

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in doubt about the contents of this document, you should consult a person authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities. Prospective investors should also carefully consider Part II of this document entitled “Risk Factors”.**

The Directors of All Points North, whose names appear on page 4 under the heading “Directors and Advisers”, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This document is drawn up in compliance with the AIM Rules. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and there is no information the omission of which is likely to affect the import of such information. The Directors, whose names are set out on page 4, accept responsibility for the contents of this document accordingly.

Application will be made for all the Ordinary Shares in issue immediately following the Placing to be admitted to trading on AIM, a market operated by the London Stock Exchange plc. It is expected that Admission will become effective and that dealings in the Ordinary Shares will commence on or around 19 December 2006. It is emphasised that no application is being made for the Ordinary Shares to be admitted to the Official List or to any other recognised investment exchange.

**AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. London Stock Exchange plc has not itself examined or approved the contents of this document which has been drawn up in accordance with the AIM Rules.**

---

# All Points North plc

*(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 02798920)*

## Admission to trading on AIM and

**Placing of 1,257,813 Ordinary Shares of 1p each at 32p Ordinary Share**

by

**Zeus Capital Limited**

**Nominated Adviser and Broker**

---

### ORDINARY SHARE CAPITAL IMMEDIATELY FOLLOWING COMPLETION OF THE PLACING

<i>Authorised</i>			<i>Issued and fully paid</i>	
<i>Number</i>	<i>Amount</i>		<i>Number</i>	<i>Amount</i>
12,000,000	£120,000	Ordinary Shares of 1p each	7,395,813	£73,958.13

---

The new Ordinary Shares will rank in full for all dividends or other distributions hereafter declared or made or paid on the ordinary share capital of All Points North and will rank *pari passu* in all other respects with all the Ordinary Shares which will be in issue on completion of the Placing.

Zeus Capital, which is regulated by the Financial Services Authority, is acting as Nominated Adviser and Broker to All Points North in connection with the Admission and Placing. Zeus Capital Limited are not acting for any other person and will not be responsible to any other person for providing the protections afforded to their respective customers or for providing advice in relation to the transactions and arrangements detailed in this document.

This document does not constitute an offer to sell or an invitation to subscribe for, or the solicitation of an offer to buy or subscribe for, Ordinary Shares in any jurisdiction in which such offer or invitation is unlawful and is not for distribution in or into Prohibited Territories. This document should not be copied or distributed by recipients and, in particular, should not be distributed by any means, including electronic transmission, to persons with addresses in any of the Prohibited Territories or to any citizens, residents or nationals thereof, or to any corporation, partnership or other entity created or organised under the laws thereof. Any such distribution could result in violation of the laws of such jurisdictions.

**Attention is drawn to the risks associated with an investment in the Ordinary Shares, which are set out in Part II of this document.**

## CONTENTS

	Page
Placing Statistics	3
Expected Timetable of Principal Events	3
Directors and Advisers	4
Definitions	5
<b>Part I</b> Information on the Company	7
1. Introduction	7
2. Information on the Company	7
3. Property Portfolio	8
4. Market Background	9
5. Financial Information on the Company	9
6. Current Trading and Strategy	10
7. Funding	10
8. Details of the Placing and Admission	10
9. Settlement and Dealings	11
10. Corporate Governance	11
11. Lock-in Arrangements	11
12. Dividend Policy	11
13. Share Option Schemes	11
14. Related Party Transactions	11
<b>Part II</b> Risk Factors	12
<b>Part III</b> Financial Information for All Points North plc	15
<b>Part IV</b> Illustrative Pro Forma Statement of Net Assets	30
<b>Part V</b> Surveyor's Valuation	32
<b>Part VI</b> Additional Information	43

## PLACING STATISTICS

Placing Price	32p
Number of Ordinary Shares in issue prior to the Placing	6,138,000
Number of Placing Shares being placed	1,257,813
Number of Ordinary Shares in issue immediately following the Placing	7,395,813
Placing Shares as a percentage of the enlarged issued share capital following the Proposals	17.01%
Net proceeds of the Placing	£250,000
Market capitalisation at the Placing Price	£2,366,660
International Security Identification Number	GB00B1J3F018

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Admission effective and dealings expected to commence on AIM	19 December 2006
CREST accounts credited	19 December 2006
Despatch of definitive share certificates	2 January 2007

## **DIRECTORS AND ADVISERS**

<b>Directors</b>	Bernard Keith Chadwick – Chairman John Maxwell Elliott – Managing Director John Anthony Lyons – Non-Executive Director Kevin Philbin – Non-Executive Director
<b>Company Secretary</b>	Kevin Philbin
<b>Registered Office</b>	Manelli House 4 Cowper Road Gilwilly Penrith Cumbria CA11 9BN
<b>Nominated Adviser and Broker to the Company</b>	Zeus Capital Limited 3 Ralli Courts West Riverside Manchester M3 5FT
<b>Solicitors to the Company</b>	Wacks Caller Steam Packet House 76 Cross Street Manchester M2 4JU
<b>Auditors and Reporting Accountants</b>	Bowmans Chartered Accountants 88-96 Market Street West Preston PR1 2EU
<b>Principal Bankers</b>	Clydesdale Bank plc 239 Kingstown Road Business Centre Wakefield Road Kingstown Industrial Estate Carlisle CA3 0HE
<b>Registrars</b>	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen West Midlands B6 3DA

## DEFINITIONS

References in this document to statutes or government agencies are, unless specifically stated otherwise, to statutes or government agencies in the UK. The following definitions apply throughout this document unless the context requires otherwise:

<b>“Act”</b>	the Companies Act 1985, as amended;
<b>“Admission”</b>	the admission of the Ordinary Shares, issued and to be issued pursuant to the Placing, to trading on AIM in accordance with the AIM Rules;
<b>“AIM”</b>	the AIM Market of the London Stock Exchange;
<b>“AIM Rules”</b>	the rules of the London Stock Exchange for AIM companies and their nominated advisers governing admission to and operation of AIM;
<b>“All Points North” or “the Company”</b>	All Points North plc (registered in England and Wales under number 02798920);
<b>“Articles”</b>	the articles of association of All Points North plc, a summary of which is set out in paragraph 10 of Part VI of this document;
<b>“Board” or “Directors”</b>	the directors of All Points North plc, whose names appear on page 4 of this document;
<b>“certificated” or “in certificated form”</b>	an Ordinary Share which is not in uncertificated form;
<b>“Combined Code”</b>	the Combined Code on Corporate Governance and the code of best practice included in an Appendix to the Listing Rules of the UK Listing Authority issued by the Financial Reporting Council in July 2003;
<b>“Companies Act”</b>	the Companies Act 1985 (as amended);
<b>“CREST”</b>	the computerised settlement system to facilitate the transfer of title of shares in uncertificated form, operated by CRESTCo for UK, Irish and International Securities;
<b>“CRESTCo”</b>	CRESTCo Limited (registered in England and Wales under number 2878738);
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended);
<b>“Enlarged Share Capital”</b>	the issued ordinary share capital of All Points North upon Admission;
<b>“Excluded Territories”</b>	Australia, Canada, Japan, the Republic of Ireland, their respective territories or possessions and any place outside the UK;
<b>“FSA”</b>	the Financial Services Authority;
<b>“FSMA”</b>	the Financial Services and Markets Act 2000, as amended;
<b>“London Stock Exchange”</b>	London Stock Exchange plc;
<b>“Official List”</b>	the Official List of the UKLA;
<b>“Ordinary Shares” or “Shares”</b>	ordinary shares of 1p each in the capital of All Points North;

<b>“Placing”</b>	the placing by Zeus Capital of Ordinary Shares at the Placing Price pursuant to the Placing Agreement, as described in this document;
<b>“Placing Agreement”</b>	the conditional agreement dated 7 December 2006 between (1) All Points North, (2) the Directors and (3) Zeus Capital, a summary of which is set out in paragraph 11.1 of Part VI of this document;
<b>“Placing Price”</b>	32p per Ordinary Share;
<b>“Placing Shares”</b>	1,257,813 new Ordinary Shares to be issued in connection with the Placing;
<b>“Prohibited Territories”</b>	USA, Australia, Canada, Japan, the Republic of Ireland, the Republic of South Africa and their respective territories and possessions;
<b>“Proposals”</b>	the Placing and Admission;
<b>“Prospectus Rules”</b>	the Prospectus Rules brought into effect on 1 July 2005 pursuant to Commission Regulation (EC) No. 809/2004;
<b>“Shareholders”</b>	holders of shares in the capital of All Points North;
<b>“UK”</b>	United Kingdom of Great Britain and Northern Ireland;
<b>“United Kingdom Listing Authority” or “UKLA”</b>	the FSA acting in its capacity as the competent authority for the purposes of Part VI of FSMA;
<b>“US”, “USA” or “United States”</b>	the United States of America, its territories and possessions, any state in the United States, the District of Columbia and all other areas subject to its jurisdiction;
<b>“VAT”</b>	value added tax; and
<b>“Zeus Capital”</b>	Zeus Capital Limited (registered in England and Wales under number 4417845).

## PART I

### INFORMATION ON THE COMPANY

#### 1. INTRODUCTION

All Points North is a property development company operating principally in the North of England with a board of considerable experience in the sector.

The Company is seeking Admission because the Directors believe that this will significantly assist its growth strategy by allowing it to use its AIM listed shares, where appropriate, as partial consideration for acquisitions and to raise its profile with vendors and financiers, thereby enhancing its access to opportunities in the property sector.

#### 2. INFORMATION ON THE COMPANY

##### History and Background

The Company was established in March 1993 by Bernard Keith Chadwick and John Anthony Lyons and initially held one investment property in Blackpool, Lancashire. At that time Keith and John were the Chief Executive and Property Development Director of Independent British Hospitals plc, respectively. Subsequently, Independent British Hospitals plc merged and the resulting holding company of those merged companies was Independent British Healthcare plc ("IBH"). IBH was a company which developed and operated private hospitals throughout the UK and in 1996 it was admitted to trading on AIM with Keith Chadwick as its Chief Executive.

In October 1998, John Maxwell Elliott, previously the principal architect for IBH, was appointed Managing Director of the Company. The strategy of the Company was, and still is, to identify suitable properties to acquire which have the potential for development, obtaining planning permissions where necessary, developing the site, letting and either selling immediately or retaining the property for future sale. Once sites are developed, further borrowing is generally sought against the assets to enable the Company to acquire additional sites/properties with a view to the cycle being repeated.

The first significant deal by the Company was in 1998 through the acquisition of a property in Whitehaven, Cumbria for £460,000. This was converted into two retail units which were subsequently rented to Carphone Warehouse UK Limited and another retailer. The property was subsequently sold for £789,000. In June 1999, the Company purchased an ex-Safeway supermarket for £1 million which was developed at a cost of approximately £382,000 and sold in 2003 for £2 million. The profits from these transactions gave the Company a platform to build upon and acquire additional properties for development.

The net assets of the Company have substantially increased from £35,936 as at 31 March 1996 to £1,940,329 as at 31 March 2006, equivalent to an average historical compound annual growth rate of approximately 49 per cent.

The Directors believe that using their experience and expertise in the property sector, All Points North can build a substantial portfolio of properties in the UK, primarily in the North of England and take advantage of development opportunities.

##### Directors

###### *Bernard Keith Chadwick, (aged 65) Chairman*

Keith jointly founded Euxton Hall Independent Hospital Limited (which later became Independent British Hospitals plc) in 1981 with John Lyons. He subsequently became Chief Executive of Independent British Healthcare plc and responsible for the overall performance of the company and its strategic direction.

Whilst Keith was Chief Executive, IBH was admitted to trading on AIM in 1996 with a market capitalisation of approximately £20 million (based on the mid market price as at 26 June 1996). He subsequently negotiated the sale of IBH to Community Hospitals Group plc in 1997 which completed in January 1998 and valued the entire issued share capital of IBH at approximately £30 million.

###### *John Maxwell Elliott, (aged 56) Managing Director*

In 1974, Max gained a Diploma in Architecture. He became Architect to Lowther Estates in Cumbria in 1979 and subsequently co-founded Elliott Manning Limited which became a subsidiary of Independent British Hospitals plc and was responsible for the design and project management of more than 20 healthcare projects.

In 1997, Max became a director and shareholder of Lowther Manelli Properties Limited which has carried out both residential and retail schemes in Cumbria and has recently received planning permission for a mixed use scheme in the centre of Penrith. This project includes approximately 55,000 square feet of food retail, over 88,000 square feet of non food retail and approximately 200 dwellings.

***John Anthony Lyons, (aged 66) Non-Executive director***

John began his career as a Chartered Surveyor in 1964 spending 11 years with Preston & Bedford in Blackpool, Lancashire where he was responsible for estate management and sales and lettings of commercial properties. From 1975 to 1982 John ran his own Chartered Surveying practice also in Blackpool.

In 1981, John jointly founded Euxton Hall Independent Hospital Limited (the company which became Independent British Hospitals plc) with Keith Chadwick and was appointed Property Development Director, being responsible for the site identification, design co-ordination and commissioning of over 20 hospitals. In 1994 he became Overseas Director for IBH.

***Kevin Philbin, (aged 47) Non-Executive Director***

Kevin qualified as a solicitor in 1984 and specialises in corporate and commercial law. He is a senior partner of Wacks Caller, solicitors based in Manchester and solicitors to the Company. His directorships of other companies include Stepquick plc which is quoted on AIM and have included The Premiere Group plc and The Range Cooker Company plc which were both publicly quoted.

**Roles and Responsibilities**

As Managing Director, Max Elliott will have responsibility for the overall day to day operation of the Company which will include the management and/or development of the nine sites currently owned by the Company and the procurement of additional properties for management and/or development.

Keith Chadwick will have an executive role alongside Max Elliott and in addition will be responsible for the financial aspects of the Company. Keith is supported by Bill Shepherd of Shepherd & Co. Chartered Accountants, the Company's accountants, who will have responsibility for day to day financial reporting.

John Lyons and Kevin Philbin will provide support and have input on key decisions made by the other directors on the current and future projects undertaken by the Company. Kevin will also act as Company Secretary.

**3. PROPERTY PORTFOLIO**

The Company currently holds 9 properties in the North of England. Robert Pinkus & Co. have carried out an independent valuation of the property portfolio which is set out in Part V of this document. The total portfolio has been valued at £7,845,000 as at 20 October 2006. As at the date of this document, the properties in the Company's portfolio together with the valuations provided by the independent valuers were as follows:

***College House, Barrow-in-Furness, Cumbria***

College House is a former college near the town centre and was purchased in September 2001 for £150,625. The building has been partly refurbished at a cost of approximately £1 million to provide office accommodation. Current tenants include Morecambe Bay Primary Care Trust, Impact Housing Association Limited and Ufindus Limited. The current rent roll is approximately £138,000 per annum. A further £365,000 is budgeted to be spent by the end of 2007. It is expected that additional income will be subsequently generated following the further spending. College House is valued at £1,900,000.

