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This Document comprises an AIM admission document and has been drawn up in accordance with the AIM Rules. This Document is not an approved prospectus for the purposes of section 85(7) of the Financial Services and Markets Act 2000. The Company and the Directors, details of which or whom appear on page 4 of this Document, accept responsibility for the information contained in this Document. To the best of the knowledge and belief of the Company and the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application will be made to London Stock Exchange plc for the whole of the Ordinary Share Capital of Hecta Media Inc. to be admitted to trading on AIM, a market operated by London Stock Exchange plc. The Ordinary Shares are not dealt on any other recognised investment exchange and no application has been made or is being made for admission of the Ordinary Share Capital of the Company to any other recognised investment exchange. The Directors expect that Admission will become effective and that trading in the Ordinary Shares will commence on AIM on 14 November 2007.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange plc on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers.

London Stock Exchange plc has not examined or approved the contents of this Document.

The attention of persons receiving a copy of this Document is drawn to the Risk Factors set out in Part II of this Document. The AIM Rules are less demanding than those of the Official List. No liability whatsoever is accepted by Beaumont Cornish Limited for the accuracy of any information or opinions contained in this Document, or for the omission of any material information for which the Company and the Directors are solely responsible. The whole of the text of this Document should be read.

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# HECTA MEDIA INC.

*(Incorporated and registered in the British Virgin Islands with registered number 1412814)*

*ISIN Number: VGG4384C1041*

## Admission to trading on AIM

*Nominated Adviser and Broker*

**Beaumont Cornish Limited**

BEAUMONT  
CORNISH  
Limited

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### Share capital on Admission

*Issued and fully paid Ordinary Shares of no par value*

**162,266,456**

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Beaumont Cornish Limited, which is authorised and regulated in the United Kingdom in the conduct of business by the Financial Services Authority and is a member of the London Stock Exchange plc, is the Company's Nominated Adviser and Broker in connection with the Admission for the purposes of the AIM Rules and is acting exclusively for the Company and no one else in connection with the matters described herein and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Beaumont Cornish Limited or for advising any other person and other arrangements described in this Document or any matter referred to herein. The responsibilities of Beaumont Cornish Limited, as Nominated Adviser and Broker under the AIM Rules, are owed solely to London Stock Exchange plc and are not owed to the Company or any Director or to any other person in respect of their decision to acquire Ordinary Shares in reliance on any part of this Document. No person has been authorised to give any information or make any representations other than those contained in this Document and, if given or made, such information or representations must not be relied upon as having been so authorised. No representation or warranty, express or implied, is made by Beaumont Cornish Limited as to any of the contents of this Document. Beaumont Cornish Limited has not authorised the contents of any part of this Document for any purpose and no liability whatsoever is accepted by Beaumont Cornish Limited for the accuracy of any information or opinions contained in this Document. Neither the delivery of this Document hereunder nor any subsequent subscription or sale made for Ordinary Shares shall, under any circumstances, create any implication that the information contained in this Document is correct as of any time subsequent to the date of this Document.

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

Copies of this Document will be available free of charge during normal business hours on weekdays (excluding public holidays) from the date hereof until one month after Admission from the office of Beaumont Cornish Limited, 5th Floor, 10-12 Copthall Avenue, London, EC2R 7DE and from the registered office of the Company.

An investment in Hecta Media Inc. may not be suitable for all recipients of this Document. Any such investment is speculative and involves a high degree of risk. Prospective purchasers of Ordinary Shares should carefully consider whether an investment in the Company is suitable for them in light of their circumstances and the financial resources available to them. Attention is drawn, in particular, to the Risk Factors set out in Part II of this Document.

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## EXPECTED TIMETABLE OF EVENTS

Publication of this Document	8 November 2007
Admission effective and commencement of dealings on AIM	14 November 2007
Delivery of Depositary Interests into CREST	14 November 2007
Despatch of definitive share certificates (where applicable) in respect of the Ordinary Shares to Shareholders by no later than	21 November 2007

## ADMISSION STATISTICS

Admission Price per Ordinary Share	4p
Number of Ordinary Shares in issue at the date of this Document	162,266,456
Market capitalisation of the Company at the Admission Price following Admission	£6.5 million
Options over Ordinary Shares granted to the Directors at Admission	19,000,000
Percentage of the Ordinary Share Capital not in public hands	44.52%
ISIN for the Ordinary Shares	VGG4384C1041
AIM Ticker Symbol	HCTA

## FORWARD LOOKING STATEMENTS

Certain statements in this Document are "Forward Looking statements". These Forward Looking statements are not based on historical facts but rather on management's expectations regarding the Company's future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. Such Forward Looking statements reflect management's current beliefs and assumptions and are based on information currently available to management. Forward Looking statements involve significant known and unknown risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the Forward Looking statements including risks associated with vulnerability to general economic market and business conditions, competition, environmental and other regulatory changes, actions by governmental authorities, the availability of capital markets, reliance on key personnel, uninsured and underinsured losses and other factors, many of which are beyond the control of the Company. Although the Forward Looking statements contained in this Document are based upon what management believes to be reasonable assumptions the Company cannot assure investors that actual results will be consistent with these Forward Looking statements.

## OVERSEAS SHAREHOLDERS

This Document does not constitute an offer to sell, or a solicitation to buy Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, this Document is not for distribution in or into the United States of America, Canada, Australia, the Republic of South Africa or Japan. The Ordinary Shares have not been nor will be registered under the United States Securities Act of 1933 (as amended) nor under the securities legislation of any state of the United States or any province or territory of Canada, Australia, the Republic of South Africa, or Japan or in any country, territory or possession where to do so may contravene local securities laws or regulations. Accordingly, the Ordinary Shares may not, subject to certain exceptions, be offered or sold directly or indirectly in or into the United States of America,

Canada, Australia, the Republic of South Africa or Japan or to any national, citizen or resident of the United States of America, Canada, Australia, the Republic of South Africa or Japan. The distribution of this Document in certain jurisdictions may be restricted by law. No action has been taken by the Company or by Beaumont Cornish Limited that would permit a public offer of Ordinary Shares or possession or distribution of this Document where action for that purpose is required. Persons into whose possession this Document comes should inform themselves about, and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Document has not been, and will not be, registered under the laws and regulations of the British Virgin Islands, nor has any regulatory authority in the British Virgin Islands passed comment upon or approved the accuracy or adequacy of this Document.

## DIRECTORS AND ADVISERS

<b>Directors</b>	Frederick Robert Krueger ( <i>Executive Chairman</i> ) Clark William Landry ( <i>Chief Executive Officer</i> ) David de Jongh Weill ( <i>President and Executive Director</i> ) Guy Elliott ( <i>Non-Executive Deputy Chairman</i> ) Michael Eric Mendelson ( <i>Finance Director — Part-time</i> )  All of: Craigmuir Chambers Road Town Tortola British Virgin Islands VG1110
<b>Registered Office and Principal Place of Business</b>	Craigmuir Chambers Road Town, Tortola British Virgin Islands VG 1110
<b>Nominated Adviser and Broker</b>	Beaumont Cornish Limited 10-12 Cophall Avenue London EC2R 7DE
<b>Solicitors to the Company as to English Law</b>	Kerman & Co LLP 200 Strand London WC2R 1DJ
<b>Solicitors to the Company as to BVI Law</b>	Harney Westwood & Riegels LLP 3rd Floor 7 Ludgate Broadway London EC4V 6DX
<b>Auditors and Reporting Accountants</b>	Chapman Davis LLP 2 Chapel Court London SE1 1HH
<b>Principal Bankers</b>	Bank of Ireland 20 Berkeley Square London W1J 6LL
<b>Registrars</b>	Computershare Investor Services (Channel Islands) Ltd. P O Box 83 Ordnance House 31 Pier Road St. Helier JE4 8PW Channel Islands
<b>Depository</b>	Computershare Investor Services Plc P O Box 82 The Pavilions Bridgwater Road Bristol BS99 7NH
<b>Custodian at Admission</b>	Computershare Investor Services Plc P O Box 82 The Pavilions Bridgwater Road Bristol BS99 7NH
<b>Website</b>	<a href="http://www.hectamedia.com">www.hectamedia.com</a>

## DEFINITIONS

In this Document, where the context permits, the expressions set out below shall bear the following meanings:

“Act”	the Companies Act 1985, as amended
“Admission”	the admission of all the Ordinary Shares in issue following the trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules
“Admission Price”	4p per Ordinary Share
“AIM”	AIM, a market operated by the London Stock Exchange
“AIM Rules”	the rules of the London Stock Exchange relating to AIM as amended from time to time
“BCA”	the BVI Business Companies Act 2004 of the BVI including any modification, extension, re-enactment, or renewal thereof and any regulations made thereunder
“Beaumont Cornish Limited”	Beaumont Cornish Limited, of 10-12 Copthall Avenue, London EC2R 7DE authorised and regulated by the Financial Services Authority to carry on investment business, the Company’s nominated adviser and broker
“BVI”	the British Virgin Islands
“BVIBC”	BVI business company
“City Code”	the City Code on Takeovers & Mergers
“Combined Code”	the Combined Code on corporate governance published in July 2003 by the Financial Reporting Council
“Company” or “Hecta Media”	Hecta Media Inc., a company incorporated in the BVI on 22 June 2007 with company number 1412814
“CREST”	the computerised settlement system used to facilitate the transfer of title to shares in uncertificated form operated by CRESTCo
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 01/3755)
“Custodian”	Computershare Investor Services Plc
“Depositary”	Computershare Investor Services Plc
“Depositary Interests” or “DIs”	the interests representing Ordinary Shares issued through the Depositary, further information on which is contained in Part I and Part IV of this Document
“Directors” or “Board”	the board of directors of the Company whose names are set out on page 4 of this Document
“Euroclear”	Euroclear UK & Ireland Limited, a company incorporated in England and Wales and the operator of CREST
“Founder Shareholders”	those Shareholders who acquired or subscribed for and were allotted Ordinary Shares at 1p per share and who hold those Ordinary Shares at the date of this Document
“FSA”	Financial Services Authority
“FSMA”	Financial Services and Markets Act 2000, as amended
“ISIN”	International Securities Identifying Number

“Lock-in Agreements”	the conditional agreements, details of which are set out in paragraph 7.4 of Part IV of this Document
“London Stock Exchange”	London Stock Exchange plc
“Official List”	the Official List of the UK Listing Authority
“Ordinary Shares”	ordinary shares of no par value each in the capital of the Company
“Register”	the register of Shareholders kept at the registered office of the Company
“Registrar”	Computershare Investor Services (Channel Islands) Ltd.
“Share Dealing Code”	the share dealing code adopted by the Company to ensure compliance with Rule 21 of the AIM Rules
“Shareholders”	holders of Ordinary Shares
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UK Listing Authority”	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the FSMA
“Uncertificated” or “in Uncertificated form”	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“Uniform Resource Locator” or “URL”	the address of a resource (as a document or Web site) on the Internet that consists of a communications protocol followed by the name or address of a computer on the network and that often includes additional locating information (as directory and file names)
“USA”	the United States of America, its possessions and territories, any state of the United States of America and the District of Columbia
“VAT”	value added tax
“£” or “Pound”	UK Pounds Sterling, being the lawful currency in the United Kingdom
“\$”	United States Dollars, being the lawful currency in the United States

## PART I

### INFORMATION ON THE COMPANY

#### 1. Introduction

Hecta Media is a company registered in the British Virgin Islands ("BVI") on 22 June 2007 whose purpose is to make broadly distributed investments in niche content web sites and vertically targeted, branded domains. Using a combination of Ordinary Shares and cash to make targeted acquisitions, the Company intends to build a portfolio of high-traffic websites generating revenue through search and display advertising.

Hecta Media will focus its efforts on active investment in websites and domains established in the UK, continental Europe, and the United States. The websites in which Hecta Media intends to invest will typically be simple, profitable businesses with few employees and positive cash flow. Hecta Media aims to consolidate a number of such websites across a few content genres, with the purpose of creating advantages of scale in each vertical market.

