 4 Ludgate 151 Limited Magic Railroad Productions Limited Moonbeam Limited Prism Art & Design Limited Television Support Services Limited The Britt Allcroft Company Ltd The Magic Railroad Company Limited The Media Merchants Television Company Limited Wildchannel Limited
Simon Pearce	Isle of Shuna Shellfish Ltd	ACL Cruises Limited Airport Assistance Limited Children's Radio UK Limited Flag Travel Limited Ocean Village Holidays Limited P&O Cruises Limited P&O Princess American Holdings P&O Princess Limited P&O Princess Purchasing Limited Posh Cruise Club Limited Princess Cruises Limited Princess Voyages Limited RCP Cruises Limited Shipping Technical Services International Limited Swan Hellenic Limited W.F.& R.K.Swan Limited

<i>Name</i>	<i>Current directorships</i>	<i>Previous directorships</i>
David Maloney	Carillion plc Micro Focus International plc Virgin Mobile Holdings (UK) plc	0800 Flights Limited A B Caller & Sons Limited AMP Management Limited Austral Limited Bass Travel Limited Bass Travel Supplies Limited Britannia Airways Limited Britannia Holidays Limited Budget Flights Limited Callers-Pegasus Travel Service Limited Canaries Direct Limited Capital Bargains Limited Contentdot Company Limited Crystal Holidays Limited Crystal International Travel Group Limited Cyprus Direct Limited Digital Travel Group (Holdings) Limited Digital Travel Group Limited DIY Traveller Limited Excelsior Hotels Limited Far Away Direct Limited Flight Traders Limited Flights Warehouse Limited Florida Direct Limited Fly Thomson Limited Free Fone Flights Limited Free Phone Flights Limited Gold Case Travel Limited Greece Direct Limited Grosvenor House (Park Lane) Limited Holiday Club International Limited Holiday Market Limited Holiday Traders Limited Holidaytime Limited Horizon Holidays Limited Horizon Midlands (Properties) Limited Horizon Travel Centres Limited Hotel Zoe Limited The Iberian and Mediterranean Hotels Company Limited Ideal Breaks Limited IDF Group Limited Images of Arabia Limited Images of Asia Limited Images of India Limited Images of South America Limited Indochina Travel Limited J.S. Courtney Limited Jetsave International Limited Knotts Holding Company Limited L.W. Morland & Co. Limited Last Stop Holiday Shop Limited

Name

Current directorships

Previous directorships

Last Stop Holidays Limited
Le Meridien (UK) Pension Scheme Trustees Limited
Le Meridien Hotels & Resorts Limited
Le Meridien Piccadilly Limited
Le Meridien World Wide Limited
Leeds Hotel Limited
Magic Connoisseurs Limited
Manchester Flights Limited
Meriden Property Company I Limited
Meriden Property Company II Limited
Meriden Streck Limited
Meridien Cafe Royal Limited
Meridien Hotels & Resorts London Limited
Meridien Park Hotel Limited
Meridien Secretaries Limited
Package Deals Limited
Phoenicia Hotel Company Limited
Phoenicia Travel Limited
Plantravel Limited
Port Philip Group Limited
Portland Camping
Portland Holidays Limited
Portland Travel Limited
Post Inns Limited
Red Hot Deals Limited
Renwicks Travel Limited
Riviera Holidays
Robert Sibbald Travel Agents Limited
Selkirk House (MH) Limited
Simply Africa Limited
Simply Arabia Limited
Simply Aviation Limited
Simply Corsica Limited
Simply Crete Limited
Simply Cruising Limited
Simply France Limited
Simply India Limited
Simply Ionian Limited
Simply Italy Limited
Simply Portugal Limited
Simply Ski Limited
Simply Spain Limited
Simply Travel Holdings Limited
Simply Travel Limited
Simply Turkey Limited
Simply Tuscany & Umbria Limited
Sir Henry Lunn
Ski Direct (UK) Limited
Sky Tours Limited
Skydeals (M/CR) Limited
Skyway Hotels Limited
Something Special (Transport) Limited
Something Special Holidays Limited
Spanish Harbour Holidays Limited
Spanish Harbour Travel Services Limited