***45 Highgate, Kendal***

45 Highgate was purchased in March 2005 for £1,055,000. It was formerly a supermarket store. The property comprises approximately 15,320 square feet of retail space on ground and basement floors with frontage to the main shopping street in Kendal. The ground floor has been rented at £78,500 per annum, commencing March 2007. Further development is underway to create three additional letting units at basement level. 45 Highgate is valued at £1,500,000.

45 Highgate also includes two recently constructed flats located on the first and second floors of the property. The flats have been valued in total at £340,000.

### ***Gatesgarth, Keswick***

This property comprises a completed development of six two-bedroom luxury apartments, on ground, first and second floors. The apartments are currently for sale with a local agent at an asking price of £225,000 each. The development is valued at £1,350,000.

### ***Botchergate, Carlisle***

A former supermarket store purchased for £850,000 on 5 May 2006. Enquiries have been received from a leisure operator to rent the unit. Botchergate is currently valued at £830,000.

### ***47-51 Highgate, Kendal***

The ground floor currently produces a rental income of £34,000 per annum. Towards the end of 2007 the Company intends to apply for planning permission to convert the upper floors into six flats with a view to disposing of the resulting flats in 2008. Valued at £525,000.

### ***Concorde House, Charnley Road, Blackpool***

Concorde House is located in Blackpool only a short distance from Blackpool Tower. At present the property is leased for commercial use to a furniture retailer at £30,000 per annum. Valued at £375,000.

### ***Cumbria House, Penrith***

Purchased in March 2006 for £162,037, the property is now being converted into nine serviced office units and a conference room. The units and conference room are scheduled to be available to rent from December 2006. Valued at £350,000.

### ***98/100 Duke Street, Barrow in Furness***

A former bank premises, the ground floor is currently leased as a wine bar and restaurant at a rental income of £12,000 per annum. The Company intends to apply for planning permission for six flats on the upper floors, after which it is the intention to sell the property. Valued at £200,000.

### ***The Kendal Bowman, Highgate, Kendal***

The Company's most recent acquisition, this former public house was purchased on 4 October 2006 at auction, for £475,000. The Company anticipates obtaining planning permission for twelve flats. It is then the intention to sell the property in the first half of 2007. The property is valued at £475,000.

Further details on the above properties can be found in the surveyors report by Robert Pinkus & Co in Part V of this document.

## **4. MARKET BACKGROUND**

The estimated value of the commercial property market at 30 June 2006 in aggregate in the UK was £337 billion. (Source: IPD UK quarterly Index). The Directors believe the UK commercial property market has become increasingly popular with investors in recent years. Commercial property also gives investors the ability to diversify their investment portfolios.

## **5. FINANCIAL INFORMATION ON THE COMPANY**

The following information should be read in conjunction with the financial information contained in the Accountant's Report contained in Part III of this document. Investors should not rely solely on the key summarised information.

	<b>31 March 2006 £</b>	<b>31 March 2005 £</b>	<b>31 March 2004 £</b>
<b>Fixed assets</b>	5,172,221	4,261,742	3,023,678
<b>Current assets</b>	1,531,572	1,736,951	690,179
<b>Creditors due within one year</b>	(4,376,720)	(2,976,130)	(593,007)
<b>Net current liabilities</b>	(2,845,148)	(1,239,179)	97,172
<b>Total assets less current liabilities</b>	(2,327,073)	(3,022,563)	(3,120,850)
<b>Creditors due after more than one year</b>	386,744	1,355,543	1,410,879
<b>Provisions for liabilities and charges</b>	–	–	(17,500)
<b>Net assets</b>	<u>1,940,329</u>	<u>1,667,020</u>	<u>1,692,471</u>

Turnover for the Company represents rental income and income derived from the sale of development properties. Due to its nature, development income can vary significantly between comparable periods. This variation is compounded by the relatively small number of development projects that the Company may be managing at any one time.

Rental income is also subject to variation since it is the Company's policy to sell investment properties once it is deemed that maximum value has been added.

In order to consider the performance of the Company it is therefore important to consider net assets and the growth in net assets as well as the profit and loss accounts for each financial period.

The net assets of the Company have substantially increased from £35,936 as at 31 March 1996 to £1,940,329 as at 31 March 2006, equivalent to an average historical compound annual growth rate of approximately 49 per cent.

In the year ended 31 March 2006 the Company recorded a loss after tax of £434,986 compared to a loss after tax of £24,470 in the year ended 31 March 2005 and £207,961 in the year ended 31 March 2004.

## **6. CURRENT TRADING AND STRATEGY**

Since 31 March 2006 the Company has completed a number of significant transactions which are summarised further on page 29 under post balance sheet events within Part III of this document.

Trading since the year end has been in line with the Directors' expectations and the Directors consider that this will continue to be the case for the remainder of the financial year.

## **7. FUNDING**

By an offer letter dated 10 July 2002 from Clydesdale Bank plc to the Company, Clydesdale Bank plc made available to the Company a fixed rate loan facility of £500,000 of which as at 12 October 2006 approximately £400,000 remained outstanding. The loan is for a term of 10 years commencing no later than 26 July 2002.

By a letter dated 17 October 2006 from Clydesdale Bank plc to the Company, Clydesdale made available to the Company a revolving overdraft credit facility of £5.5 million of which £4.47 million had been utilised as at 28 November 2006.

Certain of the Directors have provided personal guarantees to Clydesdale Bank plc in relation to the above facilities and have entered into an agreement with the Company that they will not for a period of 15 months from Admission terminate or withdraw the guarantees they have given to Clydesdale Bank plc.

In addition to the use of the Company's cash and debt funding, the Board will seek, where possible and appropriate, to satisfy up to approximately 25 per cent. of the purchase price of additional properties by the issue of Ordinary Shares.

The Directors believe that this strategy can be attractive to both shareholders and vendors of properties who thereby gain an interest in the future success of All Points North.

## **8. DETAILS OF THE PLACING AND ADMISSION**

All Points North intends to raise £402,500 before expenses by way of a placing of 1,257,813 new Ordinary Shares at 32p per share. The Placing is conditional, *inter alia*, upon Admission. The new Ordinary Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the existing Ordinary Shares. Application will be made to the London Stock Exchange for the Ordinary Shares to be admitted to trading on AIM. It is expected that trading in the Ordinary Shares will commence on 19 December 2006. Assuming full subscription, the Placing Shares will represent approximately 17.01 per cent. of the Company's Enlarged Share Capital.

Details of the Placing Agreement are set out in paragraph 11.1 of Part VI of this document.

The proceeds of the Placing will be utilised in satisfying the cost of Admission and providing additional working capital.

## **9. SETTLEMENT AND DEALINGS**

Arrangements have been made for dealings in the Ordinary Shares to be settled in uncertificated form through CREST.

Where Ordinary Shares are issued pursuant to the Placing in certified form, temporary documents of title will not be issued pending the despatch by post of definitive share certificates which is expected to take place on or around 2 January 2007. Pending the despatch of such certificates, transfers will be certificated against the register of members.

It is expected that Admission will become effective and dealings in the Shares will commence on 19 December 2006.

## **10. CORPORATE GOVERNANCE**

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

All Points North has, subject to Admission, established an audit committee and a remuneration committee. The audit committee will meet at least twice per annum and is responsible for ensuring the integrity of the financial information reported to Shareholders and the systems of internal controls. This committee will provide an opportunity for reporting by All Points North's auditors. The remuneration committee will meet at least twice per annum to determine the terms of employment and total remuneration of the Executive Directors, including the granting of any share options and the administration of any incentive schemes. The objective of this committee will be to attract, retain and motivate executives capable of delivering All Points North's objectives. Both these committees will consist of the Chairman and the Non-Executive Directors.

All Points North will ensure, in accordance with Rule 21 of the AIM Rules, that the Directors and applicable employees do not deal in any of the Ordinary Shares during a close period (as defined in the AIM Rules) and will take all reasonable steps to ensure compliance by the Directors and applicable employees.

## **11. LOCK-IN ARRANGEMENTS**

The Directors have agreed that they will not (save in certain specific circumstances) dispose of 4,437,488 Ordinary Shares (representing 60 per cent. of the enlarged share capital) for a period of 24 months following Admission, and thereafter for a further 12 months have agreed to only dispose of shares through All Points North's broker in an orderly manner.

## **12. DIVIDEND POLICY**

It is the Directors' intention to introduce a progressive dividend policy and to consider the payment of dividends, if appropriate and when commercially prudent.

## **13. SHARE OPTION SCHEMES**

The Directors believe that the commitment of employees can be enhanced by the use of share options. The Company therefore intends to establish a share option scheme or schemes at the appropriate time.

## **14. RELATED PARTY TRANSACTIONS**

The Company contracted in April 2004 with Dovelow Limited ("Dovelow") for Dovelow to design and build six flats on the Company's premises known as Gatesgarth. Dovelow is a company controlled by Bernard Keith Chadwick. The contract provides for flats to be built for a price of £722,360. Payment is to be made to Dovelow as and when the flats concerned are sold subject to agreement with the Company's bank. Dovelow is entitled to a profit of 15 per cent. on the cost of the works. The works have been completed by Dovelow and the flats are currently for sale with agents. To date £350,000 has been paid and as at 7 December 2006 approximately £500,000 (including the profit share and interest Dovelow is entitled to) remains outstanding subject to the sale of the flats.

Further details on this contract are found at 11.3 of Part VI to this document.

## PART II

### RISK FACTORS

**In addition to the other relevant information set out in this document, the following specific risk factors should be considered carefully in evaluating whether to make an investment in All Points North. The investment offered in this document may not be suitable for all of its recipients. If you are in any doubt about the action you should take, you should consult a person authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.**

**In addition to the usual risks associated with an investment in a business, the Directors consider that the factors and risks described below are the most significant and should be carefully considered, together with all the information contained in this document, prior to investing in the Ordinary Shares. It should be noted that the risks described below are not intended to be presented in any assumed order of priority and are not the only risks faced by All Points North. There may be additional risks that the Directors currently consider not to be material or of which they are currently not aware.**

#### **General**

Following Admission, the market price of the Ordinary Shares may be subject to significant fluctuations in response to many factors, including variations in the results of the Company, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, general economic conditions, legislative changes in the Company's sector and other events and factors outside the Company's control.

In addition, stock market prices may be volatile and may go down as well as up. The price at which investors may dispose of their Shares in All Points North may be influenced by a number of factors, some of which may pertain to All Points North and others of which are extraneous.

Admission should not be taken as implying that there will be a liquid market for the Ordinary Shares. It may be more difficult for an investor to realise an investment in All Points North than in a company whose shares are quoted on the Official List. In addition, the market price of the Ordinary Shares may not reflect the underlying value of the Company's net assets.

The risks noted below do not necessarily comprise all those potentially faced by the Company and are not intended to be presented in any assumed order of priority.

#### **Investment risk**

Potential investors should be aware that the value of shares can rise or fall and that there may not be proper information available for determining the market value of an investment in All Points North at all times. An investment in a share which is traded on AIM, such as the Ordinary Shares, is likely to be difficult to realise and carries a high degree of risk. The ability of an investor to sell Ordinary Shares will depend upon there being a willing buyer for them at an acceptable price. Consequently, it might be difficult for an investor to realise his/her investment in All Points North and he/she may lose all his/her investment. The Ordinary Shares therefore may not be suitable as a short term investment.

#### **Economic, political, judicial, administrative, taxation or other regulatory matters**

All Points North may be adversely affected by changes in economic, political, judicial, administrative, taxation or other regulatory factors, as well as other unforeseen matters.

#### **Taxation**

The attention of potential investors is drawn to paragraph 8 of part VI headed "Taxation". The tax rules and their interpretation relating to an investment in All Points North may change during the life of All Points North.

Any change in All Points North's tax status or in taxation legislation or its interpretation could affect the value of the investments held by All Points North or All Points North's ability to provide returns to Shareholders or alter the post-tax returns to Shareholders. Representations in this document concerning the taxation of All Points North and its investors are based upon current tax law and practice which is, in principle, subject to change.

### **Legislation and tax status**

Any change in tax status or tax residence of All Points North or in tax legislation or practise may have an adverse effect on the returns available on an investment in All Points North.

### **Attraction and retention of key directors and employees**

The Company depends on its Directors and whilst it has entered into contractual arrangements with these individuals with the aim of securing the services of each of them, retention of these services cannot be guaranteed. The loss of the services of any of the Directors could damage the Company's business. Equally the ability to attract new employees with the appropriate expertise and skills cannot be guaranteed. The Company may experience difficulties in hiring appropriate employees and the failure to do so may have a detrimental effect upon the trading performance of the Company.

### **Trading history**

The Company's future success will depend on the Directors' ability to implement their objectives and strategy. Whilst the Directors are optimistic about the Company's prospects, there is no certainty that anticipated revenues or growth can be achieved.

In addition, the historic average compound annual growth rate of net assets may not be a reflection of the future growth rate of net assets.

### **Financial information**

The failure to produce and evaluate financial information on a timely basis could have a material adverse effect on the Company's business and financial condition.

Historically, the Board has not prepared formal budgets and forecasts. However, following Admission the Board will establish internal financial controls to meet the particular needs of the Company, having regard to the size and nature of the Company. Such controls will include the monitoring of financial performance against budget and forecast.

### **Forward looking statements**

Certain statements within this document, including those in Part I of this document, constitute forward looking statements. Such forward looking statements involve risks and other factors which may cause the actual results, achievements or performance of the Company to be materially different from any future results, achievements or performance expressed or implied by such forward looking statements. Such risks and other factors include, but are not limited to, general economic and business conditions, changes in government regulation, competition, changes in development plans and the other risks described in this Part II. There can be no assurance that the results and events contemplated by the forward looking statements contained in this document will, in fact, occur. These forward looking statements are correct only as at the date of this document. Neither All Points North nor the Directors have undertaken any obligation to release publicly any revisions to these forward looking statements to reflect events or circumstances occurring after the date of this document except as required by law or by regulatory authority.

### **Acquisition of properties**

There is no guarantee that the Company will be able to find further properties that meet its criteria. However, in the Directors' view, their combined experience and contacts will assist them in finding appropriate opportunities.

