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This document, which comprises an AIM admission document, is drawn up in compliance with the AIM Rules and is not a prospectus drawn up pursuant to Part 6 of the Financial Services and Markets Act 2000. To the best of the knowledge and belief of the Directors and Proposed Director (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and there is no other material information the omission of which is likely to affect the import of such information. The Directors and Proposed Director, whose names are set out on page 4, accept responsibility, individually and collectively, for the contents of this document accordingly.

To the best of the knowledge and belief of the Spritto Director, who has taken all reasonable care to ensure that such is the case, the information contained in this document relating to the Vendor Concert Party is in accordance with the facts and there is no other material information the omission of which is likely to affect the import of such information. The Spritto Director, whose name is set out on page 4, accepts responsibility for the contents of this document accordingly.

Application will be made for all of the Existing Ordinary Shares, the Consideration Shares and the Placing Shares to be admitted to trading on AIM, the market of that name operated by the London Stock Exchange ("AIM"). It is expected that Admission will become effective and that dealings in the issued ordinary share capital of the Company will commence on 30 August 2005.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk than that associated with larger or more established companies tends to be attached. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks in investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with his or her own independent financial adviser. The London Stock Exchange has not itself examined or approved the contents of this document.

Rotala plc

(Incorporated in England and Wales under the Companies Act 1985 (as amended) with Registered No. 5338907)

**Proposed acquisitions of Flights Hallmark Limited,
Flights Corporate Transfers Limited and FH Transport Limited
Proposed re-admission to trading on AIM of the Enlarged Share Capital
Proposed Placing of 18,307,693 Ordinary Shares at a price of 6.5 pence per share
Extraordinary General Meeting**

Nominated Adviser and Broker

PANMURE GORDON & CO

Panmure Gordon (Broking) Limited, which is regulated by the Financial Services Authority and is a member of the London Stock Exchange, is the Company's nominated adviser and broker for the purposes of the AIM Rules and is acting exclusively for the Company in connection with the Placing. Panmure Gordon (Broking) Limited will not be responsible to anyone other than the Company for providing the protections afforded to clients of Panmure Gordon (Broking) Limited or for advising any other person on the Placing and the arrangements described in this document. Its responsibilities as the Company's nominated adviser under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or any Director. No representation or warranty, express or implied, is made by Panmure Gordon (Broking) Limited as to the contents of this document (without limiting the statutory rights of any person to whom this document is issued).

The Placing is conditional, *inter alia*, on Admission taking place on or before 30 August 2005 (or such later date as the Company and Panmure Gordon (Broking) Limited may agree, but in any event no later than 16 September 2005). The Placing Shares will rank in full for all dividends or other distributions hereafter declared, made or paid on the ordinary share capital of the Company and will rank *pari passu* in all other respects with all other Ordinary Shares in issue on Admission.

This Document is not for distribution outside the United Kingdom and, in particular, it should not be distributed to persons with addresses in Canada, Australia, Japan, South Africa, the Republic of Ireland or to persons with addresses in the United States of America, its territories or possessions or to any citizen thereof or to any corporation, partnership or other entity created or organised under the laws thereof. Any such distributions could result in the violation of Canadian, Australian, Japanese, South African, Irish or United States of America law.

Notice of an Extraordinary General Meeting of the Company to be held at the offices of Norton Rose, Kempson House, Camomile Street, London EC3A 7AN at 11.00a.m. on 26 August 2005, is set out on pages 80 and 81 of this document. Shareholders are requested to complete and return the enclosed form of proxy, whether or not they intend to be present at the meeting, as soon as possible and, in any event, in order to be valid, so as to be received by the Company's registrars, Capita Registrars, (Proxy Dept), P.O Box 25, Beckenham, Kent BR3 4BR, not later than 11.00 a.m. on 24 August 2005 (or 48 hours before any adjournment of that meeting). Completion and posting of the form of proxy will not prevent a shareholder attending and voting in person at the Extraordinary General Meeting.