Name

Current directorships

Previous directorships

Specialist Holidays Contracting Limited
Specialist Holidays Group Limited
Specialist Holidays Limited
Step into Africa Limited
Streck Hotels Limited
Team Travel Group Limited
Tenerife Direct Limited
The Magic of Travel Limited
The Magic Travel Group (Holidays) Limited
The Magic Travel Group Limited
THG Holidays Limited
Thomson Flights Limited
Thomson Holidays Limited
Thomson Travel Group (Holdings)
Limited
Thomson Travel International Limited
Travel Direct (UK) Limited
Traveller's Joy Travel Service Limited
Tropical Places Limited
TTG (No. 1) Limited
TTG (No. 2) Limited
TTG Retail Development Limited
Tui Finance Northern Europe Limited
Tui Northern Europe Limited
Tui Pension Scheme (UK) Limited
Turkey Direct Limited
Universal Sky Tours Limited
Villa Options Limited
Waldorf Hotel Company Limited
Wings Travel Limited
World of Tui Limited
Worldwide Direct (Travel) Limited
Zoe (FH) Limited
Zoe Acquisition Company I Limited
Zoe Acquisition Company II Limited
Zoe Acquisition Company III Limited
Zoe Acquisition Company IV Limited
Zoe Development Company I Limited
Zoe Directors Limited
Zoe Gatwick Limited
Zoe Golf Club Limited
Zoe Grand Limited
Zoe Greenwich Guarantee Company
Limited
Zoe Greenwich I Limited
Zoe Greenwich II Limited
Zoe Guarantee Company Limited
Zoe Heathrow Limited
Zoe Holdings Limited
Zoe Holdings UK Limited
Zoe Hotels & Resorts Acquisition Limited
Zoe Hotels & Resorts Company Limited
Zoe Hotels (Europe) Limited
Zoe Hotels (GB) Limited
Zoe Hotels (Health and Leisure Clubs)
Limited
Zoe Hotels (Holdings) Limited

<i>Name</i>	<i>Current directorships</i>	<i>Previous directorships</i>
		Zoe Hotels (P) Limited Zoe Hotels (UK) Limited Zoe Hotels Acquisition Company (P) Limited Zoe Hotels Limited Zoe Hotels Services Company (P) Limited Zoe Hotels Services Plc Zoe Intermediate Holding Company I Limited Zoe International Limited Zoe Overseas I Limited Zoe Overseas Interests Limited Zoe Resorts Limited Zoe Retained Hotels Limited Zoe Services Company PLC Zoe Training Limited
5.2	Whilst Mr Maloney was a director of the Meridien Hotels & Resorts group, the following subsidiaries, of which he was also a director, were placed into administrative receivership: Waldorf Hotel Company Limited, Grosvenor House (Park Lane) Limited, Meridien Property Company I Limited and Meridien Property Company II Limited.	
5.3	Save as disclosed in this Admission Document, none of the Directors has:	
	5.3.1 any previous names;	
	5.3.2 any unspent convictions in relation to indictable offences;	
	5.3.3 had any bankruptcy order made against him or entered into any voluntary arrangements;	
	5.3.4 been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;	
	5.3.5 been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;	
	5.3.6 been the owner of any assets or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;	
	5.3.7 been publicly criticised by any statutory or regulatory authority (including recognised professional bodies); or	
	5.3.8 been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a company.	
5.4	None of the Directors has any potential conflicts of interests between their duties to the Company and their private interests or other duties.	

6. Directors' and Other Interests

- 6.1 The interests (all of which are beneficial unless stated otherwise) of the Directors and their immediate families and the persons connected with them (within the meaning of section 346 of the Act) which have been notified to the Company pursuant to sections 324 and 328 of the Act or are required to be disclosed in the Register of Directors' Interests pursuant to Section 325 of the Act in the issued share capital of the Company and the existence of which is known to, or could with due and careful enquiry be ascertained by, any Director as at the date of this document are as follows:

	<i>28 March 2006 (last practicable date prior to publication of this document)</i>				<i>Immediately following Admission</i>			
	<i>Number of Ordinary Shares</i>	<i>% of issued Ordinary Share capital</i>	<i>Number of Deferred Shares</i>	<i>% of issued Deferred Share capital</i>	<i>Number of Ordinary Shares</i>	<i>% of issued Ordinary Share capital</i>	<i>Number of Deferred Shares</i>	<i>% of issued Deferred Share capital</i>
Richard Rothkopf	Nil	Nil	Nil	Nil	220,000	4.40	Nil	Nil
Rob Lawes	16,667	33.33	16,667	33.33	440,000	8.80	16,667	33.33
Charles Caminada	16,667	33.33	16,667	33.33	292,000	5.84	16,667	33.33
Simon Pearce	16,667	33.33	16,667	33.33	35,000	0.70	16,667	33.33
David Maloney	Nil	Nil	Nil	Nil	20,000	0.40	Nil	Nil

- 6.2 On 28 March 2006, conditional upon Admission taking place, options were granted to the Executive Directors under the Incentive Option Plan as follows:

<i>Name of Director</i>	<i>No. of Ordinary Shares subject to Incentive Options</i>
Richard Rothkopf	200
Rob Lawes	390
Charles Caminada	280
Simon Pearce	70

The exercise price under each of the above Incentive Options is 1 pence per Ordinary Share.