### **Requirement for further funds**

It may be necessary for All Points North to raise further funds in the future, which may be by the issue of further Ordinary Shares on a non pre-emptive basis which could result in a dilution of the interests of the Shareholders at the time of such issue. There can be no guarantee that such further fundraising will be successful.

### **Controlling shareholders**

Following Admission, 79.64 per cent. of the Company's issued share capital will be held by the Board. They will therefore be able to exercise significant control over the Company's corporate actions without requiring the approval of the Company's other Shareholders.

### **Property ownership**

The realisable value of property will be subject to the general risks incidental to the ownership of property, including changes in the supply of or demand for competing investment properties in an area, changes in interest rates and the availability of mortgage funds, changes in property tax rates and landlord/tenant or planning laws, credit risks of tenants and borrowers and environmental factors.

The marketability and value of investment properties owned and properties developed by the Company will, therefore, depend on many factors beyond the control of the Company and there is no assurance that there will be either a ready market for any such properties or that such properties will be sold at a profit or will yield a positive cash flow.

### **Property development**

The business of the Company will be subject to the risks associated with property development projects. These risks include:

- The Company being unable to complete a project. It is expected the Company will finance its development projects by a mixture of equity, deposits on pre-sales and bank financing. Bank financing may be conditional on milestones in the development being reached. In the event that the development does not proceed as expected, the bank may refuse to provide further financing. If the Company is unable to arrange alternative financing, it may not be possible to complete the development.
- Planning consents not being obtained, or are delayed significantly, or are granted subject to uneconomic conditions.
- A development being significantly delayed or costs exceeding budget due to unforeseen factors.
- Title or other legal disputes, such as with neighbouring landowners, architects, project managers and suppliers.

### **Tenancy risk**

The Company may undertake redevelopment of property or investment in property that requires refurbishment prior to renting the property. The risks of such development or refurbishment include, but are not limited to, (i) delays in timely completion of the project; (ii) cost over runs; (iii) poor quality workmanship; and (iv) inability to rent or inability to rent at a rental level sufficient to generate profits.

The bankruptcy of, insolvency of or vacation by a significant tenant or a number of smaller tenants of properties that the Company acquires would have an adverse impact on cash flow of the Company.

### **Overdraft and Personal Guarantees**

Prospective investors should be aware that the Company currently has a revolving overdraft credit facility. The use of borrowings creates the risk that the borrower will be unable to service the interest payments or comply with the other requirements of the facility rendering it repayable and the risk that borrowings will not be able to be refinanced or that the terms of such refinancing may not be as favourable as the existing terms of borrowing.

The revolving overdraft credit facility is secured by way of charges over the assets of the Company and certain of the Directors have provided personal guarantees to the facility provider. If the Company is required to repay all or part of its borrowings, it may be required to sell assets of the property portfolio at less than their market value or at a time or in circumstances where the realisation proceeds are reduced because of a downturn in property values generally or because there is limited time to market the property.

**PART III**  
**FINANCIAL INFORMATION FOR ALL POINTS NORTH PLC**

**PART IIIA**  
**ACCOUNTANT'S REPORT**

The Directors  
All Points North plc  
Manelli House  
4 Cowper Road  
Gilwilly  
Penrith  
Cumbria  
CA11 9BN

The Directors  
Zeus Capital Limited  
3 Ralli Courts  
West Riverside  
Manchester  
M3 5FT

8 December 2006

Dear Sirs

**ALL POINTS NORTH PLC (“The Company”)**

We report on the financial information set out in Part IIIB of the Admission Document dated 8 December 2006, relating to the Placing of new Ordinary Shares and the Admission of the Company's shares to trading on AIM.

**Basis of preparation**

The financial information set out below is based on the audited financial statements of All Points North plc for the period 1 April 2003 to 31 March 2006 to which no adjustments were considered necessary. The cash flow statements for the three years to 31 March 2006 did not form part of the audited financial statements and have been prepared subsequently. This report is required by the AIM rules and is given for the purpose of complying with Schedule Two thereof and for no other purpose.

**Responsibilities**

Such financial statements are the responsibility of the directors of All Points North plc who approved their issue.

The directors of the Company are responsible for the contents of the Admission Document dated 8 December 2006 in which this report is included.

It is our responsibility to compile the financial information set out in our report from the financial statements, to form an opinion on the financial information and report our opinion to you.

**Basis of opinion**

We conducted our work in accordance with the Statements of Investment Circular Reporting Standards issued by the Auditing Practices Board. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. The evidence included that previously obtained by Dodd & Co, Clint Mill, Cornmarket, Penrith, Cumbria CA11 7HW relating to the audit of the financial statements underlying the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

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 8 December 2006, a true and fair view of the state of affairs of All Points North plc as at the dates stated and of its losses for the period then ended.

**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 the report is, to the best of our knowledge, in accordance with the facts and contains no omissions likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

**Bowmans**  
**Chartered Accountants**

## PART IIIB

### FINANCIAL INFORMATION FOR ALL POINTS NORTH PLC

#### PROFIT AND LOSS ACCOUNTS

	Notes	Year Ended 31 March 2006 £	Year Ended 31 March 2005 £	Year Ended 31 March 2004 £
<b>TURNOVER</b>		196,437	304,761	265,264
Cost of sales		(146,821)	(92,267)	(102,958)
<b>GROSS PROFIT</b>		49,616	212,494	162,306
Administrative expenses		(222,989)	(76,790)	(158,010)
		(173,373)	135,704	4,296
Other operating income		1,634	3,627	232
<b>OPERATING PROFIT/(LOSS)</b>	2	(171,739)	139,331	4,528
Profit/(Loss) on sale of investment property		74,649	–	(38,880)
Interest receivable and similar income		–	365	880
		(97,090)	139,696	(33,472)
Amounts written off investments	3	(18,681)	(59,882)	(66,000)
		(115,771)	79,814	(99,472)
Interest payable and similar charges		(321,995)	(121,784)	(161,609)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(437,766)	(41,970)	(261,081)
Taxation	4	2,780	17,500	53,120
<b>LOSS FOR THE FINANCIAL YEAR AFTER TAXATION</b>		(434,986)	(24,470)	(207,961)
Dividends		–	–	(37,500)
<b>DEFICIT FOR THE YEAR</b>		(434,986)	(24,470)	(245,461)
Retained profit brought forward		667,667	692,137	392,013
Transfer from revaluation reserve		–	–	545,585
<b>RETAINED PROFIT CARRIED FORWARD</b>		232,681	667,667	692,137

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

	<b>As at 31 March 2006 £</b>	<b>As at 31 March 2005 £</b>	<b>As at 31 March 2004 £</b>
<b>LOSS FOR THE FINANCIAL YEAR</b>	(434,986)	(24,470)	(207,961)
Revaluation of investment properties	708,296	(981)	791,947
Taxation on realised revaluation gains	–	–	(90,312)
	<hr/>	<hr/>	<hr/>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	<b>273,310</b>	<b>(25,451)</b>	<b>493,674</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## BALANCE SHEETS

		As at 31 March 2006 £	As at 31 March 2005 £	As at 31 March 2004 £
<b>FIXED ASSETS</b>				
Tangible assets	5	5,172,221	4,261,742	3,023,678
Investments	6	–	–	–
		<u>5,172,221</u>	<u>4,261,742</u>	<u>3,023,678</u>
<b>CURRENT ASSETS</b>				
Stocks		1,174,297	1,128,629	313,199
Debtors	7	357,275	585,299	364,357
Cash at bank		–	23,023	12,623
		<u>1,531,572</u>	<u>1,736,951</u>	<u>690,179</u>
<b>CREDITORS</b>				
Amounts falling due within one year	8	(4,376,720)	(2,976,130)	(593,007)
		<u>(2,845,148)</u>	<u>(1,239,179)</u>	<u>97,172</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>				
		<u>(2,845,148)</u>	<u>(1,239,179)</u>	<u>97,172</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,327,073	3,022,563	3,120,850
<b>CREDITORS</b>				
Amounts falling due after more than one year	9	(386,744)	(1,355,543)	(1,410,879)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>		–	–	(17,500)
<b>NET ASSETS</b>		<u>1,940,329</u>	<u>1,667,020</u>	<u>1,692,471</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	11	99	99	99
Share premium	12	50,000	50,000	50,000
Revaluation reserve	12	1,657,549	949,254	950,235
Profit and loss account		232,681	667,667	692,137
		<u>1,940,329</u>	<u>1,667,020</u>	<u>1,692,471</u>

## CASH FLOW STATEMENTS

	As at 31 March 2006 £	As at 31 March 2005 £	As at 31 March 2004 £
<b>Cash generated from operations</b>			
Operating profit / (loss)	(171,139)	139,331	4,528
<b>Reconciliation to cash generated from operations:</b>			
Depreciation	5,616	7,630	9,951
Increase in stocks	(45,668)	(815,430)	–
Decrease in stocks	–	–	58,671
Decrease in debtors	225,261	–	–
Increase in debtors	–	(235,814)	(197,553)
Increase in creditors	86,880	791,688	80,986
	272,089	(251,926)	(47,945)
Amounts written off investments	(18,681)	(59,882)	(16,000)
<b>Cash from other sources</b>			
Tax refund	2,217	365	–
Sale of tangible fixed assets	196,181	15,641	2,001,948
Interest received	–	–	880
Shares issued	–	–	96
New HP loans in year	–	22,000	55,000
	198,398	38,006	2,057,924
<b>Application of cash</b>			
Interest paid	(321,995)	(119,475)	(158,676)
Interest element of hire purchase	–	(2,309)	(2,933)
Taxation paid	(41,268)	(4,220)	(14,939)
Purchase of tangible fixed asset	(329,331)	(1,246,675)	(695,564)
Bank loan repayments in year	(1,005,638)	(114,176)	(983,106)
Capital repayments in year	(20,095)	(29,428)	(4,116)
Other loan repayments in year	(15,000)	(40,000)	–
Dividends	–	–	(37,500)
Amounts withdrawn by directors	(37,356)	(10,769)	(266,104)
	(1,770,683)	(1,567,052)	(2,162,938)
<b>Net decrease in cash</b>	(1,490,616)	(1,701,523)	(164,431)
Cash at bank and in hand at beginning of year	(1,830,306)	(128,783)	35,648
<b>Cash at bank and in hand less overdraft at end of year</b>	(3,320,922)	(1,830,306)	(128,783)
Consisting of:			
Cash at bank and in hand	–	23,023	12,623
Overdraft included in bank loans and overdrafts falling due within one year	(3,320,922)	(1,853,329)	(141,406)
	(3,320,922)	(1,830,306)	(128,783)

## NOTES TO THE FINANCIAL INFORMATION

### 1. ACCOUNTING POLICIES

#### *Accounting convention*

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

The company and its former subsidiary comprise a small group. The company has therefore taken advantage of Section 248 of the Companies Act 1985 not to prepare group accounts.

#### *Turnover*

Turnover represents rental income and sales of development property.

#### *Tangible fixed assets*

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

Plant and machinery etc – 33 per cent. on reducing balance and  
– 25 per cent. on reducing balance

The company's tangible fixed assets comprise investment property. In accordance with the FRSSE (effective January 2005) no depreciation is charged on investment properties. This is inconsistent with the Companies Act 1985, but is required in order to give a true and fair view.

If the Companies Act 1985 had been followed, the operating losses for the year 2006 would have been increased by £102,860 and the operating profit for 2005 and 2004 reduced by £84,921 and £50,141 respectively.

Investment properties are carried in the balance sheet at valuation.

#### *Work in progress*

Work in progress is valued at the lower of cost and net realisable value.

#### *Deferred tax*

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, except for those on valuation of investment properties in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

#### *Hire purchase and leasing commitments*

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

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

## 2. OPERATING PROFIT

The operating loss (2005 & 2004 – operating profit) is stated after charging:

	<b>31 March 2006</b>	<b>31 March 2005</b>	<b>31 March 2004</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Depreciation – owned assets	743	1,108	1,313
Depreciation – assets on hire purchase	4,873	6,522	8,638
Auditors’ remuneration	3,500	4,000	3,750
Loss on sale of investment property	–	–	38,880
Directors’ emoluments and other benefits etc	105,131	26,957	110,786
	<u>          </u>	<u>          </u>	<u>          </u>

## 3. AMOUNTS WRITTEN OFF INVESTMENTS

	<b>31 March 2006</b>	<b>31 March 2005</b>	<b>31 March 2004</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Amounts written off investments	18,681	59,882	66,000
	<u>          </u>	<u>          </u>	<u>          </u>

The full loan to the subsidiary company is not thought to be recoverable and it has therefore been partially provided for.

## 4. TAXATION

### Analysis of the tax credit

The tax credit on the loss on ordinary activities for the year was as follows:

	<b>31 March 2006</b>	<b>31 March 2005</b>	<b>31 March 2004</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Current tax:			
UK Corporation tax	–	–	(59,902)
Deferred tax	–	(17,500)	17,500
Overprovision in prior year	(2,780)	–	(10,718)
	<u>          </u>	<u>          </u>	<u>          </u>
Tax on loss on ordinary activities	(2,780)	(17,500)	(53,120)
	<u>          </u>	<u>          </u>	<u>          </u>

## 5. TANGIBLE FIXED ASSETS

	Investment property £	Plant and machinery £	Motor vehicles £	Totals £
<b>COST OR VALUATION</b>				
At 1 April 2003	3,598,787	5,310	39,362	3,643,459
Additions	695,127	437	–	695,564
Disposals	(2,040,828)	–	–	(2,040,828)
Surplus on revaluation	741,914	–	–	741,914
At 1 April 2004	2,995,000	5,747	39,362	3,040,109
Additions	1,245,981	694	–	1,246,675
Deficit on revaluation	(981)	–	–	(981)
At 1 April 2005	4,240,000	6,441	39,362	4,285,803
Additions	316,241	13,090	–	329,331
Disposals	(121,532)	–	–	(121,532)
Revaluations	708,296	–	–	708,296
At 31 March 2006	5,143,005	19,531	39,362	5,201,898
<b>DEPRECIATION</b>				
At 1 April 2003	–	1,770	4,710	6,480
Charge for year	–	1,313	8,638	9,951
At 1 April 2004	–	3,083	13,348	16,431
Charge in year	–	1,108	6,522	7,630
At 1 April 2005	–	4,191	19,870	24,061
Charge for year	–	743	4,873	5,616
At 31 March 2006	–	4,934	24,743	29,677
<b>NET BOOK VALUE</b>				
At 31 March 2006	5,143,005	14,597	14,619	5,172,221
At 31 March 2005	4,240,000	2,250	19,492	4,261,742
At 31 March 2004	2,995,000	2,664	26,014	3,023,678

Cost or revaluation at 31 March 2006 is represented by:

	Investment property £	Plant and machinery £	Motor vehicles £	Totals £
Valuation in 2006	5,143,005	–	–	5,143,005
Cost	–	19,531	39,362	58,893
	5,143,005	19,531	39,362	5,201,898

**5. TANGIBLE FIXED ASSETS (continued)**

	<b>Investment property £</b>	<b>Plant and machinery £</b>	<b>Motor vehicles £</b>	<b>Totals £</b>
Valuation in 2005	949,255	–	–	949,255
Cost	3,290,745	6,441	39,362	3,336,548
	<u>4,240,000</u>	<u>6,441</u>	<u>39,362</u>	<u>4,285,803</u>

For 2004 investment property has been revalued on an open market basis by Peill & Co. Limited, Chartered Surveyors. The directors made estimates as at 31 March 2004 based on Peill & Co. Limited's valuations in July 2003 and October 2004.