THE WHOLE TEXT OF THIS DOCUMENT SHOULD BE READ. YOUR ATTENTION IS DRAWN, IN PARTICULAR, TO THE SECTION HEADED "RISK FACTORS" SET OUT IN PART IV OF THIS DOCUMENT.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication date of this document	9 August 2005
Latest time and date for receipt of forms of proxy for the Extraordinary General Meeting	11.00 a.m. on 24 August 2005
Extraordinary General Meeting	11.00 a.m. on 26 August 2005
Completion of the Acquisitions	30 August 2005
Admission to trading on AIM of the Existing Ordinary Shares, the Consideration Shares and the Placing Shares	30 August 2005
CREST stock accounts credited in respect of Consideration Shares and Placing Shares (as applicable)	30 August 2005
Certificates in respect of Consideration Shares and Placing Shares (as applicable) dispatched	by 6 September 2005

ADMISSION STATISTICS

Placing Price	6.5 pence
Number of Ordinary Shares in issue prior to Admission	107,000,000
Number of new Ordinary Shares being placed on behalf of the Company ⁽¹⁾	18,307,693
Number of Ordinary Shares being issued as Initial Consideration Shares	46,666,667
Number of Ordinary Shares in issue immediately following Admission ⁽¹⁾	171,974,360
Estimated net proceeds receivable by the Company pursuant to the Placing ⁽²⁾	£690,000
Market capitalisation of the Company at the Placing Price following Admission ⁽¹⁾	approximately £11.18 million

⁽¹⁾ Assuming that the Placing is completed. The Acquisitions are not conditional upon the completion of the Placing.

⁽²⁾ Stated after deducting the estimated total expenses of the Placing and other related costs payable by the Company of approximately £500,000.

DIRECTORS, PROPOSED DIRECTOR, SECRETARY AND ADVISERS

Directors and Proposed Director	John Humphrey Gunn (<i>Non-executive Chairman</i>) Kim Michael Taylor (<i>Finance Director</i>) Nicholas Patrick Kennedy (<i>Non-executive Director</i>) Stuart John Lawrenson (<i>Proposed Non-executive Director</i>) <i>all of</i> 46 Cannon Street, London, EC4N 6JJ
Secretary	Kim Michael Taylor
Registered Office	46 Cannon Street London EC4N 6JJ Telephone: 020 7236 6236
Nominated Adviser and Broker	Panmure Gordon (Broking) Limited Moorgate Hall 155 Moorgate London EC2M 6XB
Solicitors to the Company	Norton Rose Kempson House Camomile Street London EC3A 7AN
Auditors and Reporting Accountant	BDO Stoy Hayward LLP 8 Baker Street London W1U 3LL A member of the Institute of Chartered Accountants
Public Relations Adviser	M: Communications Limited 1 Ropemaker Street London EC2Y 9HT
Registrars	Capita Registrars The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Principal Bankers	Barclays Bank plc 50 Pall Mall London SW1A 1QB

PART I

LETTER FROM THE CHAIRMAN OF ROTALA

Rotala plc

*(Incorporated in England and Wales under the Companies Act 1985
(as amended) with Registered No. 5338907)*

Directors:

John Humphrey Gunn (*Non-executive Chairman*)
Kim Michael Taylor (*Finance Director*)
Nicholas Patrick Kennedy (*Non-executive Director*)

Registered Office:
46 Cannon Street
London EC4N 6JJ

Proposed Director:

Stuart John Lawrenson (*Non-executive Director*)

9 August 2005

To the Rotala Shareholders and, for information only, to holders of options under the Share Option Scheme

Dear Sir or Madam,

**Proposed acquisitions of Flights Hallmark Limited,
Flights Corporate Transfers Limited and FH Transport Limited
Proposed re-admission to AIM of the Enlarged Share Capital
Proposed Placing of 18,307,693 Ordinary Shares at a price of 6.5 pence per share
Extraordinary General Meeting**

Introduction

The Board of Rotala announced today that the Company has conditionally agreed to acquire the entire issued share capital of each of Flights Hallmark Limited, Flights Corporate Transfers Limited and FH Transport Limited (together “the Flights Group”) for a total consideration, valued at the Placing Price of 6.5 pence per Ordinary Share, of up to £4.65 million.