- 6.3 Save as set out in this Part 4, immediately following the Placing no Director will have any interest in the share capital of the Company.
- 6.4 So far as the Company is aware, as at 28 March 2006 (being the latest practicable date prior to publication of this document) the following persons (other than the Directors) are directly or indirectly interested in three per cent. or more of the Company's issued ordinary share capital or will be so interested immediately following Admission:

<i>Name of Shareholder</i>	<i>Immediately prior to Admission</i>		<i>Immediately following Admission</i>	
	<i>No. of Ordinary Shares</i>	<i>% of issued Ordinary Share capital</i>	<i>No. of Ordinary Shares</i>	<i>% of issued Ordinary Share capital</i>
DC Thomson & Co Ltd	Nil	Nil	1,000,000	20.00
Foreign & Colonial	Nil	Nil	600,000	12.00
Ruffer Investment Management	Nil	Nil	500,000	10.00
Taube Hodson Stonex Partners Ltd	Nil	Nil	500,000	10.00
Gartmore Investment Management	Nil	Nil	400,000	8.00
Revera Asset Management	Nil	Nil	400,000	8.00
Hargreave Hale	Nil	Nil	293,000	5.86
Savoy Asset Management	Nil	Nil	250,000	5.00

Save as set out in this Part 4, the Company is not aware of any person who is or will immediately following Admission be interested (within the meaning of the Act), directly or indirectly, in three per cent. or more of the issued share capital of the Company.

- 6.5 None of the Shareholders referred to in paragraph 6.4 above has different voting rights from any other holder of Ordinary Shares in respect of any Ordinary Shares held by them.

- 6.6 Save as set out in this Part 4, the Company is not aware of any person who immediately following Admission directly or indirectly, jointly or severally, will own or could exercise control over the Company.
- 6.7 There are no arrangements known to the Company which may at a subsequent date result in a change of control of the Company.

7. Directors' Service Agreements and Letters of Appointment

- 7.1 Each Executive Director (other than the Chairman) has entered into a service agreement with the Company commencing upon Admission, for an indefinite period subject to either party giving the other 12 months' written notice. Pursuant to their service agreement, each Executive Director (other than the Chairman) will receive an annual salary and be entitled to participate in an annual bonus scheme and to receive 25 days' paid holiday (in addition to public and bank holidays) in addition to other benefits. Each service agreement also contains certain confidentiality obligations applicable both during and after employment and non-compete and non-solicitation covenants which apply for 6 months after termination of the Executive Director's (other than the Chairman's) employment. The annual salaries payable to the Executive Directors (other than the Chairman) are as follows:

<i>Name of Executive Director</i>	<i>Annual Salary</i>
Rob Lawes	£150,000
Charles Caminada	£140,000
Simon Pearce	£100,000

- 7.2 The Chairman has entered into a service agreement with the Company commencing upon Admission, for an indefinite period subject to either party giving the other 12 months' written notice. Pursuant this service agreement, the Chairman will receive an annual salary of £20,000 and be entitled to participate in an annual bonus scheme in addition to other benefits. The service agreement also contains certain confidentiality obligations applicable both during and after employment and non-compete and non-solicitation covenants which apply for 6 months after termination of the Chairman's employment.
- 7.3 Pursuant to a letter of appointment dated 28 March 2006, David Maloney was appointed as a Non-Executive Director at an annual fee of £20,000.
- 7.4 Save as set out in this Part 4, there are no existing or proposed service agreements between any Director and any member of the Company providing for benefits upon termination of employment.

8. Incentive Option Plan

8.1 Administration

The remuneration committee will be responsible for the operation of the Plan. The Plan is not intended to be approved by HM Revenue & Customs. Incentive Options granted under the Plan are not pensionable.

8.2 Eligibility

The remuneration committee may select any employee (including an Executive Director) of the Company or any of its subsidiaries to participate in the Plan. However, it is anticipated that, except where any lapsed Incentive Options are re-allocated in the future (please see paragraph 8.3 below), the only participants in the Plan will be the Executive Directors and a limited number of senior employees.