If the investment properties had not been revalued they would have been included at the following historical cost:

	<b>31 March 2006 £</b>	<b>31 March 2005 £</b>	<b>31 March 2004 £</b>
Cost	<u>3,530,185</u>	<u>3,290,745</u>	<u>2,044,765</u>

The investment properties were valued on an open market basis on 31 March 2006 by Peill & Co. Limited, Chartered Surveyors.

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	<b>Motor vehicles £</b>
<b>COST OR VALUATION</b>	
At 1 April 2005, 2004 & 2003	39,362
Transfer of ownership	(39,362)
At 31 March 2006	–
<b>DEPRECIATION</b>	
At 1 April 2003	4,710
Charge in year	8,638
At 1 April 2004	13,348
Charge in year	6,522
At 1 April 2005	19,870
Charge for year	4,873
Transfer to ownership	(24,743)
At 31 March 2006	–
<b>NET BOOK VALUE</b>	
At 31 March 2006	–
At 31 March 2005	<u>19,492</u>
At 31 March 2004	<u>26,014</u>

## 6. FIXED ASSET INVESTMENTS

	Investments £
<b>COST OR VALUATION</b>	
At 1 April 2003 and 31 March 2006	510
<b>PROVISIONS</b>	
At 1 April 2003 and 31 March 2006	510
<b>NET BOOK VALUE</b>	
At 31 March 2006	—
At 31 March 2005	—
At 31 March 2004	—

The company's investments at the balance sheet date in the share capital of companies include the following:

### Belmont Hall Developments (Great Budworth) Limited

Nature of business: Property Development

	% Holding			
Class of shares:				
Ordinary	51.00			
		<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
		<b>2006</b>	<b>2005</b>	<b>2004</b>
		£	£	£
Aggregate capital and reserves		(143,374)	(142,136)	(151,998)
Profit / (Loss) for the year		(1,238)	9,862	(139,521)

The company also made a loan of £43,681 to its subsidiary during the year to 31 March 2006 of which £18,681 has been provided for as not recoverable. This is in addition to loans in 2004 and 2005 amounting to £125,372 which were fully provided against, along with the share capital of £510. Since the balance sheet date the subsidiary has been disposed of. The remaining balance is thought to be recoverable.

## 7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 March	31 March	31 March
	2006	2005	2004
	£	£	£
Trade debtors	5,524	12,126	12,000
Directors' loan accounts	820	3,583	2,814
VAT	12,831	200,972	33,481
Other debtors	333,891	365,242	310,478
Prepayments	4,209	3,376	5,584
	<u>357,275</u>	<u>585,299</u>	<u>364,357</u>

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>31 March 2006</b>	<b>31 March 2005</b>	<b>31 March 2004</b>
	£	£	£
Bank loans and overdrafts	3,347,092	1,929,099	265,017
Hire purchase contracts	–	7,333	25,760
Trade creditors	6,090	23,385	50,251
Tax	15,008	41,831	46,051
Social security and other taxes	20,373	–	33,655
Other loans	–	15,000	55,000
Directors' current accounts	–	40,119	50,119
Accrued expenses	988,157	919,363	67,154
	<u>4,376,720</u>	<u>2,976,130</u>	<u>593,007</u>

**9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>31 March 2006</b>	<b>31 March 2005</b>	<b>31 March 2004</b>
	£	£	£
Bank loans – 1-2 years	28,268	80,332	80,332
Bank loans – 2-5 years	99,156	271,343	271,343
Bank loan > 5 years	259,320	991,106	1,057,441
Hire purchase contracts	–	12,762	1,763
	<u>386,744</u>	<u>1,355,543</u>	<u>1,410,879</u>

	<b>31 March 2006</b>	<b>31 March 2005</b>	<b>31 March 2004</b>
	£	£	£
Amounts falling due in more than five years:			
Repayable by instalments			
Bank loan > 5 years	259,320	991,106	1,082,505
	<u>259,320</u>	<u>991,106</u>	<u>1,082,505</u>

**10. SECURED DEBTS**

The following secured debts are included within creditors:

	<b>31 March 2006</b>	<b>31 March 2005</b>	<b>31 March 2004</b>
	£	£	£
Bank overdrafts	40,541	1,399,519	141,406
Bank loans	3,693,295	1,872,361	1,532,727
Hire purchase contracts	–	20,095	27,523
	<u>3,733,836</u>	<u>3,291,975</u>	<u>1,701,656</u>

## 11. CALLED UP SHARE CAPITAL

			<b>31 March 2006 £</b>	<b>31 March 2005 £</b>	<b>31 March 2004 £</b>
Authorised					
Number:	Class:	Nominal value:			
1,000	Ordinary	£1	1,000	1,000	1,000
			<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
			<b>31 March 2006 £</b>	<b>31 March 2005 £</b>	<b>31 March 2004 £</b>
Allotted, issued and fully paid					
Number:	Class:	Nominal value:			
99	Ordinary	£1	99	99	99
			<u>99</u>	<u>99</u>	<u>99</u>

## 12. RESERVES

	<b>Share premium £</b>	<b>Revaluation reserve £</b>	<b>Totals £</b>
At 1 April 2005	50,000	949,254	999,254
Current year revaluation	–	708,295	708,295
	<u>50,000</u>	<u>1,657,549</u>	<u>1,707,549</u>
At 31 March 2006	<u>50,000</u>	<u>1,657,549</u>	<u>1,707,549</u>

## 13. OTHER FINANCIAL COMMITMENTS

B K Chadwick, J Lyons and J M Elliott have an agreement with the Clydesdale Bank plc that they guarantee amounts owing to the bank up to a maximum of £200,000 each (2005 – £200,000; 2004 – £115,000).

B K Chadwick, J Lyons and J M Elliott have entered into an agreement with the Company that they will not for a period of 15 months from Admission terminate or withdraw the guarantees they have given to Clydesdale Bank plc in support of the Company's facilities.

## 14. TRANSACTIONS WITH DIRECTORS

The following loans to directors subsisted during the years ended 31 March 2006, 31 March 2005 and 31 March 2004:

	<b>31 March 2006 £</b>	<b>31 March 2005 £</b>	<b>31 March 2004 £</b>
<b>J A Lyons</b>			
Balance outstanding at start of year	3,583	2,814	–
Balance outstanding at end of year	98	3,583	2,814
Maximum balance outstanding during year	4,021	3,583	2,814
	<u>4,021</u>	<u>3,583</u>	<u>2,814</u>
<b>J M Elliot</b>			
Balance outstanding at start of year	–	–	–
Balance outstanding at end of year	722	–	–
Maximum balance outstanding during year	722	–	–
	<u>722</u>	<u>–</u>	<u>–</u>

## 15. RELATED PARTY DISCLOSURES

During the year to 31 March 2006 the company rented two of its properties to Elliotts Outdoor Limited, a company controlled by the wife of J M Elliott, one of the directors. One of the properties was leased for £8,165 (2005 – £35,000; 2004 – £35,000) and the other for 8% (2005 – 8%) of the shop's net sales. At the year end £nil (2005 – £778; 2004 – £nil) was outstanding.

During the year ended 31 March 2005, Dovelow Limited, a company controlled by B K Chadwick, carried out building work on Gatesgarth, Keswick. At 31 March 2006 this work had not yet been invoiced and therefore there is an accrual included in the accounts amounting to £850,000 (2005 – £850,000; 2004 – £nil).

A loan is included in the accounts to Dovelow Limited:

	£
Balance outstanding at 1 April 2004	Nil
Balance outstanding at 1 April 2005	100,000
Balance outstanding at 31 March 2006	100,000

A loan is included in the accounts to Ibisgate (Keswick) Limited, a company which is under common control of the directors of Cabinguild Limited:

	£
Balance outstanding at 1 April 2004	95,194
Balance outstanding at 1 April 2005	45,194
Balance outstanding at 31 March 2006	234

A loan is also included in the accounts to Treemast Limited a company controlled by Ibisgate (Keswick) Limited.

	£
Balance outstanding at 1 April 2004	119,067
Balance outstanding at 1 April 2005	10,151
Balance outstanding at 31 March 2006	Nil

A loan is also included in the accounts from Bullet Project Limited, a company controlled by B K Chadwick, one of the directors.

	£
Balance outstanding at 1 April 2004	55,000
Balance outstanding at 1 April 2005	15,000
Balance outstanding at 31 March 2006	Nil

During the year to 31 March 2005 the company has also made a loan to Lowther Manelli Properties Limited, a company in which J M Elliott, one of the directors, is also a director.

	£
Balance outstanding at 1 April 2004	Nil
Balance outstanding at 1 April 2005	125,000
Balance outstanding at 31 March 2006	Nil

During the year the company made payments for property development work to Bullet Project Limited, a company directed and controlled by B K Chadwick. The payments amounted to £nil (2005 – £nil; 2004 – £201,987).

## 16. POST BALANCE SHEET EVENTS

On 5 May 2006 the Company purchased a property at Botchergate, Carlisle for £850,000 plus capitalised purchase costs of £39,950 totalling £889,950. The full cost of £889,950 will be accounted for as a tangible fixed asset addition in the financial accounts year to 31 March 2007.

On 24 May 2006 the Company purchased a property at 47-51 Highgate, Kendal for £550,000 plus capitalised purchase costs of £32,053 totalling £582,053. The full cost of £582,053 will be accounted for as a tangible fixed asset addition in the financial accounts for the year to 31 March 2007.

On 4 October 2006 the Company purchased a property, the Kendal Bowman for £475,000, plus purchase costs of £14,581 totalling £489,581. It is the Directors' intention to obtain planning permission and then sell the property. It is not the intention that this property will at any stage be rented out. This property will therefore, in the financial accounts for the year to 31 March 2007, be treated as stock rather than as a tangible fixed asset.

Since 31 March 2006 works have been carried out at 45 Highgate, Kendal resulting in two flats within the original building. The project has been a joint venture with the building contractors. Upon the ultimate sale of the flats costs to date of approximately £140,000 together with 50 per cent. share of any profit on sale, will become payable to the building contractors. In the financial accounts for the year to 31 March 2007 these flats will be accounted for as stock as they have been built with the intention of immediate sale.

Since 31 March 2006 further capital expenditure of approximately £100,000 has been spent on the original development at 45 Highgate, Kendal. This cost will be accounted for as a tangible fixed asset addition in the financial accounts for the year to 31 March 2007.

On 10 August 2006 the Company completed the disposal of 34-35 Lowther Street and 62 King Street. The carrying value in the financial accounts as at 31 March 2006 was £595,000. The property was sold for £645,000 realising a profit above carrying value of £50,000.

On 22 November 2006 the Company completed the disposal of 33-35 Highgate, Kendal. The property was sold for £700,000 which was its carrying value in the financial accounts as at 31 March 2006.

The fixed asset properties have been independently re-valued by Peill & Co. Limited as at 30 September 2006, giving rise to an increase in valuation over either cost or previous valuation in the order of £560,000. In accordance with accounting principles, no recognition has been made in the pro forma accounts in respect of the revaluation of stock properties, which are held at the lower of cost or net realisable value.

On 20 November 2006 the Company disposed of its subsidiary, Belmont Hall Developments (Great Budworth) Limited ("BHD"). The consideration for this disposal is £1 together with 95 per cent. of any amount received from BHD in respect to a disposal of assets or on a winding up or on disposal of the shares in the ten year period from the date of this agreement. The Directors do not however expect any significant further consideration.

Yours faithfully

**Bowmans**  
**Chartered Accountants**

## PART IV

### ILLUSTRATIVE PRO FORMA STATEMENT OF NET ASSETS

The following unaudited pro forma statement of net assets of the Company as at 31 March 2006 has been prepared on the basis of the net assets of the Company as at that date and the adjustments described in the notes below.

The unaudited pro forma statement of net assets has been prepared solely to illustrate the effect on the net assets of the Company of the Placing and significant disposals, additions and revaluations of the Company's property and as if that event had taken place at 31 March 2006. The pro forma statement of net assets has been prepared for illustrative purposes only and, because of its nature, it addresses a hypothetical situation and therefore, may not give a true picture of the position of the Company.

	<b>The Company as at 31 March 2006 £000</b>	<b>Adjustment 1 £000</b>	<b>Adjustment 2 £000</b>	<b>Adjustment 3 £000</b>	<b>Adjustment 4 £000</b>	<b>Pro forma net assets of the Company £000</b>
<b>Fixed assets</b>						
Tangible fixed assets	5,172	1,572	(1,295)	560	-	6,009
<b>Current assets</b>						
Stocks	1,175	630	-	-	-	1,805
Debtors	357	-	-	-	-	357
	1,532	630	-	-	-	2,162
<b>Creditors: amounts falling due within one year</b>	(4,377)	(2,202)	1,345	-	250	(4,984)
<b>Net current liabilities</b>	(2,845)	(1,572)	1,345	-	250	(2,822)
<b>Total assets less current liabilities</b>	2,327	-	50	560	250	3,187
<b>Creditors: amounts falling due after more than one year</b>	(387)	-	-	-	-	(387)
<b>Net assets</b>	1,940	-	50	560	250	2,800

The net assets of All Points North plc at 31 March 2006 have been extracted from the financial information on the Company as set out in Part III of this document.

The adjustments are as set out below:

#### Adjustment 1

The following properties have either been purchased or had expenditure incurred on them.