The Directors intend that Hecta Media will acquire sites by offering a combination of cash and Ordinary Shares to the owners of the sites, providing tradeable assets to owners looking for a suitable exit strategy by which to realize the value of the businesses they have created. The Directors consider that current market conditions provide good opportunities for investment in a wide variety of suitable websites which can meet Hecta Media's strategic objectives.

#### 2. Market outlook and strategy

Hecta Media's core business model is to generate revenue through targeted text-link internet advertising, in which contextually relevant text advertisements are placed on websites and monetized using automated programs from Google, Yahoo and Microsoft. Google's "AdSense" program is the market leader in this category; using AdSense, any website can automatically generate revenue for itself every time a person clicks on a pre-determined text link. Google sells the "click" and the website owner receives a share of the revenue earned. This system is very successful, and now accounts for approximately 34 per cent. of Google's overall revenue.

In addition to automated website monetization programs such as Google AdSense, Hecta Media will look to further monetize websites using display advertising, video advertising, and lead generation, including pay-per-call leads. Hecta Media believes that because of the growth of AdSense and other components of the internet advertising market, this is an excellent time to build portfolios of vertically targeted websites.

Hecta Media's strategy will be to acquire a widely distributed mix of domains and websites which the Directors believe can be profitably combined under the ownership of the Company, reducing overall technology, accounting and financial overheads and providing a focal point for online advertisers by the linking of sites which offer similarly specialized content (and thereby avoiding the need for advertisers to negotiate with several owners).

The Company may invest by way of outright acquisition of a site-owning company or by the acquisition of assets, including the intellectual property, of a relevant business. The Directors will where possible offer Ordinary Shares by way of consideration as well as cash, thereby helping to preserve the Company's cash for working capital and as a reserve against unforeseen contingencies including by way of example, and without limit, delays in collecting accounts receivable, unexpected changes in the advertising environment and unforeseen operational problems.

Hecta Media intends to seek out investment opportunities amongst niche portals and established blogs with branded domain names. Such sites with established brands and Uniform Resource Locators would be already profitable, and are likely to be owned by single individuals and be independent of external funding. These sites would be capable of development beyond the scope provided by the original founder, particularly when brought under common ownership with other sites providing similar specializations. The Directors will, following Admission, focus on identifying and making a number of small acquisitions or investments whilst it develops and puts into effect its business processes.



The opportunities for offering shares traded on an established market such as AIM to sellers of the type of businesses in which the Company intends to invest do not exist in the US (due largely to the onerous requirements of the Sarbanes-Oxley Act and the negative perception of bulletin board companies) or in Europe, where very few internet companies offer scope for the development of general content site businesses.

The Directors collectively have considerable experience of investing, both in structuring and executing deals and in raising venture capital and other funds, and in particular, web-based companies. They will use this experience to identify and investigate investment opportunities, and to negotiate acquisitions. Wherever necessary the Company will engage suitably qualified technical personnel to carry out specialist due diligence prior to making an acquisition or an investment. For the acquisitions which they expect the Company to make, the Directors intend to adopt earn-out structures, with specific performance targets being set for the sellers of the businesses acquired, and with suitable metrics applied.

The Directors are currently reviewing potential investment and acquisition opportunities in line with Hecta Media's strategy, but have not at this stage commissioned any investigations nor entered into any firm commitment in connection with any specific investments or acquisitions. The Company intends to seek the consent of its Shareholders for its investment strategy on an annual basis (at its Annual General Meeting) in order to comply with the guidance to Rule 8 of the AIM Rules.

In the event that Hecta Media makes no acquisitions meeting its criteria detailed above within 18 months of Admission, the Directors will convene a general meeting of the Shareholders to consider whether to continue seeking investment opportunities or to wind up the Company and distribute any surplus cash back to Shareholders.

***Your attention is drawn to the Risk Factors set out in Part II of this Document.***

### **3. Directors and employees**

The Directors of the Company are as follows:

***Frederick (known as Fred) Robert Krueger*** (aged 46), Executive Chairman

Mr. Krueger is a serial entrepreneur, who has started seven successful software and internet companies.

Mr. Krueger began his career as a proprietary fixed income trader at Salomon Brothers and Greenwich Capital from 1986 to 1992. He left finance in 1992 to start a graphic design software company, Fauve Software, which was acquired by Macromedia (Nasdaq: ADBE) in 1995. Following this, he started Random Noise, a Java tools provider, which was sold to Vignette (Nasdaq: VIGN) in 1997.

In 1999, Mr. Krueger turned to the internet sector, and started iwin.com, one of the 50th largest internet sites at the time. The company was merged with Uproar Inc. and sold to Vivendi Universal (NYSE V) in 2001. He also started Traffic Marketplace, a top five advertisement network in 2000; the company was also sold to Vivendi Universal. In 2002, he started Santa Monica Networks, a second advertisement network, which was sold to Kanoodle Inc in 2005.

Since 2005, Mr. Krueger has started TagWorld, a social network that has received a substantial investment from Viacom Inc., and Euroclick, an internet advertisement network based in Munich, Germany that serves over 6 billion ad impressions a month. He is on the boards of both TagWorld and Adconion (Euroclick).

Mr. Krueger received a BA in Mathematics from Cornell University and a PhD in Operations Research from Stanford University.

***Clark William Landry*** (aged 30), Chief Executive Officer

Mr. Landry is an experienced entrepreneur having been involved in the establishment of at least seven companies with a focus on the online advertising and consumer internet sectors.

Mr. Landry began his career in 1999 at Barrington Associates as an investment banking analyst and having gained some experience there left banking to be the director of marketing at

iwin.com. At iwin.com he was responsible for managing a \$15 million annual online marketing budget for this online games site.

Mr. Landry was then an initial founder and investor of Traffic Marketplace and co-wrote the business plan for this online advertising network, which at the date of this Document is still a leading US advertising network. Mr. Landry also managed marketing and publisher relations for Traffic Marketplace. Traffic Marketplace was acquired by Uproar in 2000, which was subsequently sold to Vivendi Universal. Mr. Landry was co-founder and Vice President, Marketing from May 2002 to April 2005 of Santa Monica Networks, an online advertising network, which was sold to Kanoodle (now Seevast) in 2005. In May 2005 Mr. Landry co-founded and then managed the marketing and media buying efforts for TagWorld, a general social networking website prior to the sale of a minority stake in the company to Viacom. Mr. Landry was also a co-founding investor of Adconion (formerly Euroclick), a leading international advertising network.

Mr. Landry is currently a non-executive director of Libra Media which develops and manages community websites, including its flagship property, CityMommy. CityMommy is a leading localised social networking site for mothers with a presence in Los Angeles, Chicago, San Francisco, and New York. Mr. Landry is also currently a non-executive director of LateNightShots, which was established in 2006. LateNightShots is a social networking site focused on bars, clubs, and nightlife, and a leading social networking site in the greater Washington DC area.

Mr. Landry graduated from Yale University in 1999 with a BA in Economics.

***David de Jongh Weill*** (aged 49), President and Executive Director

Mr. Weill started his professional career with Salomon Brothers in 1983 in derivative products sales and trading. He subsequently became active in proprietary trading for Salomon Brothers in International Fixed Income and Foreign Exchange. Mr. Weill left Salomon in 1989 to develop an international proprietary trading activity with Greenwich Capital Markets.

Thereafter, in 1992, Mr. Weill developed his own fund management activity with funds under management growing to over US\$1.2 billion. From 1998, he has focused on private equity investment, predominantly in media and technology companies. Mr. Weill has acquired considerable experience in proprietary trading in international financial markets, investment management, corporate finance, and corporate governance.

Mr. Weill holds a Bachelor of Business Administration, magna cum laude in International Business from the University of Georgia, a Masters of Business Administration from the London Business School, a Masters of Science in Law and Accounting from the London School of Economics and is currently reading for a Masters of Science in Decision Sciences at the London School of Economics. Mr. Weill was called to the Bar of England and Wales by the Honourable Society of Lincoln's Inn.

***Guy Elliott*** (aged 48), Non-Executive Deputy Chairman

Mr. Elliott is a co-founder of F3 Capital Management, LLC, an independent alternative asset management firm specialising in early stage financings in the natural resources field. Mr. Elliott was formerly president and co-founder of Croesus Capital Management, a specialist emerging markets hedge fund manager which grew over several years to about \$800 million under management. He was a manager of proprietary trading at HSBC New York from 1992 to 1993 and worked for EBF & Associates as a portfolio manager from 1990 to 1992. He has also worked for Merrill Lynch International in New York focusing on fixed income securities and Cargill in London, Geneva and Minneapolis trading fixed income, foreign exchange and derivatives. Mr. Elliott is a director of Templar Minerals Limited, a natural resources investment company which is listed on AIM.

Mr. Elliott has a BSc in Economics from the London School of Economics.

***Michael Eric Mendelson*** (aged 41), Finance Director (Part-time)

Mr. Mendelson is a Senior Vice President with the investment bank of Ferris, Baker Watts, Inc. Prior to joining Ferris, Baker Watts, Mr. Mendelson served as founder and CEO of Align360, a general management and information technology consultancy which serves property and

casualty insurers, banks and credit card issuers in North and South America, Europe and the Caribbean. Over the course of nearly 15 years, Mr. Mendelson provided the strategic direction to lead his firm to both rapid growth and industry leading levels of profitability. He sold his business to a publicly traded consultancy in 1997, but repurchased it in early 2001. The business was sold a second time to a large privately held consultancy in mid-2003. Mr. Mendelson was a recipient of the prestigious Ernst & Young Entrepreneur of the Year in 2002. He holds a Bachelor of Science in Business Administration degree from the University of Richmond and an MBA from the Wharton School. Mr. Mendelson has served on the executive committees of the University of Richmond's Board of Associates.

Mr. Mendelson has agreed to be the Finance Director and will provide his services on a part time basis. As the Company makes acquisitions and investments following Admission it will identify and appoint a full time finance director.

### ***Employees***

The Company has had no employees since its incorporation, other than the Directors.

#### **4. Reasons for the Admission and use of proceeds**

The Company is seeking Admission to AIM in order to take advantage of the market's high profile, broad investor base, liquidity and access to institutional investors.

The Company intends to use the funds available to it following Admission to make investments in accordance with Hecta Media's investment strategy as outlined above. Additionally the net proceeds will be used to review and assess potential investments and to provide working capital, and if applicable, to be applied towards the funding of acquisitions or investments.

#### **5. Current trading, future prospects and significant trends**

The Company has not traded since incorporation. Following Admission the Company will have approximately £4,444,845 in cash after paying the expenses of Admission.

The Directors believe that they are well placed to enhance the value of the Company through strategic investments as described under the heading "Market Outlook and Strategy" in Part I of this Document. The Directors are currently reviewing potential investment and acquisition opportunities which may fit the Company's investment criteria and which they intend to pursue although there is no guarantee that any negotiations will lead to an investment by the Company or to the completion of an acquisition.

Save as disclosed in this Document, there have been no significant trends concerning the development of the business of the Company.

#### **6. Working capital**

In the opinion of the Directors, having made due and careful enquiry, taking into account the funds available to it following Admission, the Company will have sufficient working capital for its present requirements that is, for at least the next twelve months from the date of Admission.

#### **7. Admission to AIM and dealings in Ordinary Shares**

Application has been made for the Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and dealings in the Ordinary Shares will commence on 14 November 2007.

Beaumont Cornish Limited has been appointed as the Company's Nominated Adviser and Broker in relation to Admission.

#### **8. Lock-in arrangements**

At Admission the Founder Shareholders, Directors and persons connected with them will own 74,750,000 Ordinary Shares representing 44.52 per cent. of the issued Ordinary Share capital and options to acquire a further 19,000,000 Ordinary Shares under the schemes referred to in paragraph 14 below. The Directors and the Founder Shareholders have undertaken to the Company and to Beaumont Cornish Limited that they will not sell or dispose of, except in certain circumstances specified in the AIM Rules for Companies, being an intervening court

order, the death of the relevant party, or in the event of an acceptance of a takeover offer for the Company which is open to all Shareholders, any of their respective interests in Ordinary Shares at any time before the first anniversary of Admission or if later the date on which the Company makes its first investment or acquisition.