8.3 Incentive Options

The Plan provides for the grant of 1,000 Incentive Options to participants. As explained in paragraph 8.4 below, Incentive Options can be enlarged at certain times between 2009 and 2011 into options over Ordinary Shares having an aggregate value at the time of the enlargement equal to 20 per cent. of the increase in shareholder value since Admission as at that time.

The remuneration committee can determine the price payable for each Ordinary Share under an Incentive Option. However, the intention is that the exercise price will be equal to the par value of an Ordinary Share.

If any Incentive Options lapse in the future (e.g. due to a participant ceasing employment), then the remuneration committee may re-allocate the lapsed Incentive Options to any eligible employee,

including participants in the Plan at that time. Such re-allocated Options may be granted at any time when directors are free to deal in shares in the Company.

Incentive Options are personal to a participant and, except on death, may not be transferred.

8.4 *Enlargement and Exercise*

On a cumulative basis, participants may enlarge up to one-third of their Incentive Options in each of 2009, 2010 and 2011, or, if earlier, on a takeover or similar event affecting the Company. Incentive Options are enlarged (*pro rata* to the number being enlarged) into options over Ordinary Shares having an aggregate value equal to 20 per cent. of the increase in shareholder value since Admission as at the date of enlargement.

The increase in shareholder value for the purposes of the enlargement of Incentive Options is calculated as the difference between the market capitalisation of the Company at the point of enlargement (determined by reference to the average market price of an Ordinary Share for the 40 business days prior to enlargement), or the offer price (in the case of a takeover), and the net invested capital in the Company. The net invested capital is the aggregate of the amounts paid up on the Ordinary Shares prior to enlargement, less all amounts paid by the Company by way of dividends or other distributions in respect of those Ordinary Shares, where each such amount (i.e. new capital or dividends/distributions) is adjusted upwards in line with the movement in the RPI (plus two per cent. per annum).

Once enlarged, an Incentive Option may be exercised at any time up to ten years from the grant date, unless this exercise period is curtailed under the Plan (e.g. following a change of control of the Company).

8.5 *Early Leavers*

If a participant ceases employment with the Group (including by reason of death), then, unless he is dismissed for cause or ceases employment within one year of the grant date (in which case his Incentive Options are forfeited), he may retain, enlarge and exercise some or all of his Incentive Options as follows:

- (a) 25 per cent., if employment ceases between one and two years after the grant date of his Incentive Options;
- (b) 50 per cent., if employment ceases between two and three years after the grant date of his Incentive Options; and
- (c) 100 per cent., if employment ceases three years or more after the grant date of his Incentive Options.

8.6 *Change of Control*

If there is a change of control, scheme of reconstruction or amalgamation, or winding-up of the Company, Incentive Options will be enlarged at that time (by reference to the offer price payable) and may then be exercised in full by a participant. The remuneration committee can also at its discretion permit the early enlargement and exercise in full of Incentive Options on a demerger or similar event affecting the price of Ordinary Shares in the market.

8.7 *Variation of Capital*

In the event of any increase or variation of the Ordinary Share capital of the Company or any demerger or similar event affecting the price of Ordinary Shares in the market, the remuneration committee may make such adjustments as it considers appropriate to the number of Ordinary Shares which a participant can acquire under his Incentive Option and/or the relevant exercise price.

8.8 *Alterations*

The remuneration committee may amend the Plan at any time. However, the prior approval of the Company in general meeting will be needed for an alteration to the material advantage of participants relating to eligibility, the number of Incentive Options available, rights to exercise Incentive Options and variations of capital, except for minor amendments to benefit the administration of the Plan, to take account of changes in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or any member of the Group. Any amendment to the disadvantage of participants requires their majority consent.

9. Employee Share Scheme

As the Company develops, the Board intends to establish the Employee Scheme, a separate share-based incentive scheme for those persons employed by the Company following Admission. The Board intends that the Executive Directors and any other participants of the Incentive Option Plan will not be eligible to participate in the Employee Scheme prior to 2011. The terms of the Employee Scheme will be determined by management in due course.