The initial consideration for the Flights Group will be satisfied by the issue of 46,666,667 Consideration Shares and by the issue of £750,000 5 per cent. loan notes 2007 on Completion, which at the Placing Price of 6.5 pence per Ordinary Share, places an aggregate value of approximately £3.78 million on the initial consideration. Further, up to 13,333,333 deferred Consideration Shares will be issued conditionally on the attainment of a profit related target for the Flights Group.

In addition, Panmure Gordon, on behalf of the Company, has conditionally placed 18,307,693 Ordinary Shares at the Placing Price of 6.5 pence per Ordinary Share with institutional and other investors. The proceeds of the Placing will be used to augment the Company’s funds for due diligence on further potential acquisition targets, to satisfy any cash element of consideration payable by the Company for future acquisitions and to supplement the future working capital for the Enlarged Group, although it should be noted that the Acquisitions are not conditional upon the Placing and that the proceeds of the Placing are not required for current working capital purposes.

In view of the respective sizes of Rotala and the Flights Group, the Acquisitions constitute a Reverse Takeover (in accordance with the AIM Rules) and are conditional, *inter alia*, on the approval of Rotala Shareholders, which is to be sought at the Extraordinary General Meeting. Also at the Extraordinary General Meeting, the Company will seek the approval of Independent Shareholders for a waiver of the obligation of the Vendor Concert Party to make a mandatory cash offer for the Company as a result of the issue to the Vendor of the Initial Consideration Shares, the right to receive up to a further 13,333,333 additional Consideration Shares and the exercise of options over 3,700,000 Ordinary Shares by the Proposed Director.

The purpose of this document is to provide you with further information on the Proposals and to explain why your Directors believe that the Proposals are in the best interests of the Company and the Shareholders as a whole. A notice convening the Extraordinary General Meeting is set out at the end of this document.

Information on Rotala

Rotala was admitted to trading on AIM on 29 March 2005 as a newly established investing company. In the Company's admission document dated 11 March 2005 (the "March 2005 Document"), the Board stated its intention to acquire complementary businesses in the sectors of parking and transportation management. In the transport sector, the Board anticipated that opportunities would arise in the provision of bus services, chauffeur-drive services, Park & Ride and integrated ground transportation. In particular, the Board stated its intention to complete the Company's first acquisition within six months of Admission and is pleased that it has identified an acquisition target and agreed terms to acquire it within this period.

On 11 April 2005, the Board announced that the Company had entered into a period of exclusivity with the owner of the Flights Group in connection with a possible strategic collaboration which might or might not lead to a Reverse Takeover pursuant to the AIM Rules. The Company is now pleased to announce that those negotiations have been successful and the Company has agreed to acquire the Flights Group, subject, *inter alia*, to the approval of Shareholders at the EGM.

At Completion, the business of the Company will comprise that of the Flights Group. Further, the New Board intends to continue to develop the Enlarged Group by organic growth and further investments in, or acquisitions of, businesses that meet the strategic and financial criteria of the Company.

On Admission, the Company will have a market capitalisation (at the Placing Price of 6.5 pence per Ordinary Share) of approximately £11.18 million.

Further information on the Company is set out in Parts V, VII and VIII of this document.

Background to and reasons for the Acquisitions

The Flights Group comprises a group of coach and chauffeur drive businesses based in the Midlands in the UK.