<b>Property</b>	<b>Tangible Fixed Assets £000</b>	<b>Stock £000</b>	<b>Bank £000</b>	<b>Creditors £000</b>
(a) Botchergate, Carlisle	890	-	(890)	-
(b) 47-51 Highgate, Kendal	582	-	(582)	-
(c) The Kendal Bowman	-	490	(490)	-
(d) 45 Highgate, Kendal Flats	-	140	-	(140)
(e) 45 Highgate, Kendal	100	-	(100)	-
<b>Total</b>	<b>1,572</b>	<b>630</b>	<b>(2,062)</b>	<b>(140)</b>

- (a) On 5 May 2006 the Company purchased a property at Botchergate, Carlisle for £850,000 plus capitalised purchase costs of £39,950 totalling £889,950. The full cost of £889,950 will be accounted for as a tangible fixed asset addition in the financial accounts year to 31 March 2007.
- (b) On 24 May 2006 the Company purchased a property at 47-51 Highgate, Kendal for £550,000 plus capitalised purchase costs of £32,053 totalling £582,053. The full cost of £582,053 will be accounted for as a tangible fixed asset addition in the financial accounts for the year to 31 March 2007.
- (c) On 4 October 2006 the Company purchased a property, the Kendal Bowman for £475,000, plus purchase costs of £14,581 totalling £489,581.

It is the Directors' intention to obtain planning permission and then sell the property. It is not the intention that this property will at any stage be rented out. This property will therefore, in the financial accounts for the year to 31 March 2007, be treated as stock rather than as a tangible fixed asset.

- (d) Since 31 March 2006 works have been carried out at 45 Highgate, Kendal resulting in two flats within the original building. The project has been a joint venture with the building contractors. Upon the ultimate sale of the flats costs to date of approximately £140,000 together with 50 per cent. share of any profit on sale, will become payable to the building contractors. In the financial accounts for the year to 31 March 2007 these flats will be accounted for as stock as they have been built with the intention of immediate sale.
- (e) Since 31 March 2006 further capital expenditure of approximately £100,000 has been spent on the original development at 45 Highgate, Kendal. This cost will be accounted for as a tangible fixed asset addition in the financial accounts for the year to 31 March 2007.

### Adjustment 2

The following properties have been sold:

Property	Tangible	Bank
	Fixed Assets £000	£000
(a) 34-35 Lowther Street and 62 King Street	(595)	645
(b) 33-35 Highgate, Kendal	(700)	700
	(1,295)	1,345
	(1,295)	1,345

- (a) On 10 August 2006 the Company completed the disposal of 34-35 Lowther Street and 62 King Street. The carrying value in the financial accounts as at 31 March 2006 was £595,000. The property was sold for £645,000 realising a profit above carrying value of £50,000.
- (b) On 22 November 2006 the Company completed the disposal of 33-35 Highgate, Kendal. The property was sold for £700,000 which was its carrying value in the financial accounts as at 31 March 2006.

### Adjustment 3

- (a) The fixed asset properties have been independently re-valued by Peill & Co. Limited as at 30 September 2006, giving rise to an increase in valuation over either cost or previous valuation in the order of £560,000. In accordance with accounting principles, no recognition has been made in the pro forma accounts in respect of the revaluation of stock properties, which are held at the lower of cost or net realisable value.

### Adjustment 4

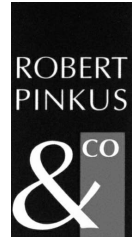
- (a) The pro forma balance sheet reflects the expected net proceeds of the placing being £250,000.

Yours faithfully

**Bowmans**  
Chartered Accountants

## PART V

### SURVEYOR'S VALUATION



The Directors  
Zeus Capital Limited  
Manchester  
3 Ralli Courts  
West Riverside  
Manchester  
M3 5FT

Robert Pinkus & Co.  
Chartered Surveyors  
16-18 Riversway Business Park  
Navigation Way  
Preston  
PR2 2YP

The Directors  
All Points North plc  
Manelli House  
4 Cowper Road  
Gilwilly  
Penrith  
Cumbria  
CA11 9BN

7 December 2006

**All Points North plc property portfolio valuation in respect of:**

**College House, Barrow in Furness  
98/100 Duke Street, Barrow  
Concorde House, Charnley Road, Blackpool  
30/34 Botchergate, Carlisle  
45 Highgate, Kendal  
First and Second Floors, 45 Highgate, Kendal  
47/51 Highgate, Kendal  
Gatesgarth, Braithwaite, Keswick  
The Kendal Bowman, 155 Highgate, Kendal  
Cumbria House, Penrith**

In accordance with instructions dated 10 October 2006 we have undertaken a valuation of the property portfolio of All Points North plc on behalf of All Points North plc and Zeus Capital Limited.

The residential valuations of First and Second Floors, 45 Highgate, Kendal and Gatesgarth, Braithwaite, Keswick have been undertaken by Harrison, Willis & Moore, Chartered Surveyors of 54 Lowther Street, Carlisle, Cumbria, CA3 8DP although they are incorporated within this report.

We confirm that the valuations have been undertaken in accordance with the RICS Appraisal and Valuation Manual (5th Edition) and value the properties on the basis of current market value as at 20th October 2006 and read in conjunction with the reports of the same date.

## College House, Barrow in Furness

### LOCATION

The property is located fronting Duke St, one of the main arterial routes into Barrow town centre in a mixed residential and commercial area. Landscaped gardens are located to the front of the building, and on the opposite side of Duke St, a mixture of commercial and residential properties.

### DESCRIPTION

The property comprises a purpose built office building, of concrete frame construction on basement, ground and three upper floors. The concrete frame is infilled with cavity brickwork, under a sloping profile metal roof. There are PVC replacement windows to all elevations.

A single storey section abutting the office block provides refectory accommodation. The property has been partially refurbished, and the building has suspended acoustic tiled ceiling throughout. There is a passenger lift to each floor, and each floor has a small kitchen area, and separate ladies, gents and disabled WC facilities.

Whilst the majority of the accommodation has been refurbished, the second floor is in complete need of renovation, previously in use mainly as a gym. The building is served by three separate main boiler systems, located within the basement, which also provides basic stock room facilities.

The rear access from the main building provides vehicle parking for approximately 20 vehicles, and parking to the frontage, provides an additional 25 car parking spaces.

### TENANCIES

We have had sight of a schedule of tenancies which shows a current rental income of £138,300 per annum with the vast majority of income relating to letting to the Morecambe Bay Primary Care National Health Trust which incorporate 5 yearly reviews in rentals, together with 5 yearly tenants only options to break.

We have also been informed that terms have been agreed for a 10 year lease of part of the Second floor, subject to a tenants break clause at Year 2 at a rent of £20,250 per annum.

### ASSUMPTIONS

The value reported assumes that the letting of part of the second floor detailed above proceeds on the terms we have been provided with.

### MARKET VALUE

Having regard to the location, character and condition of the property and its permitted uses under the Town and Country Planning Acts, we are of the opinion that the current market value of the freehold interest subject to the aforementioned tenancy is fairly reflected in the sum of **£1,900,000 (one million nine hundred thousand pounds)**.

## 98/100 Duke Street, Barrow

### LOCATION

The property is located on the east side of Duke St, close to its junction with Buccleuch St, within a secondary retail area of the town, which comprises mainly office users.

### DESCRIPTION

The property, a former bank, comprises of a mid terraced property, constructed on basement, ground, first and second floor, of traditional stone and brick construction under a pitched slated roof to the main building, and the rear extension under monopitched roof.

The ground floor is currently fitted out as a wine bar, with boarded flooring, suspended tile ceiling and heating via hot water panelled radiators and there is also a small kitchen at the rear of the bar area. Separate ladies and gents WC facilities are provided. Access to the basement is from within the main bar area, and provides storage facilities, former safe and strong room, and liqueur store. The liqueur store has air conditioning.

The upper floors which have self contained access of Duke St, appear to have been disused for some time, and are generally in poor decorative condition with evidence of dampness to the walls, and damaged glazing panes to the metal framed windows to the front elevation. Separate ladies and gents WC facilities are provided to the first floor.

#### **TENANCY**

We have had sight of a copy of the lease between Cabinguild Limited and Pennington Developments Limited which is dated 22 October 2003, which is for a period expiring on the 19 June 2010 at a rent of £12,000 per annum exclusive. The user is as wine bar and restaurant, and the lease is held on effective full repairing and insuring terms. The tenant had a break clause exercisable on the 19 June 2005 which was not taken up.

The upper floors are currently vacant.

#### **MARKET VALUE**

Having regard to the location, character and condition of the property and its permitted uses under the Town and Country Planning Acts, we are of the opinion that the current market value of the freehold interest subject to the aforementioned tenancy is fairly reflected in the sum of **£200,000 (two hundred thousand pounds)**.

## Concorde House, Charnley Road, Blackpool

### LOCATION

The property is located fronting Charnley Road, an area of mixed uses close to Blackpool Town Centre. Neighbouring occupiers include Whiskey-online.com, WashBrite, Granthams Printers and numerous guesthouses.

### DESCRIPTION

The accommodation comprises part of a substantial brick built former warehouse beneath part flat and part pitched tiled roof and provides sales and storage accommodation on basement, ground and two upper floors.

The property has a single glazed timber shop front with single glazed windows within timber frames, cast iron and PVC rain water goods and sandstone detailing and cills. The property was originally used by Blackpool Industrial Cooperative Society Limited.

The basement area is used for storage purposes, with a fire exit stairway from the basement to street level. The basement was partially fire and smoke damaged at the time of our inspection.

A single personnel entrance door gives access to the ground floor sales area which is split level and has a suspended tile ceiling with hanging spotlights. A ground floor fire door exits onto Charnley Road and a concrete ramp from Charnley Road gives access to the higher level sales area. Kitchen facilities are provided at ground floor. The kitchen has a stainless steel sink with base units, vinyl covered floor and a suspended tile ceiling with fluorescent strip lighting.

The main showroom is at first floor level. The first floor is carpeted and has a suspended tile ceiling with hanging spotlighting. Separate ladies and gents WC facilities are provided on this floor.

The second floor is currently used for storage purposes. It also is carpeted and has a suspended tile ceiling. Lighting is via recessed fluorescent light units and hanging spotlights.

Two goods lifts serve the basement and ground floor and three goods lifts the first and second floors. However, due to the current layout of the building, only one of these goods lifts is operable and in use. The property has three phase electricity and emergency lighting. Heating to the ground floor is via electric wall mounted panel heaters. The first and second floors are air conditioned. The air conditioning plant room is situated on the second floor. Ten car parking spaces, which are part tarmac surfaced and part concrete surfaced, are provided to the front of the property.

### TENANCY

We have had sight of a copy of the lease for the property dated 5 February 2002 between Cabinguild Limited (The Landlord), NDF Furniture Limited (The Tenant) and Leslie Gaskin (The Guarantor). The lease has a term of 10 years from 1 January 2002 at a commencing rental of £30,000 per annum exclusive. The lease provides for a rent review on 1 January 2007. The rent is reviewed in accordance with any percentage increase in the retail price index. The tenant is responsible for interior repairs for the property including the lift as well as for internal and external redecoration. The landlord insures the whole of the building and recharges the tenant a fifth of the cost of the premium for the property it occupies. The tenant cannot assign or sub-let part only of the property but can assign the whole of the property with the landlord's prior consent. The use permitted under the terms of the lease is the sale by wholesale or retail of carpets, furniture or fancy goods. It is not considered that the lease contains any onerous covenants.

### MARKET VALUE

Having regard to the above and the location, character and condition of the property and its permitted uses under the Town & Country Planning Acts, we are of the opinion that the current market value of the freehold interest subject to the aforementioned tenancy is fairly reflected in the sum of **£375,000 (three hundred and seventy five thousand pounds)**.

## 30/34 Botchergate, Carlisle

### LOCATION

The property formerly occupied as a Kwik Save Supermarket, is located within a secondary retail area just to the south of the town centre. The property is located within an area of leisure users, adjoining JD Wetherspoons, Mood Café Bar and other occupiers including the Litten Tree Restaurant, Gala Bingo and Subway are nearby.

### DESCRIPTION

The property is mainly single storey construction beneath flat asphalt roof, with a two-storey section to the rear. The property provides unobstructed retail space at ground floor level, and at the time of our inspection the front section was screened off and occupied by a charity. Finishes include tiled floor, plastered walls and suspended acoustic tile ceiling with fluorescent strip lighting. Generally the decorative condition is poor.

An aluminium framed shop front with a recessed entrance is provided to Botchergate and a blockwork constructed wall divides the main retail area from the rear section, which comprises two store rooms. An additional storeroom provides staircase access to the first floor, together with a roller shutter goods access door. At first floor level, there is ancillary accommodation comprising a storeroom, manager's office together with separate ladies and gents WC facilities and small canteen area.

The ground floor is heated by way of ducted hot air from a combat gas fired boiler system.

### TENANCY

The property is currently vacant and currently available to let by Peill & Co. Limited at an asking rent of £115,000 per annum.

### MARKET VALUE

Having regard to the location, character and condition of the property and its permitted uses under the Town and Country Planning Acts, we are of the opinion that the current market value of the freehold interest with vacant possession is fairly reflected in the sum of **£830,000 (eight hundred and thirty thousand pounds)**.

## 45 Highgate, Kendal

### LOCATION

The subject property fronts Highgate in a secondary position within Kendal town centre, close to its junction with Stricklandgate, the town centre's prime retail area. Nearby occupiers include Mackays, Ethel Austin, HSBC Bank, Adams Childrenswear and Betfred Bookmakers.

The retail catchment population of Kendal is currently estimated to be in the region of 140,000.

### DESCRIPTION

The property, the former Booth Supermarket, is of traditional mid terrace stone construction under a pitched slate roof to the front section, and flat asphalted roof to the rear. The front of the premises has been constructed on basement, ground, first, second and attic level and at the rear extensions to the main building, on lower ground, ground and first floor levels.

The external frontage to Highgate is approximately 9.9 metres, and incorporates aluminium powder coated entrance doors, one of which is automatic. There is also a centre full height display window. A passageway immediately to the north of the property gives access to the self-contained upper floors, which have been converted to two residential units. These residential units have been valued by Harrison, Willis & Moore, Chartered Surveyors, details of which can be found within this report. The gable and rear elevations of the property are of stone construction under tyroleum rendering.

Internally the main sales area is "T" shaped with suspended tiled ceiling, fluorescent strip lighting and ceiling mounted air conditioning units. The sales area has a tiled floor covering.

At first floor level, accessed by a staircase off the main sales area, separate ladies and gents WC facilities are provided, together with a locker room and office accommodation. Kitchen and staff facilities area also provided, and this section of the accommodation is heated via hot water panelled radiators. Georgian wired glazing within the offices overlook the main sales area. Fluorescent strip lighting is fitted throughout.

The property benefits from two separate basement areas, one of which is located to the rear of the property which has goods access onto the rear tarmacaded surface loading area, and benefits from a 500kg hoist which leads to the ground floor sales area. A further basement is located to the front of the property, which has a sealed concrete floor and fluorescent strip lighting.