10. Lock-in Arrangements

Pursuant to AIM Rule 7, each of the Directors has undertaken in favour of Investec and the Company that, except in certain limited circumstances (including in relation to the acceptance of an offer for the entire issued share capital of the Company of a kind to which the City Code applies), they will not, without Investec's prior written consent, for a period of 12 months from Admission, transfer, charge or otherwise dispose of any interest in the Company's Shares of which they are the registered holder or beneficial owner on Admission (including in the case of the Executive Directors any Ordinary Shares for which they may subscribe pursuant to the Placing) nor agree or publicly announce their intention to do so. The Directors have also undertaken for an additional twelve months following the expiry of this lock-in period (or if earlier, so long as Investec is the Company's nominated adviser) only to transfer, charge or otherwise dispose of any interest in the Company's shares through Investec. Richard Rothkopf, Rob Lawes, Charles Caminada, Simon Pearce and David Maloney have undertaken to subscribe for 220,000, 440,000, 292,000, 35,000 and 20,000 Placing Shares respectively intended to be offered to them pursuant to the Placing.

11. United Kingdom Taxation

11.1 General

The following statements are only a guide to the general position and are based on current UK taxation legislation and published practice of UK HM Revenue & Customs, both of which are subject to change, possibly with retrospective effect. Except where the position of non-UK residents is expressly referred to, these statements relate solely to persons who are resident or ordinarily resident in the UK for UK tax purposes, who are the beneficial owners of Ordinary Shares, who hold their Ordinary Shares as an investment and not as trading stock and who have not (and are not deemed to have) acquired their Ordinary Shares by reason of an office or employment). The comments below may not apply to certain classes of Shareholders such as (but not limited to) dealers in securities, insurance companies and collective investment schemes. If you are in any doubt as to your tax position or if you are subject to tax in a jurisdiction other than the UK, you should consult your own professional advisers.

11.2 Dividends

Under current UK taxation legislation, no tax will be withheld at source from dividend payments by the Company.

11.2.1 Individuals

UK resident individual Shareholders who receive a dividend from the Company will generally be entitled to a tax credit, which can be set off against the individual's income tax liability on the dividend payment. The rate of tax credit on dividends paid by the Company will be 10 per cent. of the total of the dividend payment and the tax credit (the "**gross dividend**"), or one-ninth of the dividend payment. UK resident individual Shareholders will generally be taxable on the gross dividend, which will be regarded as the top slice of the shareholder's income. UK resident individual Shareholders who are not liable to income tax in respect of the gross dividend will generally not be entitled to reclaim any part of the tax credit. In the case of a UK resident individual shareholder who is not liable to income tax at the higher rate (taking account of the gross dividend he or she receives), the tax credit will satisfy in full such shareholder's liability to income tax. To the extent that a UK resident individual shareholder's income (including the gross dividend) exceeds the threshold for higher rate income tax, such shareholder will be subject to income tax on the gross dividend at 32.5 per cent. but will be able to set the tax credit off against this liability. An individual shareholder who is liable to the higher rate of income tax will therefore be liable to income tax equal to 22.5 per cent. of the gross dividend (or 25 per cent. of the dividend payment).

11.2.2 Companies

A corporate Shareholder resident in the UK (for tax purposes) will generally not be subject to corporation tax on dividend payments by the Company. Corporate Shareholders will not, however, be able to claim repayment of tax credits attaching to the dividend payment.

11.2.3 Non-Residents

In general, the right of non-UK resident Shareholders to reclaim tax credits attaching to dividend payments by the Company will depend upon the existence and the terms of an applicable double tax treaty between their jurisdiction of residence and the UK. In most cases, the amount that can be claimed by non-UK resident Shareholders will be nil as a result of the terms of the relevant treaty. They may also be liable to tax on the dividend income under the tax law of their jurisdiction of residence. Non-UK resident Shareholders should consult their own tax advisers in respect of their liabilities on dividend payments, whether they are entitled to claim any part of the tax credit and, if so, the procedure for doing so.

11.2.4 Pension Funds

UK resident Shareholders who are not liable to income tax, including pension funds, charities and individuals holding shares through a personal equity plan or individual savings account, are not entitled to reclaim the tax credits on dividends paid by the Company.

11.3 *Chargeable Gains*

A disposal of the Ordinary Shares by a shareholder who is resident or, in the case of an individual, ordinarily resident for tax purposes in the UK, or a Shareholder who is neither resident nor ordinarily resident in the UK for tax purposes, but who carries on a trade, profession or vocation in the UK through a permanent establishment (where the Shareholder is a company) or through a branch or agency (where the Shareholder is not a company) and has used, held or acquired the Ordinary Shares for the purposes of such trade, profession or vocation or such permanent establishment, branch or agency (as appropriate) may, depending on the Shareholder's circumstances and subject to any available exemption or relief, give rise to a chargeable gain or an allowable loss for the purposes of UK taxation on chargeable gains. An individual Shareholder who for a period of less than five years either has ceased to be resident and ordinarily resident for tax purposes in the UK or has become resident in a territory outside the UK for purposes of double taxation relief arrangements and who disposes of the Ordinary Shares during that period, may be liable on his or her return to the UK to UK capital gains tax on any chargeable gain realised. Nothing in any double taxation relief arrangements shall prevent such an individual from being subject to UK capital gains tax in those circumstances.