The Directors and Proposed Director consider that the Flights Group represents an excellent fit within the Company's stated acquisition strategy and that its acquisition should provide Rotala with the opportunity to build a platform for further acquisitions as well as providing the capital and assets to exploit existing market opportunities. In particular, the Directors and Proposed Director believe that following the acquisition of the Flights Group, other small UK based operators in the transport market which may be looking to dispose of their businesses may present further opportunities to enable Rotala to build a more significant operation around the existing Flights Group network.

In addition, the Directors and Proposed Director consider that market demand exists for a group that is able to provide an integrated transport solution covering buses, coaches and cars using the advantages of new technology to assist in the booking process but which also focuses on key usage drivers such as cleanliness, safety and quality.

The Acquisitions bring to Rotala an experienced management team. This team includes Stuart Lawrenson, who is the beneficial owner of the Vendor and who will join the Board as a Non-executive Director.

Information on the Flights Group

The principal businesses now carried on by the Flights Group were acquired separately by the Proposed Director during 2004. The Flights Group comprises three companies: Flights Hallmark, Flights Corporate Transfers and FH Transport.

Flights Hallmark has a mature coach and bus business formed through the acquisition and amalgamation of a number of businesses. Significant current business operations include the provision of a coach service known as 'Flightlink', the operation of various shuttle bus services and a substantial coach hire business. A significant proportion of the revenues of Flights Hallmark derives from contracted business with 10 top customers who include National Express, the National Exhibition Centre, Birmingham and National Grid Transco.

Flights Corporate Transfers operates chauffeur driven cars, particularly relating to transport to and from UK airports. The business is less mature and significantly smaller than that of Flights Hallmark. A major source of current revenue is a contract with Emirates Airlines, although additional contracts have been added over the past year.

The third company, FH Transport, does not currently have an operating business, but is party to certain contracts with customers relating to the business operated by other Flights Group members.

In the financial year ended 30 November 2004, Flights Hallmark had operating profits of £118,293 on turnover of £4,777,180. For that year, Flights Corporate Transfers had an operating loss of £165,198 on a turnover of £428,194.

Further information on Flights Hallmark, Flights Corporate Transfers and FH Transport is set out in Parts II, VI, VII and VIII of this document.

Principal terms of the Acquisitions

Under the terms of the Share Purchase Agreements, the Company has conditionally agreed to acquire the entire issued share capital of each of Flights Hallmark, Flights Corporate Transfers and FH Transport from the Vendor. The Vendor's obligations under each of the Share Purchase Agreements are guaranteed by the Proposed Director.

The initial aggregate consideration for the three companies in the Flights Group will be satisfied by the issue of 46,666,667 Consideration Shares and by the issue of £750,000 5 per cent. loan notes 2007 on Completion, which at the Placing Price of 6.5 pence per Ordinary Share, places a value of approximately £3.78 million on the initial consideration. Further, up to 13,333,333 deferred Consideration Shares will be issued conditionally on the attainment of a profit related target for the Flights Group.

The Share Purchase Agreements contain certain warranties and indemnities (subject to certain financial and other limitations) given by the Vendor (and guaranteed by the Proposed Director) in relation to the Flights Group and its business.

Each of the Share Purchase Agreements are inter-conditional and are also conditional upon, amongst other things, the approval of the Shareholders, the approval of the waiver under Rule 9 of the City Code and admission of the Initial Consideration Shares to trading on AIM. However, as noted above, the Acquisitions are not dependent upon the Placing completing.

Further details of each of the Share Purchase Agreements are contained in paragraph 12 of Part VIII of this document.

The Placing

Subject to it becoming unconditional, the Placing will raise approximately £1.19 million for the Company, before expenses. After the expenses of the Placing and Admission, payable by the Company and estimated in total at £500,000 (including VAT), the net proceeds of the Placing are expected to be £690,000.

The net proceeds of the Placing will be used to augment the Company's funds for due diligence on further potential acquisition targets, to satisfy any cash element of consideration payable by the Company for future acquisitions and to supplement the future working capital requirements for the Enlarged Group, although the proceeds of the Placing are not required for current working capital purposes.