Further details of these arrangements are set out in paragraph 7.4 of Part IV of this Document.

## **9. Dividend policy**

The nature of the Company's business means that it is unlikely that the Directors will recommend a dividend in the early years following Admission. The Directors believe the Company should seek to generate capital growth for its Shareholders but may recommend distributions at some future date, depending upon the generation of sustainable profits, when it becomes commercially prudent to do so.

## **10. Corporate governance**

The Directors support the highest standards of corporate governance and intend to observe the requirements of the Combined Code to the extent they consider appropriate in light of the Company's size, stage of development and resources. Whilst there is no equivalent to the Combined Code in the BVI, the BVI Business Companies Act 2004 ("BCA") brings with it a more formalised approach to corporate governance particularly in the areas of the laws and rules as to directors' duties and liabilities and shareholders' rights which will apply to all BVI companies.

The Company will hold timely board meetings periodically as issues arise which require the attention of the Board. The Directors will be responsible for formulating, reviewing and approving the Company's strategy, budget, major items of capital expenditure and senior personnel appointments.

The Company has established a remuneration committee ("the Remuneration Committee") and also an audit committee ("the Audit Committee") with formally delegated duties and responsibilities.

The Remuneration Committee, which will comprise David Weill as Chairman and Michael Mendelson, will be responsible for the review and recommendation of the scale and structure of remuneration for senior management, including any bonus arrangements or the award of share options with due regard to the interests of the shareholders and the performance of the Company.

The Audit Committee, which will comprise David Weill as Chairman and Michael Mendelson, will meet not less than twice a year. The committee will be responsible for making recommendations to the Board on the appointment of auditors and the audit fee and for ensuring that the financial performance of the Company is properly monitored and reported. In addition, the Audit Committee will receive and review reports from management and the auditors relating to the interim report, the annual report and accounts and the internal control systems of the Company.

In accordance with the provisions of the AIM Rules, which require the nominated adviser and the Company to maintain regular contact so as to enable: i) the nominated adviser to ensure the Company and the Directors continue to understand their obligations under the AIM Rules for Companies; and ii) that the nominated adviser is kept up to date with developments at the Company, the Directors considered it appropriate to appoint a committee to ensure compliance with those rules ("AIM Rules Compliance Committee").

The AIM Rules Compliance Committee established by the Company comprises any two Directors of the Company and they have been given full power and authority to perform, approve, execute, deliver and/or issue all things which the AIM Rules Compliance Committee considers necessary or expedient in connection with the Company's Admission to and trading on AIM, or any matter incidental thereto including, without limitation raising and discussing or issuing notification to the nominated adviser of:

- (a) any deals by Directors in respect of any Ordinary Shares in which the Directors are interested;

- (b) any changes by any Shareholder holding 3 per cent. or more of any Ordinary Shares which increase or decrease such holding through any single percentage;
- (c) the resignation, dismissal or appointment of any Director;
- (d) any change in the Company's accounting reference date, registered office address or any change in its legal name;
- (e) any material change between the Company's actual trading performance or financial condition and any profit forecast, estimate or projection made public on behalf of the Company;
- (f) any decision to make any payment in Ordinary Shares;
- (g) the reason for the application for admission to trading on AIM or cancellation of any Ordinary Shares;
- (h) the occurrence and number of Ordinary Shares taken into and out of treasury;
- (i) the resignation, dismissal or appointment of the Company's nominated adviser or broker from time to time;
- (j) any change in the website address operated by the Company including any changes in order to ensure continued compliance with Rule 26 of the AIM Rules for Companies;
- (k) the admission to any other exchange or trading platform of the Ordinary Shares; and
- (l) any changes relating to the Company in connection with its financial condition, sphere of activity, performance of its business and the expectation of its performance.

The Company intends to adopt and will operate a share dealing code governing the share dealings of the Directors and applicable employees during close periods and is in accordance with Rule 21 of the AIM Rules.

## **11. CREST and depositary interests**

Shares of non-UK companies cannot be held and transferred directly into the CREST system. CREST is a paperless settlement system allowing securities to be transferred from one person's CREST account to another without the need to use share certificates or written instruments of transfer. Shareholders who wish to hold and transfer Ordinary Shares in uncertificated form may do so pursuant to a Depositary Interest arrangement to be established by the Company.

Depositary Interests facilitate the trading and settlement of shares in non-UK companies into CREST. The Ordinary Shares will not themselves be admitted to CREST. Instead the Depositary will issue Depositary Interests in respect of the Ordinary Shares. The Depositary Interests will be independent securities constituted under English law that may be held and transferred through the CREST system.

Depositary Interests will have the same security code (ISIN) as the underlying Ordinary Shares. The Depositary Interests will be created and issued pursuant to a deed poll to be entered into by the Depositary, which will govern the relationship between the Depositary and the holders of the Depositary Interests.

Ordinary Shares represented by Depositary Interests will be held on bare trust for the holders of the Depositary Interests. Each Depositary Interest will be treated as one Ordinary Share for the purposes of determining eligibility for dividends, issues of bonus stock and voting entitlements. In respect of dividends, the Company will put the Depositary in funds for the payment and the Depositary will transfer the money to the holders of the Depositary Interests. In respect of any bonus stock, the Company will allot any bonus stock to the Depositary who will issue such bonus stock to the holder of the Depositary Interest (or as such holder may have directed) in registered form.

In respect of voting, Computershare will cast votes in respect of the Ordinary Shares as directed by the holders of the Depositary Interests which the relevant Ordinary Shares represent. Application has been made for the Depositary Interests in respect of the underlying Ordinary Shares to be admitted to CREST with effect from Admission.

Further information regarding the depositary arrangement and the holding of Ordinary Shares in the form of DIs is available from the Depositary, Computershare Investor Services PLC. The Depositary may be contacted at P.O. Box 82, The Pavilions, Bridgwater Road, Bristol BS99 7NH, telephone 0117 3051075.

## **12. Financial Information**

The attention of investors is drawn to the financial information on the Company which is set out in Part III of this Document.

## **13. Taxation**

General information regarding taxation is set out in paragraph 11 of Part IV of this Document. These details are intended only as a general guide to the current tax position under UK taxation law. If an investor is in any doubt as to his tax position he should consult his own independent financial adviser immediately.

## **14. Legal and Regulatory**

**Shareholders should note that, as the Company was incorporated in the British Virgin Islands, the Ordinary Shares will not be subject to the provisions of the UK City Code on Takeovers and Mergers, even where the Ordinary Shares are traded on AIM save to the extent any such provisions are documented into the Company's Memorandum and Articles in a manner consistent with the BCA.**

Shareholders should also note that the Company has no pre-emption provisions in its Articles and, accordingly, in the event that new Ordinary Shares are issued by the Company, they will not be offered on a *pro rata* basis to existing Shareholders.

Further details on legal and regulatory issues are set out in Part IV of this Document.

## **15. Share option scheme**

Pursuant to share option agreements made between the Company and each of the directors ("the Share Option Agreements"), the Directors of the Company have been granted options to subscribe for Ordinary Shares in the Company ("the Options"). The Options are exercisable at the Admission Price pursuant to and on the terms of the Share Option Agreements as summarised in Part IV of this document. The Options only become exercisable by the Directors after the second anniversary of Admission and once they become exercisable they must be exercised no later than the fifth anniversary of Admission. The Company has reserved a total of 10 per cent. of the Ordinary Shares in issue from time to time for the purposes of options to be issued to directors, officers, employees and consultants at the discretion of the remuneration committee as new appointments are made. Such options shall be granted on the same terms and conditions as the Options as described in the Share Option Agreements.

***Your attention is drawn to the risk factors in Part II of this Document and the additional information in Part IV of this Document.***

## **PART II**

### **RISK FACTORS**

#### **AN INVESTMENT IN THE COMPANY IS SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK.**

Prospective investors should carefully consider all the information in this Document including the risks described below. The risks and uncertainties described below are the material risk factors facing the Company which are currently known to the Directors. These risks and uncertainties are not the only ones facing the Company and additional risks and uncertainties not presently known or currently deemed immaterial may also have a material adverse effect on the Company's business, results of operations or financial condition. If any or a combination of the following risks materialise, the Company's business, financial condition, operational performance and share price could be materially and adversely affected to the detriment of the Company and the Shareholders. No inference ought to be drawn as to the order in which the following risk factors are presented as to their relative importance or potential effect.

#### **Risks relating to the Company and its business**

##### **Dependence on the Internet**

The Internet has experienced, and may continue to experience, significant growth in the number of users and amount of traffic. This growth has caused frequent interruptions and delays in processing and transmitting data over the Internet. There can be no assurance that the Internet infrastructure will continue to be able to support the demands placed on it by its continued growth. In addition, the Internet could lose its viability due to delays in the development or adoption of new standards and protocols to handle increased levels of Internet activity or due to increased governmental regulation. Moreover, critical issues concerning the commercial use of the Internet (including security, reliability, cost, ease of use, accessibility and quality of service) remain unresolved and may negatively affect the growth of Internet use or the attractiveness of commerce and communication on the Internet. Any well-publicised compromise of security could deter more people from using the Internet or from using it to conduct transactions that involve the transmission of confidential information, including the purchase of goods and services. If critical issues concerning the commercial use of the Internet are not favourably resolved, if the necessary infrastructure is not developed, or if the Internet does not become a viable commercial marketplace, the Company's business, revenues, financial condition and operating results will be materially adversely affected.

End-users of the Company's software depend on Internet service providers, online service providers and gaming site operators for access to the exchanges operated by the Company's licensees and their competitors. Many of these services have experienced service outages in the past and could experience service outages, delays and other difficulties due to system failures unrelated to the systems of the Company or its licensees. The Company's licensees may lose customers as a result of delays or interruption in service, including delays or interruptions relating to high volumes of traffic or technological problems, which could materially adversely affect the business, revenues, operating results and financial condition of the Company.

##### **Initial operational risks**

The Company will initially be dependent upon the ability of the Directors to identify suitable investment opportunities and implement the Company's strategy. During this identification process, resources may be expended fruitlessly on investigative work and due diligence.

##### **Financing**

The successful development of any project may require significant capital investment. The only sources of financing currently available to the Company are through borrowings (see below), the issue of additional equity capital or through bringing in partners to fund acquisition and development costs. The Company's ability to raise further funds will depend on the success of their investment strategy and acquired operations. The Company may not be successful in procuring the requisite funds on terms which are acceptable to it (or at all) and, if such funding is unavailable, the Company may be required to reduce the scope of its investments or anticipated expansion.

## **Borrowings**

The Company may use borrowings to finance its acquisitions.

Any borrowings of the Company will generally be secured against some or all of the assets of the Company.

To the extent that the Company incurs floating rate indebtedness, changes in interest rates may increase its cost of borrowing, impacting on its profitability and having an adverse effect on the Company's ability to pay dividends to Shareholders. Furthermore, the Company's cash available for distribution to Shareholders may be reduced to the extent that changes in market conditions, increases in interest rates and/or levels of amortisation imposed by its lenders cause the Company's cost of borrowing to increase relative to the income that can be derived from its assets.

Any bank facility agreements entered into by the Company may contain financial covenants.

## **Environmental factors**

The Company may invest in operations that may be subject to environmental and safety regulation. This will include a wide variety of matters, such as prevention of waste, pollution and protection of the environment, labour regulations and worker safety. The regulations may change in a manner that may require stricter or additional standards than those currently in effect, a heightened degree of responsibility for companies and their directors and employees and more stringent enforcement of existing laws and regulations.