11.4 *UK Inheritance and Gift Taxes*

Ordinary Shares beneficially owned by an individual Shareholder will be subject to UK inheritance tax on the death of the Shareholder (even if the Shareholder is not domiciled or deemed domiciled in the UK). For UK inheritance tax purposes, a transfer of assets to another individual or trust could potentially be subject to UK inheritance tax, based on the loss of value to the donor. Particular rules apply to gifts where the donor reserves or retains some benefit. UK inheritance tax is not chargeable on gifts to individuals or trusts (other than discretionary trusts) if the transfer is made more than seven complete years prior to death of the donor. Special rules apply to close companies and to trustees of settlements who hold shares, which could bring them within the charge to UK inheritance tax.

Shareholders should consult an appropriate professional adviser if they intend to make a gift of any kind or intend to hold any Ordinary Shares through trust arrangements. They should also seek professional advice in a situation where there is a potential for a double charge to UK inheritance tax and an equivalent tax in another country.

11.5 *Stamp Duty and Stamp Duty Reserve Tax*

In relation to the Placing Shares being issued by the Company, no liability to stamp duty or SDRT will arise on the issue of, or on the issue of definitive Ordinary Share certificates in respect of, such shares by the Company other than in circumstances involving depositary receipts or clearances services referred to below.

Holders of Ordinary Shares will be registered on the Company's register in the UK. Shareholders who are "system members" of CREST may elect to hold their Ordinary Shares in CREST for trading on the main market.

The conveyance or transfer on sale of Ordinary Shares held in certificated form will generally be subject to *ad valorem* stamp duty on the instrument of transfer at the rate of 0.5 per cent. of the amount of value of the consideration given (rounded up if necessary to the nearest multiple of £5). Stamp duty is normally paid by the purchaser of the Ordinary Shares.

An unconditional agreement to transfer Ordinary Shares will normally give rise to a charge to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration for the Ordinary Shares. However, where within six years of the date of the agreement an instrument of transfer is executed and duly stamped, the SDRT liability will be cancelled and any SDRT which has been paid will be repaid. SDRT is normally the liability of the purchaser of the Ordinary Shares.

Where Ordinary Shares are issued or transferred (a) to, or to a nominee for, a person whose business is or includes the provision of clearance services or (b) to, or to a nominee or agent for, a person whose business is or includes issuing depositary receipts, stamp duty (in the case of a transfer only to such person) or SDRT may be payable at a rate of 1.5 per cent. (rounded up if necessary, in the case of stamp duty, to the nearest multiple of £5) of the amount or value of the consideration payable or, in certain circumstances, the value of the Ordinary Shares. This liability for stamp duty or SDRT will strictly be accountable by the depositary or clearance service operator or their nominee, as the case may be, but will in practice generally be reimbursed by participants in the clearance service or depositary receipt scheme. Clearance service providers may opt under certain circumstances for the normal rates of SDRT (0.5 per cent. of the consideration paid) to apply to issues or transfers of Ordinary Shares into, and to transactions within, the service instead of the higher rate applying to an issue or transfer of Ordinary Shares into the clearance service, in which case a liability to SDRT would arise (at the rate of 0.5 per cent. of the consideration paid) on any subsequent transfers of Ordinary Shares whilst in the service.

Paperless transfers of Ordinary Shares within CREST are generally subject to SDRT, rather than stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration payable. CREST is obliged to collect SDRT on relevant transactions settled within the system. Deposits of Ordinary Shares in CREST will generally not be subject to SDRT or stamp duty, unless the transfer into CREST is itself for consideration in money or money's worth, in which case a liability to SDRT will arise, usually at the rate of 0.5 per cent. of the value of the consideration.

Special rules apply to agreements made by market intermediaries in the ordinary course of their business.

Prospective purchasers of Placing Shares should consult their own tax advisors with respect to the tax consequences to them of acquiring, holding and disposing of Ordinary Shares.

12. Working Capital

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

13. Significant Change

Save as disclosed in Part 3 of this document there has been no significant change in the financial or trading position of the Company since 28 February 2006, the date to which the financial information in Part 3 has been prepared.