The Placing is conditional on, *inter alia*, the Placing Agreement becoming unconditional (save for Admission) and not having been terminated in accordance with its terms prior to Admission and on the Share Purchase Agreements becoming unconditional in all respects (other than as regards any condition relating to the admission of the Initial Consideration Shares to trading on AIM), and Admission taking place on or before 30 August 2005 (or such later date as the Company and Panmure Gordon may agree, but in any event no later than 16 September 2005). Further information on the Placing Agreement is set out in paragraph 12 of Part VIII of this document.

John Gunn, the non-executive Chairman of the Company, has agreed to subscribe for 750,000 Placing Shares in the Placing. Wengen Pension Plan, a connected party of John Gunn, has also agreed to subscribe for 750,000 Placing Shares in the Placing.

The Placing Shares will rank in full for all dividends or other distributions hereafter declared, made or paid on the Ordinary Share capital of the Company and will rank *pari passu* in all other respects with all other Ordinary Shares in issue on Admission.

Dealings in the Placing Shares on AIM are expected to commence on 30 August 2005. In the case of placees requesting their Placing Shares in uncertificated form, it is expected that the appropriate CREST accounts will be credited with the Placing Shares comprising their placing participation with effect from 30 August 2005. In the case of placees requesting their Placing Shares in certificated form it is expected that certificates in respect of such shares will be despatched by post not later than 6 September 2005. Pending despatch of definitive share certificates or crediting of CREST accounts, Capita Registrars will certify any instrument of transfer against the register.

Lock-in arrangements

On Completion, the New Board and persons connected with them will be interested in an aggregate of 57,553,667 Ordinary Shares, representing 33.47 per cent. of the Enlarged Share Capital assuming the Placing becomes unconditional. Details of these shareholdings are set out in paragraph 5 of Part VIII of this document.

In accordance with the AIM Rules, each member of the New Board has undertaken not to sell any Ordinary Shares held by him or to be held by him or any connected persons for a period of one year from Admission, save in certain circumstances. These lock-ins are contained in the Placing Agreement which is summarised in paragraph 12d. of Part VIII of this document.

The Vendor has given a similar non-disposal undertaking in respect of its holding of Consideration Shares in the Share Purchase Agreements which are summarised in paragraphs 12a, b and c of Part VIII of this document.

In addition to the above non-disposal undertakings each member of the New Board and the Vendor, has given an orderly market undertaking for a further period of 12 months after the initial lock-in period.

The existing Board

As at the date of this document the Board comprises:

John Gunn (*Non-executive Chairman*), aged 63, is a director of a number of quoted and unquoted companies including Ashley House plc, Corac Group plc, DAT Group plc, HydroDec Group plc and Ludgate 181 (Jersey) Limited. He is also founder and director of Scheidegg Limited. He was formerly chief executive officer of Exco International plc, and chairman of Telerate Inc and of British & Commonwealth Holdings plc.

Kim Taylor (*Non-executive Finance Director*), aged 50, qualified as a chartered accountant in 1981 with KPMG and continued to work for KPMG until 1986. In that year, he left to join Exco Plc, where between 1992 and 1998 he was Finance Director. He was Group Finance Director of Intercapital plc between 1998 and 1999 and Group Finance Director of Prebon Group Limited between 2001 and 2002.

Nick Kennedy (*Non-executive Director*), aged 46, qualified as a chartered tax adviser in 1980 with Binder Hamlyn and has worked in the tax industry for the last 25 years, acting for corporate clients and wealthy individuals. He specialises in advising foreign persons investing in the UK and has numerous contacts in the transport support services sector. During 1989 he was the Director Finance International for Trans World Airlines Inc covering Europe, Middle East & Africa. Since 1994 he has been a principal at Kennedys, Chartered Tax Advisers.