## **Political, economic and regulatory regime**

Projects in which the Company invests may be in jurisdictions outside the United Kingdom and accordingly there will be a number of risks which the Company will be unable to control. Whilst the Company will make every effort to ensure it has robust commercial agreements covering its activities, there is a risk that the Company's activities will be adversely affected by economic and political factors such as the imposition of additional taxes and charges, cancellation or suspension of licences, expropriation, war, terrorism, insurrection and changes to the laws governing the sectors in which the Company operates. There is also the possibility that the terms of any licence the Company may acquire may be changed.

## **Currency risk**

The Company will report its results in Pounds, whilst a majority of its costs and revenues may be denominated in other currencies. This may result in additions to the Company's reported costs or reductions in the Company's reported revenues.

## **Competition**

The Company is likely to face competition from other entities operating in its business sector, many of which may have significantly greater financial resources than the Company; this may limit the ability of the Company to achieve and then maintain market share or revenue levels.

## **Legal systems**

If the Company makes investments in prospective projects, some of the countries in which it may operate could have legal systems that may result in risks such as: (i) potential difficulties in obtaining effective legal redress in the courts of such jurisdictions, whether in respect of a breach of law or regulation, or in an ownership dispute; (ii) a varying degree of discretion on the part of governmental authorities; (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations; (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; and (v) relative inexperience of the judiciary and courts in such matters. In certain jurisdictions the commitment of local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to licences and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that joint ventures, licences, licence applications or other legal arrangements will not be adversely



affected by the actions of government authorities or others and the effectiveness of and enforcement of such arrangements in these jurisdictions cannot be assured.

#### **Equipment failure or loss**

There is a risk of equipment loss through theft or failure due to wear and tear, design error or operator error, as well as temporary unavailability of servers, domains, networks or sites due to technical problems or circumstances outside the Company's control, among other things, which could adversely affect the returns to the Company.

#### **Technical obsolescence**

The Company has no control over the pace of technological development and there is a risk that those technologies which are the subject of direct or indirect investment by the Company could, before the Company disposes of such interest, become obsolete through further technological advances.

#### **Joint ventures**

The Company may enter into joint ventures. There is a risk that a joint venture partner does not meet its obligations and the Company may therefore suffer additional costs or other losses. It is also possible that the interests of the Company and those of its joint venture partners are not aligned resulting in project delays or additional costs and losses. The Company may have minority interests in the companies, partnerships and ventures in which it invests and may be unable to exercise control over the operations of such companies.

#### **Reliance on key personnel**

The success of the Company will be dependent on the services of its management, Directors and other key personnel, some of whom have not yet been identified. The Directors believe that the Company's future success will depend largely on its ability to attract and retain highly skilled and qualified personnel and to expand, train and manage its employee base. There can be no guarantee that suitably skilled and qualified individuals will be identified and employed or contracted on satisfactory terms or at all. If the Company fails to recruit or retain the necessary personnel, or if the Company loses the services of any of its key executives, its business could be materially and adversely affected.

#### **Limited operating history**

The Company was incorporated on 22 June 2007 and does not have an established track record. The Company is not currently producing cash flow and its ultimate success will depend on its ability to generate cash flow from its investments in the future. The Company has not earned profits as it has not traded since incorporation and there is no assurance that it will earn profits in the future.

#### **Due diligence costs**

The Company may incur costs in conducting due diligence into potential opportunities that may not result in an acquisition being made.

#### **Litigation risks**

Due to the diverse nature of legal systems in some of the jurisdictions in which the Company may invest, the Company may find it difficult, impossible or very costly to enforce the rights it may have under agreements it may enter into.

#### **Content risk**

The Company may be affected by the regulatory and legal environment relating to the content control and access. Regulation both current and future could cause additional expense and have a material impact on the Company's business, the extent of which cannot be predicted.

Certain jurisdictions may attempt to make the Company responsible for the content which it facilitates or may be held responsible for content.

The Company's business could also be affected by changes in the law that prohibit the provision of services by some of its content providers.

### **Intellectual property**

Monitoring and defending the Company's intellectual rights can entail substantial costs with no certainty of outcome. The Company relies on its rights in intellectual property and other rights such as confidentiality, and there is a risk of their infringement which may have a material adverse effect on the Company's business, operation and/or financial condition. The Company's ability to ensure adequate protection for its intellectual property rights may be limited and it is possible that the Company's competitors may independently develop similar technology which could encroach upon the Company's operations.

The Company may also become subject to claims from third parties for infringement of their intellectual property rights. Such claims (meritorious or otherwise) may be costly and time-consuming, and if any action against the Company is successful it may result in the Company being required to cease certain activities, alter its technology, or enter into royalty or licensing agreements, which may or may not be available on terms acceptable to the Company.

### **Integration of acquisitions**

There is no guarantee that, following any acquisition, the Company will be able to successfully integrate and manage the newly acquired business.

### **Concentration risk**

Due to the relatively small size of the Company on Admission, the anticipated number of initial investments will be limited. Accordingly, each investment will be likely to represent a significant proportion of the Company's total assets. As a result, the impact on the Company's performance and the potential returns to investors will be initially be more adversely affected if any one of the investments performs badly than would be the case if the Company's portfolio of investments was more diversified.

### **Tax residency**

The Company will initially be managed and controlled from the BVI and is initially anticipated to be considered to be resident in the BVI for tax purposes. However, the location of the management and control of the Company may change in the future and/or may be questioned by applicable tax authorities, either of which may affect the Company's tax residency and therefore the Company's tax position.

### **Shareholder tax risk**

Shareholders should take their own tax advice as to the consequences of owning Ordinary Shares as well as receiving returns from it. In particular, Shareholders should be aware that ownership of shares in the Company may be treated in different ways in different jurisdictions and that the Company's future investment activity may lead to special corporate status being attached to it, which may have adverse tax consequences for its Shareholders in those jurisdictions.

### **BVI law**

The Company is a limited company incorporated under the laws of the BVI. BVI laws does not make a distinction between public and private companies and some of the protections and safeguards (such as statutory pre-emption rights) that investors may expect to find in relation to a public company under the act are not provided for under BVI law. Your attention is drawn to the summary of BVI law in paragraph 3 of Part IV of this Document.

### **City Code**

The Company is not subject to the City Code, as being incorporated in the BVI, it is not treated by the Takeover Panel as resident in the UK, the Channel Islands or the Isle of Man. As a result neither a takeover of the Company nor certain stakeholding activities of a shareholder would be governed by the City Code.

### **Difficulty of identifying and securing suitable investments**

The activity of identifying and securing attractive investments may from time to time be highly competitive and involve a high degree of uncertainty. The Company will be competing for investments with other investment vehicles as well as individuals, financial institutions and other institutional investors.

### **Investment in start-up or less established companies**

The Company may make investments in newly established or early stage companies. Investments in early stage, less established companies may present greater opportunities for growth but also carry a greater risk than is usually associated with more established companies, which often have a historical record of performance.

### **General risks**

A prospective investor should consider with care whether an investment in the Company is suitable for him in light of his personal circumstances and the financial resources available to him. An investment in the Company is only suitable for sophisticated investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which may result from the investment. Such an investment should be seen as complementary to existing investments in a wide spread of other financial assets and should not form a major part of an investment portfolio. Investors should not consider investing in the Ordinary Shares unless they already have a diversified investment portfolio. Prospective investors should therefore consult an independent financial adviser authorised under the FSMA before investing.

Investment in the Company should not be regarded as short-term in nature. There can be no guarantee that any appreciation in the value of the Company's investments will occur or that the investment objectives of the Company will be achieved. Investors may not get back the full amount initially invested. The prices of shares and the income derived from them can go down as well as up. Past performance is not necessarily a guide to the future. There is also the possibility that the market value of an investment in the Company may not reflect the true underlying value of the Company.

Changes in economic conditions including, for example, interest rates, rates of inflation, industry conditions, competition, political and diplomatic events and trends, tax laws and other factors can substantially and adversely affect equity investments and the Company's prospects.

Notwithstanding the fact that an application will be made for the Ordinary Shares to be traded on AIM, this should not be taken as implying that there will be a "liquid" market in the Ordinary Shares. The market for shares in smaller public companies is less liquid than for larger public companies. Therefore, an investment in the Company may be difficult to realise. The Ordinary Shares will not be listed on the Official List. Investments in shares traded on AIM carry a higher degree of risk than investments in shares quoted on the Official List.

The price for the Ordinary Shares may be volatile and influenced by many factors, some of which are beyond the control of the Company, or example, the performance of the overall share market, other Shareholders buying or selling large numbers of Ordinary Shares, changes in legislation or regulations and general economic conditions.

### **Other risks**

The management of targeted companies may not always welcome pro-active involvement and may be resistant to change.

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

**The investment described in this Document is speculative and may not be suitable for all recipients of this Document. Potential investors are accordingly advised to consult a person authorised under the FSMA who specialises in advising in investments of this kind before making any investment decisions. A prospective investor should consider carefully whether an investment in the Company is suitable in the light of his personal circumstances and the financial resources available to them.**

## PART III

### SECTION A — ACCOUNTANTS' REPORT ON THE COMPANY

The following is the full text of a report on Hecta Media Inc. from Chapman Davis LLP, the Reporting Accountants, to the Directors of Hecta Media Inc. and Beaumont Cornish Limited.

Chapman  
Davis LLP

CHARTERED ACCOUNTANTS

Tel. 020 7357 6008  
Fax. 020 7357 6159  
Email. cd@chapct.co.uk

2 CHAPEL COURT LONDON SE1 1HH

The Directors  
Hecta Media Inc.  
Craigmuir Chambers  
Road Town  
Tortola  
British Virgin Islands  
VG 1110

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

7 November 2007

Dear Sirs,

#### HECTA MEDIA INC. (the "Company")

##### Introduction

We report on the financial information set out in Part III Section A which has been prepared for inclusion in the Admission Document dated 8 November 2007 of the Company (the "Admission Document") on the basis of the accounting policies set out in the financial information. This report is required by Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with the AIM Rules for Companies and for no other purpose.

##### Responsibility

As described in Part III Section A of the Admission Document, the Directors of the Company are responsible for the preparation of the financial information on the basis set out in Note 1 of the financial information and in accordance with applicable International Financial Reporting Standards.

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

##### Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and 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, a true and fair view of the state of affairs of the Company as at the date stated in accordance with the basis of preparation set out in Note 1 to the financial information and has been prepared in accordance with applicable International Financial Reporting Standards as described in Part III Section A.

**Declaration**

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

Yours faithfully,

Chapman Davis LLP  
*Chartered Accountants*

## SECTION B — FINANCIAL INFORMATION ON HECTA MEDIA INC.

### Responsibility

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

### Balance sheet at 31 October 2007

	<i>Notes</i>	<i>As at 31 October 2007 £</i>
<b>Non current assets</b>		—
<b>Current assets</b>		
Prepayments		—
Cash and cash equivalents		4,548,095
<b>Total current assets</b>		<u>4,548,095</u>
<b>Current liabilities</b>		
Other creditors		—
Accruals		(103,250)
<b>Total liabilities</b>		<u>(103,250)</u>
<b>Total net assets</b>		<u>4,444,845</u>
<b>Shareholders' equity</b>		
Ordinary shares	2	—
Share premium		4,444,845
Retained earnings		—
<b>Total equity</b>		<u>4,444,845</u>

### Statement of changes in shareholders' equity

	<i>Share premium £</i>	<i>Retained earnings £</i>	<i>Total £</i>
At incorporation	—	—	—
Issue of ordinary shares	4,548,158	—	4,548,158
Share listing expenses	(103,313)	—	(103,313)
Balance at 31 October 2007	<u>4,444,845</u>	<u>—</u>	<u>4,444,845</u>

### Cash flow statement for the period ended 31 October 2007

	<i>Notes</i>	<i>Period ended 31 October 2007 £</i>
<b>Cash used in operating activities</b>		—
<b>Investing activities</b>		
Interest received		—
<b>Financing</b>		
Issue of ordinary shares		4,548,158
Prepaid listing expenses		(63)
<b>Increase in cash and cash equivalents</b>		<u>4,548,095</u>
Cash and cash equivalents at beginning of period		—
<b>Cash and cash equivalents at end of period</b>		<u>4,548,095</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting policies

#### *Basis of preparation*

The Company was registered as Hecta Media Inc. in British Virgin Islands having been incorporated on 22 June 2007 under the BVI Business Companies Act 2004 with registered number 1412814.