14. Litigation

The Company is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) since its incorporation which may have, or have had a significant effect on the financial position or profitability of the Company.

15. Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company since its incorporation and are, or may be, material:

15.1 *Placing Agreement*

On 29 March 2006 the Company entered into an agreement with Investec and the Directors under which Investec agreed to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price. The Placing is not underwritten. Pursuant to the Placing Agreement, the Company and the Directors have given certain warranties to Investec regarding, *inter alia*, the accuracy of the information in this Admission Document. The Company has also provided an indemnity to Investec in connection with the Placing. In addition, the Company has agreed to perform certain obligations. The Placing Agreement is conditional, *inter alia*, on Admission occurring and becoming effective and the Placing Shares having been admitted as participating securities in CREST no later than 8.00 a.m. on 3 April 2006 or such later date as Investec and the Company shall agree but not later, in any event, than 5.00 p.m. on 28 April 2006. Investec is entitled in certain circumstances to terminate the Placing Agreement prior to Admission, including, *inter alia*, for a breach by the Company or the Directors, of any of the warranties contained in, or other material breach of, the Placing Agreement or on the occurrence of a material adverse change in relation to the Company or the Placing or a *force majeure* event. On Admission Investec will receive a fee of £150,000 for its services.

15.2 *Nominated Adviser and Broker Agreement*

On 29 March 2006 the Company entered into an agreement with Investec under which Investec was appointed and agreed to act as the Company's nominated adviser and broker for the purposes of the AIM Rules for twelve months from Admission and thereafter until terminated by one month's notice by either party. For services under this agreement, the Company has agreed to pay Investec an annual fee of £30,000 in respect of the first twelve months following Admission, £40,000 in respect of the second twelve months following Admission and £50,000 per annum thereafter, in each case plus disbursements and together with Investec's out-of-pocket expenses of up to £20,000 (plus VAT) per annum. The agreement contains certain undertakings and indemnities given by the Company in respect of, *inter alia*, compliance with all applicable laws and regulations.

16. Consents

16.1 PricewaterhouseCoopers whose registered office is at 1 Embankment Place, London WC2N 6RH is a member of the Institute of Chartered Accountants in England and Wales and has given and has not withdrawn its written consent to the inclusion of its report set out in Part 3 in the form and context in which it is included and has authorised the contents of its report.

16.2 Investec has given and has not withdrawn its written consent to the inclusion in this document of its name and the references thereto in the form and context in which it appears.

17. General

17.1 The financial information concerning the Company contained in this document does not constitute statutory accounts within the meaning of section 240(5) of the Act. As at the date of this document the Company has not commenced trading and no statutory accounts have been drawn up and delivered to the Registrar of Companies.

17.2 It is estimated that the total costs, charges and expenses payable by the Company in connection with the Placing and Admission will amount to approximately £0.3 million (exclusive of VAT).

17.3 As at the date of this document:

17.3.1 there are no patents or other intellectual property rights, licences or particular contracts which are of fundamental importance to the Company's business;

17.3.2 there are no exceptional factors which have influenced the activities of the Company since the date of its incorporation; and

17.3.3 the Company has no investments in progress nor any future investments on which its management bodies have already made firm commitments.

17.4 The Placing Price represents a premium of 99 pence over the nominal value of 1 pence per Ordinary Share.

- 17.5 The Company is making an application to CRESTCo for the Ordinary Shares to be settled through CREST and to be admitted as a participating security. It is expected that the admission of the Ordinary Shares in CREST as a participating security will be effective from Admission. Holders of Ordinary Shares who are direct or sponsored members of CRESTCo will be able to dematerialise their Ordinary Shares in accordance with the rules and practices instituted by CRESTCo.
- 17.6 The Company has agreed to pay to the Blackwood Group of 6 Gracechurch Street London EC3V 0AT a fee of £10,000 in connection with the appointment of David Maloney as Non-Executive Director.
- 17.7 The Company has also agreed to pay to Willis Limited of Ten Trinity Square, London EC3P 3AX a premium of £10,000 pursuant to a directors and officers insurance policy.
- 17.8 Except as detailed in this document, no person (excluding professional advisers as stated in this document) has received, directly or indirectly, from the Company since its incorporation, and no persons have entered into contractual arrangements to receive, directly or indirectly, from the Company on or after Admission:
- 17.8.1 fees totalling £10,000 or more;
 - 17.8.2 securities in the Company with a value of £10,000 or more calculated by reference to the Placing Price; or
 - 17.8.3 any other benefit with a value of £10,000 or more at the date of Admission.
- 17.9 Even if the Placing Shares are not subscribed for in full, such number of Placing Shares as are subscribed will be allotted in any event.
- 17.10 The Ordinary Shares will be admitted with the ISIN GB00B0ZH1L34.