The proposed New Board

Kim Taylor who was formerly a Non-executive Director became Executive Finance Director on 8 August 2005. Stuart Lawrenson will join the New Board as Non-executive Director at Completion, although Mr Lawrenson is in talks with the Company to take on more executive responsibility at Rotala which could lead to his appointment as an executive director in due course. Accordingly, at Completion the New Board will comprise John Gunn as Non-executive Chairman, Nick Kennedy and Stuart Lawrenson as Non-executive Directors and Kim Taylor as Executive Finance Director. A short biography for Mr Lawrenson is set out below:

Stuart Lawrenson (*Proposed Non-executive Director*)

Mr Lawrenson, aged 43, is currently the Chief Executive Officer of Central Parking System of UK (international division of the US company Central Parking Corporation) in the UK, a company where he has held a number of senior positions including Finance Director, Managing Director and Managing Director of Europe. At CPS, Stuart has been instrumental in expanding the business into new and growing areas such as on-street parking and transport and it is these skills, experiences and relationships that Stuart brings to Rotala. He has been employed at CPS for the last 8 years but has notified CPS of his resignation as an executive employee, which is expected to take effect shortly. He is, however, in discussions with CPS concerning the possibility of carrying on a reduced role for it. Before CPS, he spent 8 years at Worldspan where he was European Chief Financial Officer, after qualifying as an accountant with PriceWaterhouseCoopers.

Senior Management

The senior non-board level management responsible for the day to day running of the business following Completion is detailed below. The Directors have confirmed that the employment rights of all employees will be maintained and that there are no plans to change the terms of employment prior to Completion.

Simon Dunn (*Head of Operations — Coaches*), aged 29, has 13 years' experience in the bus and coach industry. Prior to the acquisition of Dunn-Line (Flights) Limited (now called Flights Hallmark Limited) by the Vendor, Mr Dunn was Managing Director of that company. In his current capacity, Mr Dunn is responsible for the operation of the fleet of PSV vehicles owned by Flights Hallmark. His responsibilities also include safety and legality of the physical operation and he is a CPC Holder for the North West, West Midlands and Eastern Traffic Areas.

Paul Churchman (*Operations Director — Transport Services*), aged 27, has 10 years' experience in the transport industry and has previously worked with several of the large bus operators in the sector such as Arriva and Go-Ahead. Mr Churchman joined as an employee of Rotala in July 2005.

Antony Goozee (*General Manager — Commercial*), aged 32, was Commercial Director of Dunn-Line (Flights) Limited for six years prior to its acquisition by the Vendor and has continued in this role since that time. Mr Goozee is responsible for current customer retention, new business generation, pricing for contracts, private hire and tours, overseeing sales staff and marketing.

Corporate governance

The New Board supports proper standards of corporate governance and the Company intends to comply, so far as is practicable and appropriate for a company of its size and nature, with the main provisions of the Combined Code.

The running of the New Board and the executive responsibility for the operation of the Company's business will be separated, with John Gunn acting as Non-executive Chairman of the New Board and Kim Taylor acting as Executive Finance Director.

The Directors intend to establish such committees of the Board, as are required for it to comply with the terms of the Combined Code, in so far as is practicable and reasonable given the size of the Company.

The Company has adopted formally the principles for dealing in securities for AIM companies set out in Rule 21 of the AIM Rules and will take proper steps to ensure compliance by the New Board.

Admission, settlement and dealings

Application will be made to the London Stock Exchange for the Existing Ordinary Shares, the Initial Consideration Shares and the Placing Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings on AIM in the Existing Ordinary Shares, the Initial Consideration Shares and the Placing Shares will commence on 30 August 2005.

The Existing Ordinary Shares are in registered form and are capable of settlement through CREST and, accordingly, the Consideration Shares and the Placing Shares will also settle through CREST.

Dividend policy

The Board does not intend to pay a dividend for the current financial year to 30 November 2005, but intends to review its policy going forwards.