The financial information has been prepared under the historical cost convention and on a going concern basis and in accordance with International Financial Reporting Standards and IFRIC interpretations adopted for use in the European Union ("IFRS") and those parts of the BVI Business Companies Act applicable to companies reporting under IFRS.

The Company has incurred neither income nor expenses in the period to 31 October 2007, and consequently no Income Statement has been prepared.

#### *Cash and cash equivalents*

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

### 2. Ordinary shares

	<i>As at 31 October 2007 £</i>
<i>Authorised:</i>	
Unlimited ordinary shares of no par value each	—
<i>Allotted, called up and fully paid:</i>	
162,266,456 Ordinary shares of no par value each	—

At the date of incorporation, the Company had an unlimited authorised share capital of no par value ordinary shares, of which 1 ordinary share was issued fully paid to the subscriber to the Memorandum of Association of the Company.

On 26 October 2007, the Company issued and allotted 64,750,000 ordinary shares, fully paid for cash at a premium of 1 pence per ordinary share, raising gross proceeds of £647,500.

On 26 October 2007, the Company issued and allotted 10,000,000 ordinary shares, fully paid for cash at a premium of 4 pence per ordinary share, raising gross proceeds of £400,000.

On 29 October 2007, the Company cancelled the 1 original subscriber share.

On 31 October 2007, the Company issued and allotted 87,516,456 ordinary shares, fully paid for cash at a premium of 4 pence per ordinary share, raising gross proceeds of £3,900,658.

### 3. Capital commitments

As at 31 October 2007, the Company had no material capital commitments.

### 4. Related party transactions

There are no related party transactions requiring disclosure.

## 5. Post Balance Sheet Events

As at 7 November 2007 the Directors were allocated options over the ordinary shares of the Company, to be granted on admission as follows:

<i>Name</i>	<i>Date of Grant</i>	<i>Number of Ordinary Shares</i>	<i>Exercise Price £</i>	<i>Exercise Period</i>
Frederick Krueger	Admission	5,000,000	4p	5 years
David Weill	Admission	4,000,000	4p	5 years
Guy Elliott	Admission	3,000,000	4p	5 years
Michael Mendelson	Admission	2,000,000	4p	5 years
Clark Landry	Admission	5,000,000	4p	5 years

The charges arising on the above share-based payments as computed in accordance with IFRS 2 will be allocated to the Income Statement for the period subsequent to 31 October 2007.



## PART IV

### ADDITIONAL INFORMATION

#### 1. The Company

- 1.1 The Company is registered in the BVI, having been incorporated on 22 June 2007 under the BCA with registered number 1412814 with the name Hecta Media Inc. The Company is domiciled in the BVI. The liability of the members is limited.
- 1.2 The principal legislation under which the Company operates is the BCA.
- 1.3 The Company has no subsidiary or associated undertakings.
- 1.4 The registered office and principal place of business of the Company is at the offices of Harneys Corporate Services Limited, Craigmuir Chambers, P O Box 71, Road Town, Tortola, BVI, VG1110, and its telephone number in the United Kingdom is 0207 881 0180.
- 1.5 The ISIN (International Security Identification Number) of the Company is VGG4384C1041.
- 1.6 The website address of the Company is [www.hectamedia.com](http://www.hectamedia.com)

#### 2. Share capital

- 2.1 At the date of incorporation, the Company had 1 Ordinary Share issued and fully paid. The Company is authorised to issue an unlimited number of shares to such persons and on such terms and conditions and at such times as the Directors determine free from pre-emption rights.
- 2.2 The Company was incorporated with one Ordinary Share issued to the initial shareholder.
- 2.3 On 26 October 2007 the Company allotted and issued 64,750,000 Ordinary Shares of no par value to certain subscribers at 1p per share in cash raising a total of £647,500.
- 2.4 On 26 October 2007 the Company allotted and issued 10,000,000 Ordinary Shares of no par value to certain subscribers at 4p per share in cash raising a total of £600,000.
- 2.5 On 29 October 2007 the original subscriber share was cancelled.
- 2.6 On 31 October 2007 the Company allotted and issued 87,516,456 Ordinary Shares of no par value to certain subscribers at 4p per share in cash raising a total of £3,500,658.
- 2.7 The number of Ordinary Shares allotted and issued, following Admission comprise 162,266,456 Ordinary Shares.
- 2.8 On 7 November 2007 the Company granted options in respect of 19,000,000 Ordinary Shares to the Directors as set out in more detail in paragraph 4.2 of Part IV of this Document.
- 2.9 A warrant to subscribe for 1 per cent. of the issued share capital of the Company immediately following Admission at 4p per share has been granted to Beaumont Cornish Limited exercisable at any time in whole or in part up to the fifth anniversary of Admission, further details of the warrant agreement are set out in paragraph 7.5 of this Part IV.
- 2.10 Save as disclosed in this Document, no share or loan capital of the Company is proposed to be issued or is under option or is agreed conditionally or unconditionally to be under option.
- 2.11 As further described in Part I of this Document, the CREST Regulations do not provide for the direct holding and settlement of foreign securities in CREST and the Company has therefore appointed Computershare Investor Services PLC as the Depositary whereby they will constitute and issue Depositary Interests in respect of the Company's securities. The Ordinary Shares will be held by the Custodian and the Depositary shall pass on and ensure that the Custodian forwards on to the holders of Depositary Interests all rights and entitlements which it or the Custodian receives in or in respect of the Ordinary Shares evidenced by the Depositary Interests. A detailed summary of the CREST and depositary arrangements are set out in paragraph 8 of this Part IV below.

### **3. Summary of BVI company law and taxation**

The Company is incorporated in the BVI as a BVI business company ("BVIBC") under the provisions of the BCA and therefore is subject to BVI law. Certain provisions of the BCA are summarised below. The following is not intended to provide a comprehensive review of the applicable law, or of all provisions which differ from equivalent provisions in jurisdictions, with which interested parties may be more familiar. This summary is based upon the law and the interpretation of the law applicable as at the date of this Document and is subject to change.

#### **3.1 *The Memorandum of Association***

The memorandum of association of the Company ("the Memorandum") contains no provisions relating to the objects of the Company.

#### **3.2 *Share capital***

The BCA places the issuance of shares and other securities in a company under the control of its directors. Subject to any limitation or provisions to the contrary contained in the Memorandum or the Articles of Association of the Company ("the Articles") and without affecting rights previously conferred upon Shareholders, the Directors have the power to offer, allot, grant options over or otherwise dispose of such shares.

Shares may be issued for consideration in any form, including money, a promissory note or other written obligation to contribute money or property, real property, personal property (including goodwill and know-how) services rendered or a contract for future services, or any combination thereof.

Shares which are not fully paid for on issue may be subject to forfeiture. There is no obligation on the Company to refund part payment for forfeit share.

Subject to any contrary provisions in a company's memorandum and articles of association, a company has the power to issue shares with or without voting rights or with different voting rights; common, preferred limited or redeemable shares; options, warrants or similar rights to acquire any securities of the company; and securities convertible into or exchangeable for other securities or property of the company.

#### **3.3 *Articles of Association***

The rights attaching to the shares, as set out in the Memorandum and the Articles, contain, amongst others, the following provisions:

##### **3.3.1 *Votes of Shareholders***

Subject to any special terms as to voting or to which any shares may have been issued, at a meeting of Shareholders, on a show of hands or on a poll every Shareholder who, being an individual, is present in person or, being a corporation is present by a duly authorised representative, has one vote for every share of which he is the holder.

##### **3.3.2 *Variation of rights***

If at any time the capital of the Company is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied or abrogated with the consent in writing of the holders of at least 75 per cent. of the issued shares of that class, or with the sanction of a resolution passed by at least a 75 per cent. majority of the holders of shares of the class present in person or by proxy at a separate meeting of the holders of the shares of that class. To every such separate meeting the provisions of the Articles relating to meetings of the Company shall mutates mutandis apply, but so that the necessary quorum shall be at least one person holding or representing by proxy at least one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll.

### 3.3.3 *Transfers of shares*

- (a) Subject to any limitations in the Memorandum, shares in the Company may be transferred by a written instrument of transfer signed by the transferor and containing the name and address of the transferee.
- (b) In the case of uncertificated shares, a Shareholder shall be entitled to transfer his shares by means of a relevant system and the operator of the relevant system shall act as agent of the Shareholders for the purposes of the transfer of shares. In addition to the foregoing, a transferor of an uncertificated share is effective only if a record of the transfer evidencing the transferor's consent is available and the statutory particulars in respect of the transferee are entered in the register of members.
- (c) The Directors may, in their absolute discretion and without giving any reason, refuse to register any transfer of shares unless:
  - (i) any written instrument of transfer, duly stamped (if so required), is lodged with the Company at the registered office or such other place as the Board may appoint accompanied by the certificate for the shares to which it relates (except in the case of a transfer by a recognised person or a holder of such shares in respect of whom the Company is not required by law to deliver a certificate and to whom a certificate has not been issued in respect of such shares);
  - (ii) it is in respect of only one class of share; and
  - (iii) it is in favour of not more than four transferees except in the case of executors or trustees of a deceased Shareholder.
- (d) If the Directors refuse to register a transfer of any shares, they must, within two months after the date on which the transfer was lodged with the Company, send to the transferor and the transferee notice of the refusal.
- (e) All instruments of transfer which are registered shall be retained by the Company, but any instrument of transfer which the Directors decline to register shall (except in any case of fraud) be returned to the person depositing the same.
- (f) Subject to the foregoing, the Company must, on the application of the transferor or transferee of a certificated share in the Company, enter in the share register the name of the transferee of the share save that the registration of the transfers may be suspended and the share register closed at such times and for such periods at the Directors may from time to time determine provided always that such registration shall not be suspended and the share register closed for more than thirty (30) days in any period of twelve months.
- (g) The Company shall not be required to treat a transferee of a share in the Company as a shareholder of the Company until the transferee's name has been entered in the share register.
- (h) Nothing in the Articles precludes the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.

### 3.3.4 *Payment of dividends*

The profits of the Company available for dividend and resolved to be distributed shall be applied in the payment of dividends to the Shareholders in accordance with their respective rights and priorities provided that no dividend or interim dividend may be paid otherwise than in accordance with BVI law.

A dividend can be declared and paid, at any time or from time to time, the Directors once they are satisfied that the Company can immediately after the distribution is able to satisfy the solvency test.

The Company satisfies the solvency test if (i) the value of the Company's assets exceeds its liabilities; and (ii) the Company is able to pay its debts as they fall due.

The Directors may from time to time pay interim dividends to the shareholders if such interim dividends appear to be justified by the profits of the Company.

Dividends in money, shares or other property may be declared by the Directors.

### *3.3.5 Unclaimed dividends*

Any dividend unclaimed for three years after having been declared may be forfeited for the benefit of the Company.

### *3.3.6 Return of capital*

On a winding up of the Company, the balance of the assets available for distribution, after deduction of any provision to be made under the BCA and subject any special rights attaching to any class of shares, shall be applied in repaying to the Shareholders the amount paid up or credited as paid up on the issue of such shares. Any surplus assets will belong to the holders of any shares then in issue according to the numbers of shares held by them in proportion to the amount paid up or credited as paid up on the issue of such shares.

### *3.3.7 Borrowing powers*

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

### *3.3.8 Directors*

- (a) No shareholding qualification is required by a Director.
- (b) The Directors may appoint one or more of their number to an executive office.