From the rear pay and display car parking area three new retail units are to be created by the landlords.

### TENANCY

We have had sight of a copy of the lease between Cabinguild Limited and W. Boyes and Co. Limited which is for a period of 15 years from the 18 July 2006, at a commencing rental of £78,500 per annum exclusive. The lease is drawn on effective full repairing and insuring terms, administered by way of a service charge in respect of the main structure and common areas and provides for 5 yearly reviews in rental. We do not consider that the property includes any onerous covenants.

### MARKET VALUE

Having regard to the location, character and condition of the property and its permitted uses under the Town and Country Planning Acts, we are of the opinion that the current market value of the freehold interest subject to the aforementioned tenancy is fairly reflected in the sum of **£1,500,000 (one million five hundred thousand pounds)**.

## **First and Second Floors 45 Highgate, Kendal**

### **LOCATION**

The subject property is situated in the main shopping street of Kendal about 150 metres south of the town centre within a conservation area.

Kendal is the principal market town in South Lakeland with a population in the region of 27,000.

### **DESCRIPTION**

45 Highgate is a four-storey building comprising a self contained ground floor shop currently occupied by Boyes Department Store and two renovated flats above.

Access to the flats is via a passageway to the side giving joint access via an internal staircase with a first floor landing which serves the entrance doors of both flats.

### **FLOOR AREA**

Flat 1 – 90 m2 gross internal

Flat 2 – 120 m2 gross internal

### **MARKET VALUE**

Having regard to the location, character and condition of the property and its permitted uses under the Town and Country Planning Acts, we are of the opinion that the current market value of the freehold interest with vacant possession is fairly reflected in the sum of **£160,000 (one hundred and sixty thousand pounds) in respect of flat one and £180,000 (one hundred and eighty thousand pounds) in respect of flat two.**

## 47/51 Highgate, Kendal

### LOCATION

The subject property fronts Highgate in a secondary position within Kendal town centre, close to its junction with Stricklandgate, the town centre's prime retail area. Nearby occupiers include Mackays, Ethel Austin, HSBC Bank and Betfred Bookmakers.

The retail catchment population of Kendal is currently estimated to be in the region of 140,000.

### DESCRIPTION

The property comprises of ground floor retail area, with a self-contained first and second floor with separate access off Highgate.

The ground floor retail area, currently in use for the sale of childrenswear has full width anodised aluminium shop front, suspended acoustic tile ceiling, with both spot lights and fluorescent strip lighting, and ceiling mounted air conditioning units. To the rear of the retail area, is a storage area, which has brick/blockwork painted walls, and painted plastered ceilings with fluorescent strip lighting fitted. A single WC is also located in this area, together with small kitchen/staff area which has sink unit and wall mounted hot water heater. Goods access to the rear elevation. Rear loading is at tailboard height.

The self contained first and second floor accommodation was vacant and unused at the time of our inspection, and has both individual and open plan areas, fluorescent strip lighting, a combination of painted plastered walls, together with papered walls, painted plastered ceilings and electric skirting trunking. Electric storage heaters provide heating, and aluminium framed windows are located to the front elevation, with timber framed windows to the rear. WC facilities are provided at second floor level, with kitchen facilities at first floor.

A pay and display car park is located to the rear of the premises.

### TENANCY

We have had sight of a copy of the lease to Adams Childrenswear Limited, which is for a period of 20 years with effect from 20 November 1996 held on a full repairing and insuring basis with upward only reviews in rental every 5 years. The current rent passing is £34,000 per annum exclusive.

### GENERAL

We are aware that the property was purchased for £550,000 and our valuation is below that level. We consider that the purchase price paid reflects an element of "special purchaser" as the adjoining property is also in the ownership of All Points North plc.

### MARKET VALUE

Having regard to the location, character and condition of the property and its permitted uses under the Town and Country Planning Acts, we are of the opinion that the current market value of the freehold interest subject to the aforementioned tenancy is fairly reflected in the sum of **£525,000 (five hundred and twenty five thousand pounds)**.

## **Gatesgarth Braithwaite, Keswick**

### **LOCATION**

Gatesgarth is situated just south of the main A66 road on the western edge of the village of Braithwaite itself approximately two miles from Keswick. The village has limited facilities and surrounding properties comprise ribbon development of mainly detached and semi-detached houses and bungalows.

The outlook from the property is across to Skiddaw and at the rear is rising ground, mainly wooded.

### **DESCRIPTION**

The property comprises a block of six self-contained luxury apartments built two years ago and understood to be covered by an NHBC or similar certification. The design of the property by Architects Manning Elliot is intended to emulate a traditional late Victorian pair of semi-detached houses.

### **FLOOR AREA**

Each flat measures approximately 102 m<sup>2</sup> gross external. Total floor area of the block including shared entrance and landings is approximately 675 m<sup>2</sup> gross external.

### **MARKET VALUE**

Having regard to the location, character and condition of the property and its permitted uses under the Town and Country Planning Acts, we are of the opinion that the current

market value of the freehold interest with vacant possession is fairly reflected in the sum of **£1,350,000 (one million three hundred and fifty thousand pounds)**.

## The Kendal Bowman, 155 Highgate, Kendal

### LOCATION

The property is located fronting Highgate in an area of mixed uses in Kendal Town Centre. Neighbouring occupiers include Edward Jones Financial Advisors, Derhams Specialist Lighting, Powell and Sykes Solicitors and Lowe and Whitwell Accountants.

### DESCRIPTION

The property comprises a substantial mid-terrace three-storey double-fronted former public house of stone construction beneath a pitched slate roof. Stonework to all elevations has a rendered finish. Windows to the front elevation are leaded and single-glazed within timber frames with the windows to all other elevations single-glazed within timber frames. Rainwater goods are cast iron and PVC.

The property was previously the Kendal Bowman Hotel and we understand prior to that was known as the Bishop Blaize Hotel.

The ground floor comprises public bar, lounge bar, separate ladies and gents toilet facilities, a utility and storeroom together with a bottle store. The bottle store contains a hatch to the cellar and has an access door onto the adjacent Yard 135. The cellar comprises two rooms with a ceiling height of approximately 1.94 metres.

The first floor comprises office, public dining/function room, storeroom, three bedrooms (one with en-suite) lounge, kitchen, pantry and WC.

The second floor accommodation is split into two areas that are not interconnecting. The Northern area comprises three bedrooms, storeroom and bathroom. The Southern section comprises five bedrooms, bathroom and a separate WC. It is understood that two bedrooms on the first floor and the five bedrooms to the Southern section of the second floor were formerly guest letting rooms.

To the rear of the property is a part brick pavier and part concrete surfaced yard area previously used as a beer garden and car park. Parking for approximately 6-8 cars could be provided.

### MARKET VALUE

The basis of this Valuation which is undertaken in accordance with current RICS Appraisal and Valuation Standards is defined as:

The estimated amount for which an asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Having regard to the above and the location, character and condition of the property and its permitted uses under the Town & Country Planning Acts, we are of the opinion that the current market value of the freehold interest with vacant possession is fairly reflected in the sum of **£475,000 (four hundred and seventy five thousand pounds)**.

## Cumbria House, Penrith

### LOCATION

The property is located on the well established Gilwilly Industrial Estate, at the junction of Gilwilly Road and Stalker Road in a predominantly light industrial area. Adjoining users include Cumbria Stone Limited and Salway DAF is located opposite.

### DESCRIPTION

The property comprises a purpose built office, of traditional brick and block construction on ground and first floor level, beneath monopitched plastic coated roof sheeting. Aluminium framed windows are provided to both ground and first floor level.

The building is currently undergoing renovation at the time of our inspection.

We understand that the property is to be provided with a disabled lift, suspended tile ceiling, ceiling mounted air conditioning units, three compartment dado trunking and fire alarm system.

Adequate car parking is provided on site with gated access.

### TENANCY

The property is currently vacant.

### MARKET VALUE

Having regard to the location, character and condition of the property and its permitted uses under the Town and Country Planning Acts, we are of the opinion that the current market value of the freehold interest with vacant possession in its current partial refurbished condition is fairly reflected in the sum of **£350,000 (three hundred and fifty thousand pounds)**.

### SUMMARY

In our opinion, the current market value of the freehold interests in the property portfolio of All Points North plc is:

**£7,845,000**

**(Seven million eight hundred and forty five thousand pounds)**

Yours faithfully,

**G Assalone**

**DipArb FRICS MCI Arb IRRV**



.....  
**For and on behalf of**  
**Robert Pinkus & Company**

**Date: 7 December 2006**

## PART VI

### ADDITIONAL INFORMATION

#### 1. The Company

- 1.1 The Company was incorporated under the Act and registered in England and Wales on 12 March 1993 with registered number 02798920 as a private limited company with the name Cabinguild Limited. The liability of the members of the Company is limited.
- 1.2 The registered office of the Company is at Manelli House, 4 Cowper Road, Gilwilly, Penrith, Cumbria CA11 9BN. The principal place of business of the Company is Manelli House, 4 Cowper Road, Gilwilly, Penrith, Cumbria CA11 9BN. Its telephone number is 01768 865959.
- 1.3 On 30 August 2006, the Company changed its name to All Points North Limited.
- 1.4 On 20 November 2006, the Company re-registered as a public limited company with the name All Points North plc.
- 1.5 The Company's principal objects and activities are to carry on the business of a holding and investment company. The objects of the Company are set out in full in clause 4 of its Memorandum of Association.
- 1.6 The principal legislation under which the Company operates is the Act and the regulations made thereunder.

#### 2. Share Capital

- 2.1 The Company's authorised and issued ordinary share capital, at the date of this document is, and immediately following the Placing (assuming full subscription thereunder) will be, as follows:

	As at the date of this document		Following Admission	
	Nominal Value £	Number of Ordinary Shares	Nominal Value £	Number of Ordinary Shares
Authorised	120,000	12,000,000	120,000	12,000,000
Issued and fully paid	61,380	6,138,000	73,958.13	7,395,813

- 2.2 At the date of its incorporation, the authorised share capital of the Company was £1,000 divided into 1000 ordinary shares of £1 each of which two subscriber shares were in issue, fully paid.
- 2.3 On 12 March 1993, the subscriber shares were transferred to Bernard Keith Chadwick and John Anthony Lyons respectively.
- 2.4 Subsequently, one ordinary share of £1 was issued to John Maxwell Elliott.
- 2.5 On 2 February 2004, 96 ordinary shares of £1 each were issued at par.
- 2.6 By way of resolutions dated 13 November 2006 the members of the Company resolved, *inter alia*, that:
  - 2.6.1 each of the existing Ordinary Shares of £1 each in the capital of the Company be sub-divided into 100 Ordinary Shares of 1p;
  - 2.6.2 the authorised share capital of the Company be increased from £1,000 to £120,000 by the creation of 11,900,000 Ordinary Shares of 1p each in the capital of the Company each having the rights and being subject to the restrictions set out in the Articles of Association as adopted by the resolutions;
  - 2.6.3 the Directors were generally and unconditionally authorised (in substitution for the authority conferred on them by the existing Articles of Association of the Company) to exercise all powers of the Company to allot relevant securities (within the meaning of Section 80 Companies Act 1985 (the "Act")) up to an aggregate nominal amount equal to the nominal amount of the authorised but unissued share capital of the Company immediately following the passing of the resolution PROVIDED THAT this authority shall expire (unless previously renewed, varied or revoked by the Company in general meeting) on the date which is five years after the date of passing this resolution, save that the Company may before such expiry make an

offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired; and

- 2.6.4 the Directors were empowered pursuant to Section 95 of the Act to allot equity securities (within the meaning of Section 94(2) to Section 94(3A) of the Act) wholly for cash pursuant to the authority conferred by the resolution referred to at paragraph 2.6.3 of Part VI above as if Section 89(1) of the Act did not apply to any such allotment in connection with a rights issue (with discretion to the directors in relation to fractional entitlements) and otherwise up to a total issued share capital of £38,620.
- 2.7 On 13 November 2006, the Company made a bonus issue of 619 Ordinary Shares for every Ordinary Share held.
- 2.8 The Placing will entail the Company allotting a further 1,257,813 new Ordinary Shares (assuming the Placing is subscribed in full).
- 2.9 Save as referred to in this paragraph 2 of this Part VI, no share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.

### 3. Directors

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

Name	Age	Current	Previous
<b>Bernard Keith Chadwick</b>	<b>65</b>	Bobby Ball (Gospels) Limited Bullet Project Limited Dovelow Limited Evidene Limited Funny Guys Limited Harrogate Group plc Infratext Limited Lonecroft plc WRT Holdings Limited Sarl Keymax	Floatshare Limited Pinecart Limited Triplegain Limited Firmgrowth Limited ITM Communications Limited Aromstore Limited
<b>John Anthony Lyons</b>	<b>66</b>	Riversway Developments Limited Belmont Hall Developments (Great Budworth) Limited Evidene Limited	Lyons Landscapes Limited S. K. Pavilions Limited
<b>John Maxwell Elliott</b>	<b>56</b>	Lake District Homes Keswick Limited Ibisgate (Keswick) Limited Treemast Limited Roos Limited Jack Frost Limited Belmont Hall Developments (Great Budworth) Limited Lowther Manelli Properties Limited Lowther Trinity Limited Gatesgarth Management Limited Sarl Keymax	M&E Partnership Limited Gowbarrow Hall Limited Oak House Keswick Limited Blencathra Court Limited
<b>Kevin Philbin</b>	<b>47</b>	Blue Aquarius Limited CCN USA Community Television Network Limited Clout Limited Crystalband plc DRL Limited DRL Holdings Limited Lealta Limited Lonecroft plc Newross Impex Limited RTS Holdings Limited Stepquick plc Wacks Caller (Nominees) Limited Winners Limited Wacks Caller Atticus Legal LLP	Busnet Limited Fox Lodge Limited Firmgrowth Limited Incentia Limited ITM Communications Limited Marblespire Limited Pramic Limited Tobago Reef Limited Servicescale Limited Britannia Living Limited

- 3.2 The business address of each of the Directors is Manelli House, 4 Cowper Road, Gilwilly, Penrith, Cumbria CA11 9BN.
- 3.3 Save as disclosed below, as at the date of this document none of the Directors has:
- 3.3.1 any unspent convictions in relation to indictable offences; or
- 3.3.2 been declared bankrupt or made any individual voluntary arrangement; or
- 3.3.3 been a director of a company at the time of or within the 12 months preceding any receivership, compulsory liquidation, creditors' voluntary liquidation, administration, voluntary arrangement or any composition or arrangement with creditors generally or any class of creditors; or
- 3.3.4 been a partner or in a partnership at the time of or within the 12 months preceding the partnership being subject to a compulsory liquidation, administration or partnership voluntary arrangement; or
- 3.3.5 had any asset subject to receivership or been a partner of any partnership at the time of or within the 12 months preceding any asset of such partnership being subject to a receivership; or
- 3.3.6 been subject to any public criticism by statutory or regulatory authorities (including recognised professional bodies), nor disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.
- 3.4 John Lyons was a director of Quadro European Development Limited which was placed into receivership in or around 1977.