City Code

The acquisition of the Flights Group gives rise to certain considerations under the City Code. Brief details of the Panel, the City Code and the protections they afford to shareholders are described below.

The City Code has not and does not seek to have the force of law. It has, however, been acknowledged by the UK government and other UK regulatory authorities that those who seek to take advantage of the facilities of the securities market in the UK should conduct themselves in matters relating to takeovers in accordance with high business standards and so according to the City Code.

The City Code is issued and administered by the Panel. The City Code applies to all takeover and merger transactions, however effected, where the offering company is, *inter alia*, a listed or unlisted public company resident in the UK. Rotala is such a company and its shareholders are entitled to the protection afforded by the City Code.

Under Rule 9 of the City Code when (i) a person acquires shares which, when taken together with shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights of a company subject to the City Code or (ii) any person who, together with persons acting in concert with him,

holds not less than 30 per cent. but not more than 50 per cent. of the voting rights of a company subject to the City Code, and such person, or any person acting in concert with him, acquires additional shares which increases his percentage of the voting rights, then, in either case, that person, together with the persons acting in concert with him, is normally required to make a general offer in cash, at the highest price paid by him or any person acting in concert with him for shares in the relevant company within the preceding 12 months, for all the remaining equity share capital of the company.

Following Completion, the Vendor will hold 46,666,667 Initial Consideration Shares and the right to receive up to 13,333,333 further Consideration Shares dependent upon the achievement of a profit related target. The Proposed Director, who is a member of the Vendor Concert Party, will not directly hold any (although he will be beneficially interested in) Ordinary Shares but will be granted options to subscribe for 3,700,000 Ordinary Shares under the Share Option Scheme. The Vendor Concert Party will therefore hold, or have the right to hold or acquire, in aggregate, 63,700,000 Ordinary Shares. These holdings by the Vendor Concert Party represent the following percentages as shown in the table below:

	<i>Number of Ordinary Shares</i>	<i>Maximum Percentage of Ordinary Shares in issue at Completion¹</i>	<i>Maximum Percentage of Ordinary Shares in issue at Completion²</i>
<i>Vendor Concert Party holdings</i>			
<i>Vendor</i>			
Initial Consideration Shares	46,666,667	27.14%	30.37%
Deferred Consideration Shares	13,333,333		
Initial Consideration Shares and deferred Consideration Shares ³	60,000,000	32.38%	35.93%
<i>Proposed Director</i>			
Options granted ⁴	3,700,000	2.11% ⁵	2.35% ⁵
<i>Total Vendor Concert Party holdings</i>			
Initial Consideration Shares, deferred Consideration Shares ³ and exercise of Proposed Director's Options	63,700,000	33.70% ⁵	37.32% ⁵

1 Assuming the Placing becomes unconditional

2 Assuming no Placing Shares are issued

3 Assuming deferred Consideration Shares could be issued on Completion and are so issued

4 Assuming no deferred Consideration Shares are issued

5 Assuming no option holders other than the Proposed Director have exercised their options

The Panel has agreed to waive any obligation of the Vendor Concert Party which would otherwise arise as a result of the issue of the Consideration Shares and the exercise of the options over 3,700,000 Ordinary Shares by the Proposed Director, to make, pursuant to Rule 9, a general offer for the Company, subject to Resolution 2 (as set out in the notice of EGM) being passed on a poll of Independent Shareholders. To be passed, this Resolution will require a simple majority of votes cast by Independent Shareholders.

Following Completion of the Acquisitions and assuming the deferred consideration is paid and awarded options are exercised (whether or not the Placing completes) the Vendor Concert Party will own or control more than 30 per cent. but less than 50 per cent. and therefore any increase in that shareholding will be subject to the provisions of Rule 9 of the City Code.

Further information on the Vendor is contained in Part III and information on the Proposed Director is set out on page 8 of this document.