### *3.3.9 Meetings of members*

Subject to any requirement to convene and hold at least one general meeting of members every calendar year and not more than 15 months since the previous annual meeting, the Board may call meetings of members whenever and at such times and places as it shall determine and, on the written requisition of members entitled to exercise at least 30 per cent. of the voting rights in respect of the matter for which the meeting is requested, shall forthwith proceed to convene a general meeting.

A general meeting may be called by at least 7 clear days' notice. Subject to the provisions of the Articles and to any restrictions imposed on any shares, the notice shall be given to all the members whose names appear in the share register of the Company on the date the notice is given. The notice shall specify the time and place of the meeting and the general nature of the business to be conducted. The accidental omission to give notice of a meeting to any person entitled to receive the same, or the non-receipt of a notice of meeting by any person, shall not invalidate the proceedings of that meeting.

The appointment of a proxy shall be executed by or on behalf of the appointer. A corporation which is a member of the Company may authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any separate meeting of the holders of any class of shares.

There are no provisions either in the Company's Memorandum or Articles that require new shares to be issued on a pre-emptive basis to existing shareholders. There is a statutory requirement to do so which has been disapplied in the Company's Articles of Association.

## **3.4 *Financial assistance to purchase shares of a company or its holding company***

The Company may give financial assistance to any person in connection with the acquisition of its own shares pursuant to section 28 of the BCA.

If the assistance will amount to a reduction of capital, it will still be lawful if such financial assistance is made out of surplus and subject to certain other conditions and if the Directors determine that immediately following the grant of the assistance, a company will be able to meet its debts as they fall due and that the realisable value of its assets will exceed or

equal its liabilities, plus capital. This determination will need to be supported by a declaration of solvency and a balance sheet.

### 3.5 **Purchase of shares**

A company may, subject to its memorandum and articles, purchase, redeem or otherwise acquire and hold its own shares in the manner provided for under the BCA or under its memorandum and articles.

A company may only offer to purchase, redeem or otherwise acquire shares if the resolution of directors authorising the purchase, redemption or other acquisition contains a statement that the directors are satisfied, on reasonable grounds, that immediately after the acquisition the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.

Subject to any limitations in the memorandum or articles of association, shares that a company purchases, redeems or otherwise acquires may be cancelled or held as treasury shares.

A company is not prohibited from purchasing and may purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. There is no requirement under BVI law that a company's memorandum or articles of association contain a specific provision enabling such purchases and the directors of a company may rely upon the general power contained in its memorandum of association.

A subsidiary may hold shares in its parent company.

### 3.6 **Dividends and distribution**

There is, at present, no BVI taxation or withholding tax on dividends declared and paid by the Company to non-residents of the BVI.

### 3.7 **Protection of minorities**

Section 184 of the BCA provides certain statutory remedies to shareholders including derivative actions, personal actions and representative actions. The courts may consider claims by minority Shareholders alleging that a company has acted *ultra vires*, illegally or fraudulently, where there has been a fraud by the majority on the minority or where (subject to certain conditions) a particular transaction involving a Director is unfairly prejudicial to one or more of its Shareholders.

The BCA further provides that any shareholder of a company is entitled to payment of the fair value of his shares upon dissenting from any of the following:

- (a) a merger, if the company is a constituent company, unless the company is the surviving company and the shareholder continues to hold the same or similar class of shares;
- (b) a consolidation, if the company is a constituent company;
- (c) any sale, transfer, lease, exchange or other disposition of more than 50 per cent. of the assets or business of the company if not made in the usual or regular course of the business carried on by the company but not including (i) a disposition pursuant to an order of the court having jurisdiction in the matter, (ii) a disposition for money on terms requiring all or substantially all net proceeds to be distributed to the shareholders in accordance with their respective interests within one year after the date of disposition or (iii) a transfer pursuant to the power of the directors to transfer assets as described in Section 28(2) of the BCA;
- (d) a redemption of ten per cent. or fewer of the issued shares of the company required by the holders of 90 per cent. or more of the issued shares of the company pursuant to the terms of the BCA; or
- (e) an arrangement, if permitted by the court.

Generally any other claims against a company by its shareholders must be based on the general laws of contract or tort applicable in the BVI or their individual rights as shareholders as established by the company's memorandum and articles of association

A majority of the Shareholders must approve a proposed merger of the Company, unless the merger is with a wholly owned subsidiary.

Any sale, transfer, lease, exchange or other disposition, other than a mortgage, charge or other encumbrance or the enforcement thereof, of more than 50 per cent. of the assets of the Company, if not made in the usual or regular course of the business carried on by the Company requires Shareholder approval.

Shareholders dissenting from the proposal to dispose of 50 per cent. or more of the assets or from any arrangement (which may cover other types of reorganisation or reconstruction of the Company) are entitled to require the Company to pay the fair value of their shares, in accordance with the procedures and conditions laid down by the BCA.

Although the BCA does not prescribe procedures for variation of the rights of different classes of Shareholders, the rights of such Shareholders are governed by common law. The Memorandum permits variation in class rights with the consent in writing of the holders of 75 per cent. of the issued shares of the relevant class or with the sanction of a resolution passed by at least a 75 per cent. majority of the holders of shares of the class present in person or by a proxy at a separate meeting of the holders of the shares of that class.

### **3.8 *Management***

The Company is managed by its Directors, consisting of not less than one (1) nor more than 15 Directors, who each have full authority to bind the Company. Directors are required under BVI law to act honestly and in good faith with a view to the best interests of the company, and to exercise the care, diligence and skill a reasonable director would exercise in the same circumstances taking into account but without limitation the position of the director and the nature of the company, the nature of the decision and the nature of the responsibilities undertaken by him. As mentioned above, certain actions require prior approval of the Shareholders, as a matter of statute. While the Company may provide certain indemnity for its Directors, the BCA precludes the Directors from taking advantage of such indemnities unless they act honestly and in good faith and in what they believed to be in the best interests of the Company, and in the case of criminal proceedings, where the Director had no reasonable cause to believe that his conduct was unlawful.

### **3.9 *Accounting and auditing requirements***

BVI law makes no specific provision for the types of books and records to be maintained. It requires only that a company keep such accounts and records as the Directors of the Company consider necessary or desirable in order to reflect the financial position of the Company. There is no statutory requirement to audit or file annual accounts unless the company is engaged in certain businesses, which require a licence under BVI law.

### **3.10 *Inspection of corporate records***

Shareholders of the Company are entitled to inspect, on giving written notice, the memorandum and articles, the register of members, the register of directors and minutes of meetings and resolutions of members and of those classes of members which he is a member. However, the Directors have power to refuse the request on the grounds that the inspection is not in the best interest of the Company to inspect the latter three documents. A Shareholder who has been refused an inspection may apply to court for an order to permit the inspection.

The only corporate records generally available for inspection by members of the public are those required to be maintained at the BVI Registry of Corporate Affairs, namely the certificate of incorporation and memorandum and articles of association together with any amendments to these documents, and certain other documents which the Company may optionally elect to file.

A company may elect to maintain a copy of its share register and register of directors at the Registry of Corporate Affairs, but this is not required under BVI law. These documents are,

however, maintained in the office of the Company's registered agent and may be inspected with the Company's consent, or in limited circumstances pursuant to a court order.

### 3.11 *Winding up*

The BCA and the Insolvency Act 2003 (in the case of insolvency) make provision for both voluntary and compulsory winding up of a company, and for appointment of a liquidator. The Shareholders or the Directors may resolve to wind up the company voluntarily. If it is the Directors who resolve to commence the winding up, they must present a plan of dissolution for approval by the Shareholders, incorporating the matters set out in the BCA.

The company, any member or creditor may petition the court pursuant to the Insolvency Act, for the winding up of the company upon various grounds amongst others, that it is just and equitable that the company should be wound up or that the company is insolvent within the meaning of that term in the Insolvency Act. This includes circumstances when the value of a company's liabilities exceeds its assets or the company is unable to pay its debts as they fall due.

### 3.12 *Takeovers*

Generally the merger or consolidation of an BVIBC requires Shareholder approval, (however a BVIBC parent company may merge with one or more BVI subsidiaries without Shareholder approval, provided that the surviving company is also a BVIBC). Shareholders dissenting from a merger are entitled to payment of the fair value of their shares unless the company is the surviving company and the Shareholder continues to hold a similar interest in the surviving company.

The BCA permits BVIBCs to merge with companies incorporated outside the BVI, provided the merger is lawful under the laws of the jurisdiction in which the non-BVI company is incorporated. Further, on a merger, Shareholders holding 90 per cent. of the outstanding shares may direct the company to redeem the remaining 10 per cent. of shares.

Under the BCA, following a statutory merger, one of the companies is subsumed into the other (the surviving company) or both are subsumed into a third company (a consolidation). In either case, with effect from the effective date of the merger, the surviving company assumes all of the assets and liabilities of the other entity(ies) by operation of law and the other entities cease to exist.

There is no Takeover Code or similar regulation of takeover offers applicable in the BVI.

### 3.13 *BVI Tax considerations*

The Company and all dividends, interest, rents, royalties, compensations and other amounts paid by the Company to persons who are not persons resident in the BVI are exempt from the provisions of the Income Tax Act in the BVI and any capital gains realised with respect to any shares, debt obligations or other securities of the Company by persons who are not persons resident in the BVI are exempt from all forms of taxation in the BVI. As of 1 January 2005, the Payroll Taxes Act, 2004 came into force. It will not apply to the Company except to the extent that the Company has employees (and deemed employees) rendering services to the Company wholly or mainly in the BVI. The Company at present has no employees in the BVI and no intention of having any employees in the BVI.

No estate, inheritance, succession or gift tax, rate, duty, levy or other charge is payable by persons who are not persons resident in the BVI with respect to any shares, debt obligation or other securities of the Company.

All instruments relating to transfer of property to or by the Company and all instruments relating to transactions in respect of the shares, debt obligations or other securities of the Company and all instruments relating to other transactions relating to the business of the Company are exempt from the payment of stamp duty in the BVI.

There are currently no withholding taxes or exchange control regulations in the BVI applicable to the Company or its Shareholders.

#### 4. Directors' and other interests

- 4.1 As at the date of this Document (the latest practicable date prior to the publication of this Document) the interests (all of which are beneficial unless otherwise stated) of the Directors and their immediate families and the persons connected with them (within the meaning of Section 346 of the Act ("Connected Person")) (i) which have been notified to the Company pursuant to Sections 324 or 328 of the Act or (ii) are required to be disclosed in the Register of Directors' Interests pursuant to Section 325 of the Act in the issued share capital of the Company or (iii) are interests of a Connected Person, which would, if the Connected Person were a Director, be required to be disclosed under (i) or (ii) above, and the existence of which is known to, or could with reasonable due diligence be ascertained by, the Directors are as follows:

Name	Number of Ordinary Shares	Percentage of issued share capital on Admission
Frederick Krueger	25,000,000	15.41%
David Weill*	12,500,000	7.7%
Guy Elliott	12,500,000	7.7%
Michael Mendelson	1,000,000	0.62%
Clark Landry	10,000,000	6.16%

\* David Weill's entire shareholding is held through Bellone Investment Services Inc

- 4.2 As at Admission the Directors (and all persons connected with the Directors within the meaning of Section 346 of the Act) will hold the following Options over Ordinary Shares:

Name	Date of Grant	Vesting Date	Number of Ordinary Shares	Exercise Price	Exercise Period
Frederick Krueger	Admission	Two years following the date of Admission	5,000,000	4p	5 years
David Weill	Admission	Two years following the date of Admission	4,000,000	4p	5 years
Guy Elliott	Admission	Two years following the date of Admission	3,000,000	4p	5 years
Michael Mendelson	Admission	Two years following the date of Admission	2,000,000	4p	5 years
Clark Landry	Admission	Two years following the date of Admission	5,000,000	4p	5 years

Options may be exercised after the second anniversary of Admission in whole or in part until the expiry of the exercise period. The holder of Options is entitled to receive notice of certain proposed transactions or events of the Company which may dilute or otherwise affect his Options, and may exercise or be deemed to have exercised his Option prior to the occurrence thereof. The Company shall keep available sufficient authorised but unissued shares to satisfy the exercise of Options. Ordinary Shares issued pursuant to an exercise of Options shall rank *pari passu* in all respects with the Company's existing Ordinary Shares save as regards any rights attaching by reference to a record date prior to the receipt by the Company of the notice of exercise of Options. The Company shall apply to admit to trading on AIM the Ordinary Shares issued pursuant to the exercise of Options.