Kevin Philbin was a director (as nominee for a client) of Kendal (Properties) plc which was placed into receivership in January 1994.

Max Elliott was a director of Lowther Construction Limited which was placed into voluntary liquidation in April 2000.

Both Kevin Philbin and Keith Chadwick were directors of ITM Communications Limited which was placed into administration in October 2002 and compulsory liquidation in September 2004.

Both Kevin Philbin and Keith Chadwick were directors of Firmgrowth Limited (which was the holding company of ITM Communications Limited) which was the subject of a creditors' voluntary winding up in December 2002.

#### 4. Directors' and Others Interests

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

	As at the date of this document		Following Admission*	
	Number of Ordinary Shares	Percentage of issued Ordinary Share capital	Number of Ordinary Shares	Percentage of issued Ordinary Share capital
Bernard Keith Chadwick	1,798,000	29.29	1,798,000	24.31
John Anthony Lyons	2,046,000	33.33	2,046,000	27.66
John Maxwell Elliott	2,046,000	33.33	2,046,000	27.66
Kevin Philbin	Nil	Nil	Nil	Nil

\* These numbers and percentages are calculated assuming that the Placing is fully taken-up.

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

- 4.3 The Company is not aware of any person other than the Directors and their immediate families as disclosed in paragraph 4.1 above who is interested (within the meaning given to that expression in Part VII of the Act), directly or indirectly, in 3 per cent. or more of the share capital (as defined in Section 198(2) of the Act) of the Company, or who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.
- 4.4 None of the Company's major holders of Ordinary Shares listed above has different voting rights from other holders of Ordinary Shares.
- 4.5 Save as disclosed in this document, no Director has any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or leased to, the Company and no contract or arrangement exists in which a Director is materially interested and which is significant in relation to the business of the Company.
- 4.6 There are no outstanding loans granted by the Company to any of the Directors, nor are there any guarantees provided by the Company for their benefit.

## 5. Directors' Service Contracts and letters of appointment

- 5.1 The Company has entered into a service agreement with John Maxwell Elliott.
- 5.2 Details of that service agreement are set out below:

Director	Date of agreement	Position	Notice	Annual salary and other benefits
John Maxwell Elliott	7 December 2006	Managing Director	12 months	£40,000

- 5.3 Each of the Directors (other than John Maxwell Elliott) entered into letters of appointment relating to their office holdings as follows:

Name	Date of letter of appointment	Annual Fee	Notice required
Bernard Keith Chadwick	7 December 2006	£20,000	12 months
Kevin Philbin	7 December 2006	Nil	12 months
John Anthony Lyons	7 December 2006	£20,000	12 months

- 5.4 Save that each Director is entitled to payment in lieu of notice, there are no benefits upon termination of employment to members of administrative, management or supervisory bodies' service contracts with the Company or any of its subsidiaries.
- 5.5 The aggregate remuneration paid (and benefits in kind to be granted) to the Directors in the financial year to 31 March 2006 was £105,131; and the aggregate remuneration payable (and benefits in kind to be granted) to the Directors in the current financial year ending 31 March 2007 under the arrangements in force at the date of this document is estimated to be £86,785.

## 6. Accounting

The Company's accounting reference date is 31 March each year. The Company's current accounting reference period ends on 31 March 2007.

## 7. Registered Office and Premises

The registered office of the Company is Manelli House, 4 Cowper Road, Gilwilly, Penrith, Cumbria CA11 9BN.

## 8. Taxation

The following paragraphs, which are intended as a general guide based on current legislation and HM Revenue & Customs practice as at the date of this document, summarise advice received by the Directors about the UK tax position of shareholders who are resident or ordinarily resident in the United Kingdom for tax purposes and who beneficially hold their shares as investments (otherwise than under an individual savings account ("ISA")). Shareholder who are in doubt as to their tax position, or who are subject to tax in a jurisdiction other than the United Kingdom, are strongly recommended to consult their professional advisers.

## **Taxation of dividends**

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

An individual shareholder who is resident (for tax purposes) in the United Kingdom and who receives a dividend paid by the Company will currently be entitled to receive a tax credit equal to 1/9th of the cash dividend. The individual will be taxable upon the total of the dividend and the related tax credit (“the gross dividend”) which will be regarded as the top slice of the individual’s income. An individual shareholder who is not liable to income tax at a rate greater than the basic rate (currently 22 per cent.) will pay tax on the gross dividend at the dividend ordinary rate, currently 10 per cent. Accordingly, the tax credit will be treated as satisfying the individual’s liability to income tax in respect of the dividend and there will be no further tax to pay. It should be noted however that there is no right to claim any repayment of the tax credit from the HM Revenue & Customs. To the extent that the gross dividend (taken together with other taxable income) exceeds the individual’s threshold for the higher rate of income tax the individual will, to that extent, pay tax on the gross dividend at the dividend upper rate (currently 32.5 per cent.). Accordingly, a shareholder who is a higher rate tax payer will have further income tax to pay at the rate of 22.5 per cent. on the gross dividend (equivalent to 25 per cent. of the dividend received). Tax credits are generally no longer repayable to shareholders with no income tax liability or whose liability to income tax does not exceed the amount of tax credit.

Subject to exceptions for certain insurance companies and companies which hold shares as trading stock, a shareholder that is a company resident (for tax purposes) in the United Kingdom and that receives a dividend paid by the Company will not be liable to corporation tax or income tax on the dividend.

Trustees who are liable to income tax at the rate applicable to trusts (previously 34 per cent. but increased to 40 per cent. with effect from 6 April 2004) will pay tax on the gross dividend at the dividend trust rate (previously 25 per cent. but increased to 32.5 per cent, with effect from 6 April 2004) against which they can set the tax credit. To the extent that the tax credit exceeds the trustees’ liability to account for income tax the trustees will have no right to claim repayment of the tax credit. Special tax provisions apply where trustees of discretionary trusts receive payment of dividends and substantially make a distribution out of the trust. Trustees who are in any doubt as to their position should consult their own professional advisers immediately.

United Kingdom pension funds and charities are generally exempt from tax on dividends which they receive but are not entitled to claim repayment of the tax credit.

Shareholders who are resident in countries other than the UK may be entitled to repayment of all or a proportion of the tax credit in respect of dividends paid to them. This will depend upon the provisions of the double tax treaty (if any) between the country in which the Shareholder is resident and the United Kingdom. Shareholders not resident in the UK should consult their own tax adviser on the application of such provisions and the procedure for claiming relief.

## **Taxation on capital gains for shareholders**

If a shareholder who is resident or ordinarily resident in the UK for tax purposes disposes of all or any of his or its Placing Shares, he or it may, depending on the Shareholder’s particular circumstances, incur a liability to taxation on chargeable gains.

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

No liability to stamp duty or SDRT should arise on the allotment of Placing Shares by the Company under the Placing.

Subsequent sales of Placing Shares inside CREST will generally be liable to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration calculated to the nearest penny. The SDRT is normally settled by CREST, on behalf of the purchaser or transferee, on the same day as the sale, but otherwise is payable on the “accountable date” for SDRT purposes. The accountable date is the seventh day of the month following the month in which the agreement for the transfer is made.

Subsequent sales of Placing Shares outside CREST will generally be liable to *ad valorem* stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration. An obligation to account for stamp duty reserve tax (“SDRT”) at the rate of 0.5 per cent. of the amount or value of the consideration will also arise if an unconditional agreement to transfer the Placing Shares is not completed by a duly stamped instrument of transfer before the “accountable date” for SDRT purposes, as described above. Stamp duty is normally, and SDRT is

always, the liability of the purchaser or transferee of the Placing Shares. However, where an instrument of transfer which completes an unconditional agreement to transfer shares is duly stamped within six years after the agreement was entered into (or it becomes unconditional) the stamp duty will cancel the SDRT liability and any SDRT paid can be recovered.

The information in this paragraph is intended as a general summary of the UK tax position and should not be construed as constituting advice. Potential investors should obtain advice from their own investment or taxation adviser.

## **9. Memorandum of Association**

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

## **10. Articles of Association**

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

### *10.1 Rights Attaching to the Ordinary Shares*

#### *10.1.1 Voting*

Subject to any special terms as to voting upon which any shares may be issued, or may for the time being be held, every member present in person or by proxy at any general meeting shall, upon a show of hands, have one vote and every member present in person or by proxy shall, upon a poll, have one vote for each share held by him. Unless the Board otherwise determines, voting rights may not be exercised by a member who has not paid to the Company all calls and other sums then payable by him in respect of shares in the Company, or by a member who has failed to provide the Company with information which he is required to provide to it under any relevant legislation.

Where there are joint holders of a share, any one of them may vote at any meeting either personally or by proxy in respect of the share as if he were solely entitled to it, but if more than one joint holder is present at a meeting either personally or by proxy, that one of them whose name stands first in the register of members in respect of the share shall alone be entitled to vote in respect of it.

#### *10.1.2 Dividends*

Subject to the Act and any special rights attaching to shares (of which there are none at present), the holders of the Ordinary Shares are entitled, proportionately amongst themselves, to the profits of the Company available for distribution and resolved by ordinary resolution to be distributed (up to the amount recommended by the Directors) according to the amounts paid up on the Ordinary Shares held by them. The Directors may pay interim dividends if profits are available for distribution. No dividends payable in respect of an Ordinary Share shall bear interest. The Directors may, if authorised by an ordinary resolution, offer the holders of Ordinary Shares the right to elect to receive further Ordinary Shares, credited as fully paid (or other specific assets) instead of cash in respect of all or part of a dividend ("a scrip dividend"). The Directors may, pursuant to the provisions of the Articles relating to disclosure of interests, withhold dividends or other sums payable in respect of shares which are the subject of a notice under section 212 of the Act and which represent 0.25 per cent. or more in nominal value of the issued shares of their class and in respect of which the required information has not been received by the Company within 14 days of that notice and the member holding those shares may not elect, in the case of a scrip dividend, to receive shares (or other specific assets) instead of that dividend.

The Company or its Directors may fix any date as the record date for a dividend. A dividend unclaimed after a period of 12 years from the date when it became due for payment shall, unless the Directors otherwise resolve, be forfeited and shall revert to the Company.

### 10.1.3 *Return of capital*

On a winding-up, subject to any special rights attaching to shares (of which there are none at present), the assets available for distribution shall be divided among the members in proportion to the amounts of capital paid up on the shares held by them respectively. If the Company is wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of an extraordinary resolution, divide among the members in specie or kind the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the same authority, vest any part of the assets in trustees on trusts for the benefit of the members as he with the same authority thinks fit, but no member shall be compelled to accept any shares or other securities on which there is a liability.

### 10.1.4 *Allotment, redemption and pre-emption*

Subject to the provisions of the Act the power of the Company to allot any new shares shall be exercised by the Board. The current unissued share capital of the Company may be issued in accordance with the provisions summarised at paragraph 2.6 of this Part VI.

The Company may by special resolution create and sanction the issue of shares which are, or at the option of the Company or the holder are to be liable, to be redeemed, subject to and in accordance with the provisions of any relevant legislation. There are no pre-emption rights on transfer attaching to the shares in the capital of the Company.

### 10.1.5 *Alteration of share capital*

The Company may by ordinary resolution increase, consolidate or sub-divide its share capital or cancel any shares which have not, at the date of the ordinary resolution, been taken or agreed to be taken by any person and, subject to the Act, diminish the amount of its capital by the nominal amount of shares so cancelled. The Company may (subject to any conditions and consents required by law) by special resolution reduce its share capital or any capital redemption reserve fund or share premium account in any manner.

### 10.1.6 *Purchase of own shares*

The Company may purchase its own shares (including any redeemable shares) in accordance with the Articles and the Act.

## 10.2 *Directors*

### 10.2.1 *Directors' remuneration*

The remuneration of the Directors for their services as Directors shall be determined by the Board or any committee of the Board formed for the purpose. In addition, the Directors are entitled to be reimbursed for all reasonable expenses incurred in connection with their duties as Directors, including attendance at board meetings and general meetings of the Company. A Director may be appointed by the Board to any employment or executive office with the Company for such period (subject to the provisions of any relevant legislation) on such terms and at such remuneration as the Board may determine.

### 10.2.2 *Retirement of directors by rotation*

At every annual general meeting of the Company, one-third of the Directors (or, if their number is not three or a multiple of three, the number nearest to but not more than one third) shall retire from office by rotation. The Directors to retire shall be those of the other Directors who have been longest in office since their appointment or last reappointment but, as between persons who became or were re-appointed Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. The Directors to retire shall be determined (both as to number and identity) by the composition of the board at the date of the notice convening the annual general meeting. A Director shall not be required, or be relieved from the obligation, to retire by reason of a change in the Board after that time but before the close of the meeting.

At the meeting at which a Director retires by rotation, the Company may fill the vacated office. A Director who retires at an annual general meeting may, if willing to act, be reappointed. If he is not re-appointed, he shall retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting.

#### 10.2.3 *Executive directors*

The Directors may appoint a Director to an executive office in the Company on such terms as the Directors determine. The appointment of a Director to an executive office terminates if he ceases to be a Director, but without prejudice to any claim he has for breach of his contract of employment or service.

#### 10.2.4 *Directors' interests*

A Director shall not vote nor be counted in a quorum at a meeting in relation to any resolution of the Board concerning any contract, arrangement or other proposal in which he is, to his knowledge, directly or indirectly, materially interested. The prohibition will not apply to the following:

- 10.2.4.1 an arrangement for giving a guarantee, security or indemnity to him in respect of money lent or obligations undertaken by him for the benefit of the Company (or any of its subsidiaries) or in respect of a debt or obligation of the Company (or any of its subsidiaries) for which he has assumed responsibility, in whole or in part, under a guarantee or an indemnity or by the giving of security;
- 10.2.4.2 proposal concerning an offer of securities by the Company (or any of its subsidiary undertakings) in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
- 10.2.4.3 a proposal concerning another company in which he is not interested, directly or indirectly, in 1 per cent., or more either of any class of its equity share capital or of its voting rights;
- 10.2.4.4 certain arrangements for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award the Director a privilege or benefit not awarded to the employees to whom the arrangement relates; or
- 10.2.4.5 a proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons who include Directors.