Dated: 29 March 2006

PART 5

DEFINITIONS

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

“Acquired Business”	a company, business, programming library or other IP asset acquired by the Company pursuant to its strategy as described in Part 1 of this document
“Act”	the Companies Act 1985 of England and Wales (as amended)
“Admission”	the admission of the Existing Ordinary Shares and the Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules
“Admission Document”	this document dated 29 March 2006
“AIM”	AIM, a market operated by the London Stock Exchange
“AIM Rules”	the rules for AIM companies and their nominated advisers issued by the London Stock Exchange from time to time in relation to AIM traded securities
“Articles of Association” or “Articles”	the articles of association of the Company
“Board”	the board of directors of the Company
“City Code”	the City Code on Takeovers and Mergers and the Rules Governing Substantial Acquisitions of Shares issued by the Panel
“Combined Code”	the principles of good governance and code of best practice appended to the Listing Rules
“Company” or “Ludorum”	Ludorum plc
“CREST”	the system for paperless settlement of trades in listed securities, of which CRESTCo is the operator
“CRESTCo”	CRESTCo Limited
“Deferred Shares”	deferred shares of 99 pence in the share capital of the Company having the rights and restrictions set out in paragraph 3.7.2 of Part 4 of this document
“Directors”	the directors for the time being of the Company, being at the date of this document, the Executive Directors and the Non-Executive Director
“Employee Scheme”	has the meaning given to it in paragraph 8 of Part 1 of this document
“Enlarged Issued Ordinary Share Capital”	the Existing Ordinary Shares and the Placing Shares
“EU”	the European Union
“Executive Directors”	Richard Rothkopf, Rob Lawes, Charles Caminada and Simon Pearce
“Existing Ordinary Shares”	the 50,001 Ordinary Shares in issue as at the date of this document
“FSA”	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part IV of FSMA
“FSMA”	Financial Services and Markets Act 2000, as amended
“Group”	the Company and any Acquired Business
“HIT”	HIT Entertainment Limited (formerly HIT Entertainment PLC)
“IFRS”	International Financial Reporting Standards

“Incentive Option”	an option granted under the Incentive Option Plan
“Incentive Option Plan” or “Plan”	the Ludorum plc 2006 Incentive Option Plan details of which are summarised in paragraph 8 of Part 4 of this document
“Investec”	Investec Investment Banking, a division of Investec Bank (UK) Limited
“IP”	intellectual property
“Listing Rules”	the rules and regulations made by the FSA under Part VI of FSMA
“London Stock Exchange”	London Stock Exchange plc
“Non-Executive Director”	David Maloney
“Official List”	the Official List of the FSA
“Ordinary Shares” or “Shares”	ordinary shares of 1 pence each in the capital of the Company
“Panel”	the Panel on Takeovers and Mergers
“Placing”	the conditional placing of the Placing Shares by Investec at the Placing Price pursuant to the Placing Agreement
“Placing Agreement”	the conditional agreement dated 29 March 2006 between (1) the Company; (2) Investec; and (3) the Directors relating to the Placing, further details of which are set out in paragraph 15.1 of Part 4 of this document
“Placing Price”	100 pence per Placing Share
“Placing Shares”	the 4,950,000 new Ordinary Shares which are the subject of the Placing
“PricewaterhouseCoopers” or “PwC”	PricewaterhouseCoopers LLP of 1 Embankment Place, London WC2N 6RH
“Prospectus Rules”	the rules published by the FSA under section 73A FSMA
“Receiving Agent”	Computershare Investor Services PLC, the receiving agents of the Company
“Registrars”	Computershare Investor Services PLC, the registrars of the Company
“Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)
“SDRT”	stamp duty reserve tax
“Securities Act”	the United States Securities Act of 1933 (as amended)
“Shares”	means the Ordinary Shares and/or the Deferred Shares and/or any other shares in the share capital of the Company as the context permits
“Shareholders”	holders of issued ordinary shares in the share capital of the Company
“UK or United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“US” or “United States”	United States of America, its territories and possessions, any state of the United States and the District of Columbia
“VOD”	video-on-demand

In this document, words denoting any gender include all genders (unless the context otherwise requires).