- 4.3 Save as disclosed in this Document, none of the Directors or any Connected Person connected with the Directors (within the meaning of Section 346 of the Act) has any interest, whether beneficial or non-beneficial, in any share capital of the Company.
- 4.4 There are no outstanding loans granted or guarantees provided by the Company to or for the benefit of any of the Directors.
- 4.5 Save as otherwise disclosed in this Document, no Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company since its incorporation and which remains in any respect outstanding or unperformed.



- 4.6 Save as disclosed in paragraph 5 below, there are no contracts, existing or proposed, between any Director and the Company.
- 4.7 Save as set out below or disclosed elsewhere in this Document, no directorships of any company other than Hecta Media, have been held or occupied over the five years prior to the date of this Document by any of the Directors, nor over that period has any of the Directors been a partner in a partnership:

<i>Name</i>	<i>Current Directorships</i>	<i>Past Directorships</i>
Frederick Krueger	Adconion Inc	Tagworld Inc Santa Monica Networks Inc Traffic Market Place Inc lwin.com Inc Randomnoise Inc Fauve Software Inc Euroclick.com Inc
David Weill	Chiliogon Ltd CAN Media Ltd Consulta Veritas Ltd	Vairocare Ltd Stator 2358 Ltd Our Experts Ltd Meanfiddler.com Plc
Guy Elliott	Aurelian Oil & Gas plc Direct Petroleum Inc. Templar Minerals Limited Polo Resources Limited	Marathon PGM
Michael Mendelson	Riverfront LLC Riverfront Software LLC Kanowha Equity Partners LLC	Mission Homecrafters LLC
Clark Landry	City Mommy Inc dba Libra Media Inc LateNightShots Inc	TagWorld Inc

- 4.8 Save as disclosed in this Document, none of the Directors has:
- 4.8.1 any unspent convictions in relation to indictable offences;
- 4.8.2 had any bankruptcy order made against him or entered into any individual voluntary arrangements or has had a receiver appointed to any asset of such Director; or
- 4.8.3 been a director of a company which has been placed in receivership, compulsory liquidation, creditors voluntary liquidation, administration, been subject to a company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company; or
- 4.8.4 been a partner of any partnership which has been placed into compulsory liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership; or
- 4.8.5 been the owner of any assets or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within 12 months after he ceased to be a partner in that partnership; or
- 4.8.6 been publicly criticised by an statutory or regulatory body (including recognised professional bodies); or
- 4.8.7 been disqualified by a court from acting as a director of any company or from acting in the management or conduct of affairs of any company.
- 4.9 The aggregate remuneration (including any contingent or deferred compensation) payable and benefits in kind granted to Directors is estimated to be £98,000 for the current financial period ending 31 October 2008 under arrangements in force at the date of this Document.

## **5. Directors' service contracts and emoluments**

- 5.1 The services of each of the Directors are each provided under the terms of separate service agreements dated 7 November 2007 and detailed below:
- 5.2 Clark Landry has entered into a directors' service agreement with effect from Admission under which he has been appointed as the Chief Executive Officer of the Company, with effect from Admission. The appointment will continue until terminated upon six months' written notice by either party. Mr. Landry shall be required to commit that amount of time which is necessary for the due performance of his obligations and duties to the Company under the service agreement subject to a minimum of five days a week. Mr. Landry will receive a salary of £50,000 per annum.
- 5.3 Fred Krueger has entered into a director's service agreement with effect from Admission, terminable thereafter upon one month's written notice by either party. Mr. Krueger's initial salary shall be £1,000 per month and he shall be required to devote to the Company three days a month (taken on average over a quarter). Any time spent by Mr. Krueger in excess of that time commitment shall be charged to the Company by Mr. Krueger on a time basis at commercially available rates.
- 5.4 David Weill has entered into a director's service agreement with effect from Admission, terminable thereafter upon one month's written notice by either party. Mr. Weill's initial salary shall be £1,000 per month and he shall be required to devote to the Company three days a month (taken on average over a quarter). Any time spent by Mr. Weill in excess of that time commitment shall be charged to the Company by Mr. Weill on a time basis at commercially available rates.
- 5.5 Guy Elliott has entered into a letter of appointment with the Company with effect from Admission, terminable by either party upon one month's written notice. Mr. Elliott's initial fee shall be £1,000 per month and he shall be expected to devote three days per month to the Company, with any time in excess of this commitment to be charged by Mr. Elliott to the Company at commercially available rates on a time basis.
- 5.6 Michael Mendelson has entered into a letter of appointment with the Company with effect from Admission, terminable by either party upon one month's written notice. Mr. Mendelson's initial fee shall be £1,000 per month and he shall be expected to devote three days per month to the Company, with any time in excess of this commitment to be charged by Mr. Mendelson to the Company at commercially available rates on a time basis.
- 5.7 Pursuant to their service and related Share Option Agreements, each of the Directors has been granted the options detailed in paragraph 4.2 of this Part IV. The Options may be exercised in whole or in part until the expiry of the exercise period. The holder of the Options is entitled to receive notice of certain proposed transactions or events of the Company which may dilute or otherwise affect the Options. Ordinary Shares issued pursuant to an exercise of options shall rank *pari passu* in all respects with the Company's existing Ordinary Shares save as regards any rights attaching by reference to a record date prior to the receipt by the Company of the notice of exercise of Options. The Company shall apply to admit to AIM the Ordinary Shares issued pursuant to the exercise of the Options.

Save as disclosed, there is no contract or arrangement to which the Company is a party and in which any Director is materially interested and which is significant in relation to the business of the Company and no amount or benefit has been or is intended to be paid or given to any promoter of the Company.

Save as set out above, there are no service agreements, consulting agreements or letters of appointment in existence or proposed between the Directors and the Company.

Save as set out above, there are no service agreements in existence between any of the Directors and the Company which cannot be determined by the Company without payment of compensation (other than statutory compensation) within one year.

## **6. Substantial Shareholders**

Except for the interests of the Directors, which are set out in paragraph 4.1 above, and the interests disclosed in this paragraph the Directors are not aware of any holding of Ordinary

Shares as at the date of this Document and immediately following Admission representing three per cent. or more of the issued share capital of the Company.

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued share capital at the date of this Document</i>
Libra Fund LP	20,000,000	12.33%
HSBC Global Custody Nominee (UK) Limited	15,000,000	9.24%
Angstrom Capital Limited	13,125,000	8.09%
Rig III Fund Limited	10,000,000	6.16%
Libra Offshore Limited	5,000,000	3.08%

## **7. Material contracts**

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

### **7.1 Nominated Adviser and Broker Letter of Engagement**

An engagement letter dated 28 September 2007 from Beaumont Cornish Limited under which it agreed to act as the Company's nominated adviser and broker. The letter contains the initial terms of engagement of Beaumont Cornish Limited and will continue to be in force for the duration of Beaumont Cornish Limited's appointment as the Company's nominated adviser. Under the agreement the Company paid or has agreed to pay the following fees:

- (a) an initial transaction fee of £12,500 plus VAT payable on signing the engagement letter; and
- (b) a further fee of £12,500 plus VAT on publication of the Company's 10 day announcement of its intention to list on AIM; and
- (c) immediately following Admission a completion fee of £40,000 plus VAT in cash and a warrant to subscribe for such number of Ordinary Shares as is equivalent to one per cent. of the issued shares of the Company on Admission at price subscribed by shareholders immediately prior to Admission.

### **7.2 Nominated Adviser Agreement**

A nominated adviser agreement dated 7 November 2007 between the Company (1) and Beaumont Cornish Limited (2) to act as nominated adviser to the Company for the purpose of AIM for a minimum period of 12 months commencing on the date of the Agreement and terminable thereafter on 3 months' notice by either party. Pursuant to the agreement the Company has agreed to pay to Beaumont Cornish Limited, a fee of £40,000 (plus VAT and disbursements) per annum. It has been agreed that Beaumont Cornish Limited will act for the Company on its first substantial transaction or reverse takeover by the Company.

### **7.3 Broker Agreement**

A nominated broker agreement dated 7 November 2007 between the Company (1) and Beaumont Cornish Limited (2) to act as stockbroker to the Company for the purpose of AIM for a minimum period of 12 months commencing on the date of Admission unless terminated on one month's notice by either party. Under the agreement the Company has agreed to pay Beaumont Cornish Limited an annual fee of £5,000 for the first twelve months rising to £10,000 per annum thereafter if Beaumont Cornish Limited is reappointed as the Company's broker.

### **7.4 Lock-in Agreements**

Lock-in Agreements between the Company, the Founder Shareholders, the Directors (and persons connected with them) and Beaumont Cornish Limited (the "Locked-In Parties"), pursuant to which each of the Locked-In Parties has undertaken save in certain circumstances not to sell or otherwise dispose of or agree to sell or dispose of any of their interests in the Ordinary Shares held by them for the period commencing from the date of

Admission for a period of twelve months or until the completion of an acquisition or investment by the Company (whichever is the later).

#### **7.5 *Beaumont Cornish Limited Deed of Warrant***

A deed of warrant was issued by the Company to Beaumont Cornish Limited on 7 November 2007 in terms of which, subject to Admission occurring, the Company has granted to Beaumont Cornish Limited a warrant to subscribe for 0.5 per cent. of the issued capital of the Company immediately following Admission at 4p per share ("the Warrants"). The Warrants are exercisable at any time, in whole or in part, up to the fifth anniversary of Admission.

The Warrants are transferable.

The deed of warrant contains provisions dealing with the consequences of an offer being made for the Company and also with alterations to the issued and outstanding shares which may result in the number of Ordinary Shares which are the subject of the deed of warrant being amended.

Ordinary Shares issue pursuant to the exercise of the Warrants will rank *pari passu* in all respects from their date of issue with the existing Ordinary Shares then in issue, but will not rank for any dividends or other distributions for which the record date is a date prior to their issuance.

The Company will apply to the London Stock Exchange or any other stock exchange upon which the Ordinary Shares are listed or admitted to dealing for the Ordinary Shares issued pursuant to the deed of warrant to be admitted to trading on AIM or dealing on any other relevant stock exchange.

Save as disclosed above, there are no contracts (other than contracts entered into in the ordinary course of business) which have been entered into by the Company since its incorporation and which are or may be material.

#### **8. CREST and the Depositary arrangements**

The Ordinary Shares are in registered form. It is proposed that, with effect from Admission, Ordinary Shares may be delivered, held and settled in CREST by means of the creation of dematerialised depositary interests representing such Ordinary Shares. Pursuant to a method under which transactions in international securities may be settled through the CREST system, the Depositary will issue the Depositary Interests. The Depositary Interests will be independent securities constituted under English law which may be held and transferred through the CREST system.

The Depositary Interests will be created pursuant to, and issued on the terms of the deed poll executed by, the Depositary on 2 October 2007 in favour of the holders of the Depositary Interests from time to time (the "Deed Poll"). The Deed Poll is summarised in paragraph 8.1 below. Prospective holders of Depositary Interests should note that they will have no rights in respect of the underlying Ordinary Shares, or the Depositary Interests, representing them against CREST or its subsidiaries.

Ordinary Shares will be transferred or issued to an account for the Depositary held by the Custodian. The Depositary shall pass on, and shall ensure that the Custodian passes on, to the holder of all Depositary Interests all rights and entitlements which the Depositary or Custodian receives in respect of the Ordinary Shares such as any such rights or entitlements to cash distributions, to information to make choices and elections, and to attend and vote at general meetings.

The Depositary Interests will have the same security code (ISIN) as the underlying Ordinary Shares and will not require a separate application for admission to trading on AIM.