Subject to the statutes and provided he has disclosed to the Directors the nature and extent of his interest, a Director may contract with the Company and the contract shall not be avoided on the grounds of his interest or benefit and the Director is not liable to account to the Company for any profit realised as a result of the contract.

A Director may not vote or be counted in the quorum in relation to a resolution of the Directors or committee of the Directors concerning his own appointment, including the arrangement or variation of the terms or the termination of his own appointment or the appointment of another person to an office in a company in which the Director has a material interest.

Where proposals are under consideration concerning the appointment, including the arrangement or variation of the terms or the termination of the appointment of two or more Directors, a separate resolution may be put in relation to each Director. In each case, each Director (if not otherwise debarred from voting) is entitled to vote in respect of each resolution except that concerning his own appointment.

#### 10.2.5 *Directors' appointments*

Unless otherwise determined by ordinary resolution of the Company the Directors shall be not less than two, but shall be subject to no maximum. A Director is not required to hold any shares in the Company by way of qualification. The Board have power to appoint Directors to the board from time to time up to the maximum number of Directors. A Director may resign his office or be removed by ordinary resolution of the Company before the expiry of his period of office.

### 10.3 *Transfer of Shares*

Any shares in the Company may be held in uncertificated form and title to shares may be transferred by means of a relevant system. The following provisions apply to uncertificated shares as if the reference therein to the date on which the transfer was lodged with the Company was a reference to the date on which the appropriate instruction was received by or on behalf of the Company in accordance with the facilities and requirements of the relevant system.

The instrument of transfer of a share shall be signed 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) and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register in respect thereof. All transfers shall be effected by instrument in writing in the usual common form or any other form which the Directors may approve. The Directors may, in their absolute discretion and without giving any reason, refuse to register the transfer of a share which is not fully paid. The Directors may likewise refuse to register any transfer in favour of more than four persons jointly. The Directors may decline to recognise any instrument of transfer unless it is lodged, duly stamped, with the Company, accompanied by the relevant certificate and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, and unless the instrument is in respect of only one class of share. The Directors may, pursuant to the provisions of the Articles relating to disclosure of interests, refuse to register the transfer of shares which are the subject of a notice under section 212 of the Act and which represent 0.25 per cent. or more in nominal value of the issued shares of their class and in respect of which the required information has not been received by the Company within 14 days of that notice. The Directors may also refuse to register a transfer of uncertificated shares in such other circumstances as may be permitted or required by the relevant system or The Uncertificated Securities Regulations 2001.

### 10.4 *Variation of Rights*

The rights attaching to the shares in the Company may be varied or abrogated with the consent in writing of the holders of at least three-quarters of the issued shares of the relevant class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of that class.

### 10.5 *Borrowing Powers*

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

### 10.6 *Electronic Communication*

Any requirement for the Company to send, circulate or despatch notices or documents to its members shall be deemed to have been complied with in relation to any member where the Company and the member have agreed to use electronic communication to send such notices or documents, where the notices or documents are notices or documents to which the agreement applies and copies of the notices or documents are sent by electronic communication to the address, number or other location notified by the member to the Company for that purpose, or where the Company and the member have agreed to the member having access to notices or documents on a website and the member is notified of the publication of the notices or documents on the website, the address of the website, the place on the website where the notices or documents can be accessed and how they can be accessed and the period of time for which the notices or documents will be available on the website.

The period of time for which the notices or documents must be available on a website must not be less than 21 days from the date of notification or, if later, until the conclusion of any general meeting to which the notices or documents relate. If the notices or documents are published on the website for a part only of this period of time, they will be treated as being published throughout the period if the failure to publish throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the Company to prevent or avoid.

Where the Company sends notices or documents to Shareholders by electronic communication, it must also make the notices or documents available to members in printed form and free of charge on request during normal business hours for a period of not less than 21 days from the date of communication or

notification or, if later, until the conclusion of any general meeting to which the notices or documents relate. The printed copies must be made available in sufficient numbers to satisfy demand from its members and be made available at the Company's registered office and also at the offices of any of the Company's paying agents (if any).

#### 10.7 *Untraced Members*

In certain circumstances the Company is entitled to sell at the best price reasonably obtainable the shares of a member or the shares to which a person is entitled by transmission if, during a period of 12 years, all dividends, warrants and cheques sent in respect of the shares in question have remained uncashed and during such period at least three dividends in respect of the shares in question have been paid. In order to exercise such power the Company must have inserted advertisements in one national daily newspaper and one newspaper circulating in the area in which the registered or last known address of the member in question is located and must not have received any communication that would enable the Company to trace any such member or person entitled by transmission.

#### 10.8 *General Meetings*

The Board may call an extraordinary general meeting whenever it thinks fit and upon requisition of members in accordance with the Act it is required to convene an extraordinary general meeting for a date not more than 8 weeks after receipt of the requisition at the registered office. If there are not within the UK sufficient members of the Board to convene a general meeting any director may call one.

Subject to the provisions of the Act annual general meetings should be held at such time and place as the Board may determine. An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or resolution appointing a person as a Director shall be called by at least 21 clear days' notice in writing. All other extraordinary general meetings shall be called by at least 14 clear days' notice in writing. The Notice must specify amongst other things the day, time and place of the meeting and the general nature of the business to be transacted, whether the meeting is an annual general meeting or an extraordinary general meeting, if the meeting is convened to consider a special or extraordinary resolution, the intention to propose the resolution as such and with reasonable prominence that a member entitled to attend and vote is entitled to appoint one or more proxies to attend. Subject to the provisions of the Articles and to any restriction imposed on any shareholder notice shall be given to all members the Directors and the auditors.

### **11. Material Contracts**

Other than as set out below there are no contracts (not being in the ordinary course of business) entered into by the Company within the last 2 years which are or may be material.

- 11.1 A placing agreement dated 7 December 2006 has been entered into between Zeus Capital Limited (1), the Directors (2) and the Company (3) pursuant to which Zeus Capital Limited has agreed as agent for the Company to administer the placing.

The obligations of Zeus Capital are conditional upon, *inter alia*, Admission occurring by 8.00am 19 December 2006 or such later time and/or date as the Company and Zeus Capital may agree (but in any event not later than 8.00am on 28 February 2007).

The Directors and the Company have given certain warranties and the Company has given an indemnity to Zeus Capital. Liability under such warranties and the indemnity is limited in the case of each Director.

The agreement contains termination provisions for the period prior to Admission if, *inter alia*, there has been a material breach of the warranties given by the Directors and the Company to Zeus Capital which Zeus Capital reasonably considers to be material in the context of the placing or an event of *force majeure* occurs.

Subject to certain exceptions (including a disposal pursuant to a general offer to all the shareholders of the Company, a compromise or arrangement between the Company and its creditors or members, a purchase of shares by the Company open to all Shareholders on identical terms, a transfer to a spouse or infant children or trustees provided the transferee has undertaken to be bound by the lock-in, by the personal representatives of a deceased director to who so ever he may have bequeathed his shares or to a member of his close family or to a company or fund under the control of the Director provided the

transferee has undertaken to be bound by the lock-in) the Directors have agreed not to dispose of 4,437,488 of their ordinary shares without the prior consent of Zeus Capital for a period of 24 months following Admission and thereafter for a further 12 months have agreed to only dispose of such shares through All Point North's Brokers in an orderly manner.

- 11.2 Pursuant to an agreement dated 1 September 2006 between the Company (1) and Zeus Capital (2), the Company appointed Zeus Capital as nominated adviser and nominated broker to the Company. The Company has agreed to pay Zeus Capital a fee of £70,000 plus VAT upon Completion of the Proposals and £10,000 plus VAT per annum. The agreement is for an initial period of three years from Completion of the Proposals and thereafter on six months written notice by either party.
- 11.3 The Company has contracted on or about 3 April 2004 with Dovelow Limited ("Dovelow") for Dovelow to design and build six flats on the Company's premises known as Gatesgarth. The contract provides that the flats will be built to certain drawings provided by Manning and Elliott and certain quantities specified by KGAS for a price of £722,360. Payment is to be made to Dovelow as and when the flats concerned are sold subject to agreement with the Company's bank. Dovelow is entitled to a profit of 15 per cent. on the cost of the works. If full payment has not been made to Dovelow by 3 April 2006 there is interest payable on the amount due at 2 per cent. over the bank's base rate. £350,000 has been paid to date and as at 7 December 2006 approximately £500,000 (including the profit share and interest Dovelow is entitled to) remains outstanding. Dovelow Limited is a company controlled by B K Chadwick.
- 11.4 A share sale agreement dated 20 November 2006 and made between the Company (1) and P E White (2) pursuant to which the Company disposed of its interest (being 51 per cent. of the ordinary shares of £1 each in issue) in the share capital of Belmont Hall Developments (Great Budworth) Limited ("BHD") for £1. In the event that at any time in the ten year period from the date of the share sale agreement P E White receives any amount from BHD in relation to a disposal of its assets or business or on a winding up or any amount in respect of the shares sold to her she has agreed to pay additional consideration of 95 per cent. of the amount she receives.
- 11.5 By an offer letter dated 10 July 2002 from Clydesdale Bank plc to the Company, Clydesdale Bank plc made available to the Company a fixed rate loan facility of £500,000 of which as at 12 October 2006 approximately £400,000 remained outstanding. The loan is for a term of 10 years commencing no later than 26 July 2002 and attracts interest at 7.52 per cent. per annum, payable monthly.
- 11.6 By a letter dated 17 October 2006 from Clydesdale Bank plc to the Company, Clydesdale made available to the Company a revolving overdraft credit facility of £5.5 million of which £4.47 million had been utilised as at 28 November 2006.
- 11.7 By an agreement dated 7 December 2006 and made between the Company (1) and B K Chadwick, J Lyons and J M Elliott (2), each of B K Chadwick, J Lyons and J M Elliott agreed that they will not for a period of 15 months from Admission terminate or withdraw the guarantees they have given to Clydesdale Bank plc in support of the Company's facilities.

## **12. Litigation**

The Company is not engaged in any governmental, legal or arbitration proceedings nor, so far as the Directors are aware, are any such proceedings pending or threatened by or against the Company which may have or have had in the 12 months preceding the date of this document a significant effect on the Company's financial position.

## **13. Intellectual Property Rights**

Other than as set out in this document, there are no patents or intellectual property rights, licenses or particular contracts (whether industrial, commercial or financial) which are of fundamental importance to the Company's business.

## **14. Investments**

Save as set out in this document there are no investments in progress which are significant and the Company has not made any firm commitments concerning future investments.

## **15. Working Capital**

The Directors are of the opinion having made due and careful enquiry that, taking into account the net proceeds of the Placing and the existing facilities available to the Company, the working capital available to the Company will, from the time the Ordinary Shares are admitted to AIM, be sufficient for its present requirements, that is for at least 12 months from the date of Admission.

## **16. Employees**

The number of employees of the Company as at 31 March 2006 was one.

## **17. General Information**

- 17.1 The estimated amount of the expenses of the Placing, and Admission which are payable by the Company, is approximately £150,000 (including VAT). The net proceeds of the Placing available to the Company will be approximately £250,000.
- 17.2 Zeus Capital Limited, whose registered office is at 3 Ralli Courts, West Riverside, Manchester M3 5FT has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.
- 17.3 The financial information contained in this document does not constitute full statutory accounts as referred to in section 240 of the Act. A copy of the audited accounts of the Company for the three year period ended 31 December 2005 has been delivered to the Registrar of Company in England and Wales. The auditors report on those accounts was unqualified and did not contain any statement under section 237 of the Act.
- 17.4 This document does not constitute an offer to sell, or the solicitation of an offer to acquire, Ordinary Shares in any jurisdiction where such an offer or solicitation is unlawful and is not for distribution in any jurisdiction in which such distribution is unlawful. The Ordinary Shares have not been, and will not be, registered under the US Securities Act or under the applicable securities laws of any state of the United States, any province or territory of Canada, Japan, South Africa, Australia or the Republic of Ireland (Excluded Territories) and may not be sold, directly or indirectly, within the United States or the Excluded Territories or to any citizen, national or resident of the United States or the Excluded Territories.
- 17.5 Save as disclosed in this document there has been no significant change in the financial or trading position of the Company since 31 March 2006 the date to which the latest published financial statements were made up and the Directors are not aware of any exceptional factors which have influenced the Company's activities.
- 17.6 The Ordinary Shares are in registered form. It is expected that share certificates will be posted to Shareholders at their risk by 2 January 2007. No temporary documents of title will be issued.
- 17.7 Save as disclosed in this document no person directly or indirectly has in the last 12 months received or is contractually entitled to receive directly or indirectly, from the Company on or after Admission (excluding professional advisers otherwise disclosed in this document or trade suppliers), any payment or benefit from the Company to the value of £10,000 or more or securities in the Company to such value or entered into any contractual arrangements to receive the same, directly or indirectly, from the Company on or after Admission.
- 17.8 Bowmans, members of the Institute of Chartered Accountants in England and Wales, are the auditors of the Company and have given and have not withdrawn their written consent to the inclusion in this document of references to their name in the form and context in which it appears and their reports in Part III and IV of this document and accept responsibility for these reports for the purposes of the AIM Rules.
- 17.9 Robert Pinkus & Co., whose registered office is at 16-18 Riversway Business Village, Navigation Way, Preston, PR2 2YP has given and not withdrawn its written consent to the inclusion in this document of references to their name and the valuation in Part V of the document in the form and context in which they appear.
- 17.10 Harrison, Willis & Moore, whose registered office is at 54 Lowther Street, Carlisle, Cumbria, CA3 8DP has given and not withdrawn its written consent to the inclusion in this document of references to their name in the form and context in which they appear.

- 17.11 Dodd & Co., members of the Institute of Chartered Accountants in England and Wales of Clint Mill, Cornmarket, Penrith, Cumbria, CA11 7HW were auditors of the Company for the period 1 April 2003 to 31 March 2006.
- 17.12 Of the Placing Price, 1p represents the nominal value and 31p represents the premium.
- 17.13 Where information in this document has been sourced from a third party, no facts have been omitted which would render the reproduced information inaccurate or misleading so far as the Company and the Directors are aware or are able to ascertain from information published by that third party.

**18. Publication of this document**

Copies of this document will be available free of charge to the public at the offices of Zeus Capital Limited, 3 Ralli Courts, West Riverside, Manchester M3 5FT from the date of this document until at least one month after Admission.

Dated: 8 December 2006