The depositary services and custody agreement is summarised in paragraph 8.2 below and the share registrar agreement is summarised in paragraph 8.3 below.

### 8.1 ***Depository Interest — Terms of the Deed Poll***

Prospective subscribers for and purchasers of the Ordinary Shares are referred to the Deed Poll available for inspection at the offices of the Depository or by written request to the Depository (subject to a reasonable copying charge). In summary, the Deed Poll contains, among other things, provisions to the following effect which are binding on holders of Depository Interests.

The Depository will hold (itself or through its nominated Custodian), as bare trustee, the Ordinary Shares issued by the Company and all and any rights and other securities, property and cash attributable to the Ordinary Shares and pertaining to the Depository Interests for the benefit of the holders of the relevant Depository Interests.

Holders of the Depository Interests warrant, among other things, that the securities in the Company transferred or issued to the Custodian on behalf of the Depository and for the account of the holders of Depository Interests are free and clear from all liens, charges, encumbrances or third party interests and that such transfers or issues are not in contravention of the Company's Articles nor any contractual obligation, law or regulation. The holder of Depository Interests indemnifies the Depository for any losses it incurs as a result of breach of this warranty.

The Depository and the Custodian must pass on to Depository Interests holders and exercise on behalf of Depository Interests holders all rights and entitlements received or to which they are entitled in respect of the Ordinary Shares which are capable of being passed on or exercised. Rights and entitlements to cash distributions, to information to make choices and elections and to attend and vote at meetings shall, subject to the Deed Poll, be passed on to the holders of Depository Interests upon being received by the Custodian and in the form in which they are received by the Custodian together with any amendments and additional documentation necessary to effect such passing-on.

The Depository shall re-allocate any Ordinary Shares of distributions which are allocated to the Custodian and which arise automatically out of any right or entitlement of Ordinary Shares already held by the Custodian to holders of Depository Interests *pro rata* to the Ordinary Shares held for their respective accounts provided that the Depository shall not be required to account for any fractional entitlements arising from such re-allocation and shall donate the aggregate fractional entitlements to charity.

The Deed Poll contains provisions excluding and limiting the Depository's liability. For example, the Depository shall not incur any liability to any holder of Depository Interests or to any other person for any loss suffered or incurred arising out of or in connection with the transfer and prospective holders of the Depository Interests and Ordinary Shares should refer to the terms of the Deed Poll and the Articles to ensure compliance with the relevant provisions.

The Depository may compulsorily withdraw the Depository Interests (and the holders of Depository Interests shall be deemed to have requested their cancellation) if certain events occur. These events include where the Depository believes that ownership of the Depository Interests may result in a pecuniary disadvantage to the Depository or the Custodian or where the Depository Interests are held by a person in breach of the law. If these events occur the Depository shall make such arrangements for the deposited property as it sees fit, including sale of the deposited property and delivery of the net proceeds thereof to the holder of the Depository Interests in question.

Holders of Depository Interests are responsible for the payment of any tax, including stamp duty reserve tax ("SDRT") on the transfer of their Depository Interests.

### 8.2 ***Depository Interest — Terms of Depository Services and Custody Services Agreement***

The terms of the depository services and custody services agreement dated 2 October 2007 between the Company and the Depository (the "Depository Agreement") relate to the Depository's Appointment as Depository and Custodian in relation to the Ordinary Shares.

Subject to earlier termination, the Depository is appointed for a fixed term of two years and thereafter until terminated by either party giving not less than six months' notice.

The depositary services and custody services include the issue and cancellation of depositary interests and maintaining the Depositary Interests register.

In the event of termination, the parties agree to phase out the Depositary's operations in an efficient manner without adverse effect on members and the Depositary shall deliver to the Company (or as it may direct) all documents and other records relating to the Depositary Interests which is in its possession and which is the property of the Company.

### **8.3 *Share Register — Terms of the Principal Registrar Agreement***

The terms of the principal registrar agreement dated 2 October 2007 between the Company and the Registrar (the "Registrar Agreement") under which the Company appoints the Registrar to maintain the Company's principal share register in Jersey and provide certain other services are as summarised below.

The Registrar will perform various services in its capacity as Registrar, including maintenance of the register in Jersey; maintenance or divided instruction records; registration of share transfers; preparation and despatch of dividend warrants; supplying to the Company, as soon as reasonably practicable, all necessary information so that the register be open for inspection at the registered office of the Company; and arranging for the provision of facilities for the holding of general meetings including the distribution of ballot papers in the event of a poll, and the provision of scrutineers of any vote, if required.

The agreement can be terminated by either party on the giving of six months' written notice, at any time by notice on an insolvency event occurring in relation to the other party or at any time if either party commits a material breach of its obligations which that party has failed to make good within 30 days of receipt of notice.

The Registrar shall not be liable to the Company for any loss sustained by the Company for whatever reason provided that the Registrar shall remain liable for any loss arising as a result of fraud negligence or wilful default by the Registrar.

## **9. Litigation**

There are no governmental legal or arbitration proceedings (including, to the knowledge of the Directors, any such proceedings which are pending or threatened by or against the Company) which may have or have had during the 12 months immediately preceding the date of this Document a significant effect on the financial position of the Company.

## **10. Working Capital**

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

## **11. Taxation**

The following information is intended only as a general guide to the position under current United Kingdom taxation law and HM Revenue and Customs practice as at the date of this Document for Shareholders who are the beneficial owners of Ordinary Shares, resident or ordinarily resident in the United Kingdom for tax purposes and who hold their Ordinary Shares as an investment and is not a substitute for the investor obtaining professional advice before buying shares. Its applicability will depend upon the particular circumstances of individual Shareholders. The summary is not exhaustive and does not generally consider tax reliefs or exemptions.

### **11.1 *Taxation of Chargeable Gains***

If a shareholder disposes of all or any Ordinary Shares held by it he or she may, depending on the shareholder's particular circumstances, incur a liability to taxation on chargeable gains. Individuals, personal representatives and trustees may be entitled to taper relief, which will serve to reduce the gain chargeable. Companies are not entitled to taper relief, but are entitled to an indexation allowance which may also reduce the gain chargeable.

## 11.2 *Stamp Duty*

Except in relation to certain categories of person, including market makers, brokers, dealers and persons connected with depositary arrangements or clearance services, where special rules apply: (i) no stamp duty or stamp duty reserve tax will be payable on the issue of the Admission Shares; and (ii), the transfer or sale of Ordinary Shares will normally be subject to *ad valorem* stamp duty (rounded up to the nearest £5) at the rate of one-half of one per cent. of the consideration paid. However, if an unconditional agreement to transfer such shares is not completed by a duly stamped transfer, stamp duty reserve tax will be payable, normally at the rate of one-half of one per cent. of the consideration paid.

## 11.3 *Taxation of Dividends and Distributions*

Holders of Ordinary Shares who are resident in the UK for tax purposes will generally be liable to UK income tax or corporation tax, as the case may be, on the gross amount of any dividends paid to them by the Company. Dividends received by such holders who are within the charge to UK corporation tax will generally be taxed at the prevailing UK corporation tax rate (currently 30 per cent. in most cases). Any individual holder will generally be chargeable to UK income tax on dividends received from the Company at the current rate of 10 per cent., or, to the extent that the amount of the gross dividend when treated as the top slice of his or her income exceeds the threshold for higher rate tax, at the current rate of 32.5 per cent. Neither corporate nor non-corporate holders of Ordinary Shares will be entitled to a UK tax credit in respect of any dividend received.

An individual holder of Ordinary Shares who is resident but not domiciled in the UK for tax purposes, or is a Commonwealth citizen or citizen of the Republic of Ireland who is resident but not ordinarily resident in the UK for tax purposes, will be liable to UK income tax only to the extent that dividends paid by the Company are remitted or deemed to be remitted to the UK.

## 11.4 *Anti-avoidance*

The attention of individual holders of Ordinary Shares who are ordinarily resident in the UK is drawn to the provisions of sections 739 and 745 of the Income and Corporation Taxes Act 1998 (the "Taxes Act"). These provisions are aimed at preventing the avoidance of income tax by individuals through transactions resulting in the transfer of assets or income to persons (including companies) resident or domiciled abroad and may render them liable to taxation in respect of undistributed income and profits of the Company on an annual basis.

**Any person who is in any doubt as to his or her tax position or who may be subject to tax in any jurisdiction other than the United Kingdom should consult his or her own professional adviser.**

## 12. **General**

- 12.1 The financial information relating to the Company contained in Part III of this Document has been prepared to 31 October 2007.
- 12.2 The Company will publish its first interim report for the period ended 30 April 2008 on or before 31 July 2008. The audited accounts for the year ended 31 October 2008 will be published on or before 30 April 2009. The Company will publish its interim report for the six months ending 30 April 2009 on or before 31 July 2009. The accounting reference date of the Company is 31 October.
- 12.3 The total costs and expenses payable by the Company in connection with or incidental to the Admission, including London Stock Exchange fees, professional fees, consulting and investor relation services and the costs of printing and distribution, are estimated to amount to approximately £103,250 (excluding VAT), all of which will be payable by the Company.
- 12.4 No person (excluding professional advisers otherwise disclosed in this Document and trade suppliers) has:
  - (a) received, directly or indirectly, from the Company within 12 months preceding the date of this Document; or

(b) entered into contractual arrangements (not otherwise disclosed in this Document) to receive, directly or indirectly, from the Company on or after Admission any of the following:

- (i) fees totalling £10,000 or more; or
- (ii) securities in the Company with a value of £10,000 or more; or
- (iii) any other benefit with a value of £10,000 or more at the date of Admission.

12.5 The financial information contained in Part III of this Document does not constitute full statutory accounts as referred to in Section 240 of the Companies Act 1985.

12.6 Chapman Davis LLP have given and not withdrawn its written consent to the issue of this Document with the inclusion of its report and references to their name in the form and context in which they appear in this Document.

12.7 Beaumont Cornish Limited has given and has not withdrawn its written consent to the issue of this Document with the inclusion of its name and references to its name in the form and context in which they appear in this Document.

12.8 Save as disclosed in this Document, there has been no significant change in the trading or financial position of the Company since 31 October 2007, being the date to which the historical financial information in Part III is made up.

12.9 Save as set out in this Document, the Directors are not aware of any exceptional factors that have influenced the Company's activities.

12.10 Save as set out in this Document, no commission is payable by the Company to any person in consideration of his agreeing to subscribe for securities to which this Document relates or of his procuring or agreeing to procure subscriptions for such securities.

12.11 The Ordinary Shares have, save as disclosed otherwise in this Document, been issued at 4p per share.

12.12 Save as disclosed in this Document, no payment (including commissions) or other benefit has been or is to be paid or given to any promoter of the Company.

12.13 Save as disclosed in this Document, the Company has entered into no related party transactions.

12.14 Save as disclosed in this document no patents or other intellectual property rights, licences or particular contracts which are, or may be, of fundamental importance to the business of the Company.

12.15 Save as disclosed in this Document, there are no investments in progress which are significant.

12.16 Where information in this document has been sourced from a third party, the Company confirms that such information has been accurately reproduced, and, so far as the Company is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

### **13. Documents available for inspection**

Copies of the following documents will be available for inspection at the offices of Kerman & Co LLP, 200 Strand, London, WC2R 1DJ during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this Document until at least 30 days after the date of Admission:

- (a) the memorandum and articles of association of the Company;
- (b) the Accountants' Report set out in Part III of this Document;
- (c) the Directors' service agreements (as appropriate);
- (d) the material contracts referred to in paragraph 7 of this Part IV; and
- (e) the letters of consent referred to in paragraph 12.6 and 12.7 of this Part IV.



#### **14. Availability of documents**

Copies of this Document will be available free of charge from the date of this Document until the date which is one month after Admission, at the office of Beaumont Cornish Limited 10-12 Copthall Avenue, London EC2R 7DE during normal business hours on any week-day (Saturdays, Sundays and public holidays excepted).

Date: 8 November 2007