Current trading and prospects

The Company has not engaged in any commercial operations since the date of the accountant's report on the Company to 31 March 2005 set out in Part V of this document and there has been no material change in its financial position since that date other than the making by it of loans of £450,000 to the Flights Group prior to Completion as described in paragraph 12 in Part VIII of this document.

Following Admission, the operating business of the Company will comprise that of Flights Hallmark, Flights Corporate Transfers and FH Transport. There is no intention of the Company to materially change the operations of the Flights Group. In addition, the Company will continue to assess further suitable acquisition opportunities.

The current trading and prospects of the Flights Group are discussed under “Financial and trading results” and “Prospects and trends” in Part II of this document.

Share Option Scheme and details of the grants and proposed grants of options

The Share Option Scheme is designed to align the interests of participants in the scheme with Shareholders, as well as encouraging share ownership of those involved in the management and operation of the Company and facilitating the recruitment of personnel.

The aggregate number of Ordinary Shares over which options will be granted on the day of Admission is 20,700,000 (including options over 6,000,000 Ordinary Shares granted to the Directors on 29 March 2005). These include the grant of options over 3,700,000 Ordinary Shares to the Proposed Director conditionally upon Admission.

The percentage of the Enlarged Share Capital that the Ordinary Shares under option would represent on exercise is approximately 12 per cent. assuming the Placing is completed and approximately 13.5 per cent. assuming the Placing is not completed. As this exceeds the 10 per cent. limit in the Share Option Scheme rules, it is proposed that subject to the approval of Shareholders, such limit be increased to accommodate the grant of these options. In the event that such resolution is not approved, the proposed grants may be subject to scaling back.

Further details of the grants made under the Share Option Scheme are set out in paragraph 8 of Part VIII of this document. A summary of the principal terms of the Share Option Scheme is set out in paragraph 8 of Part VIII of this document.

Extraordinary General Meeting

You will find at the end of this document a notice convening an Extraordinary General Meeting to be held at the offices of Norton Rose, Kempson House, Camomile Street, London EC3A 7AN at 11.00a.m. on 26 August 2005, at which the following resolutions will be proposed:

1. an ordinary resolution to approve the Acquisitions;
2. an ordinary resolution to approve the waiver of the obligation by the Vendor Concert Party to make a general offer under Rule 9 of the City Code. As described above this resolution will be held on a poll of Independent Shareholders; and
3. an ordinary resolution to approve the upwards adjustment to the limit on the issue of new Ordinary Shares under the Share Option Scheme as referred to above.

The Consideration Shares and the Placing Shares will be issued pursuant to the authorities granted to the Directors on 22 February 2005.

Following Completion, assuming the Placing is completed, the Company will have authorised but unissued Ordinary Share Capital comprising 328,025,640 Ordinary Shares. The 328,025,640 unissued Ordinary Shares will represent approximately 190.7 per cent. of the Enlarged Share Capital.

Action to be taken

Shareholders will find enclosed with this document a form of proxy for use at the Extraordinary General Meeting. **Whether or not you intend to be present at the meeting, you are requested to complete, sign and return your forms of proxy to the Company’s registrars, Capita Registrars, as soon as possible but, in any event, so as to arrive no later than 48 hours prior to the meeting.** The completion and return of a form of proxy will not preclude you from attending the meeting and voting in person should you wish to do so.

Taxation

Your attention is drawn to paragraph 14 of Part VIII of this document, which provides a summary of UK taxation in respect of the holders of Ordinary Shares.

Further information

Your attention is drawn to the further information set out in Parts II to VIII of this document. Shareholders are advised to read the whole of this document and not rely solely on the summary information presented in Part I.

Recommendation

Nicholas Kennedy, a Director, has a longstanding personal relationship with the Proposed Director, a member of the Vendor Concert Party. The Panel considers Nicholas Kennedy not to be independent by

virtue of this relationship which is also summarised in paragraph 5s. of Part VIII of this document. He has therefore not participated in giving the recommendation and will not vote on the Resolutions at the EGM.

The Independent Directors, having been so advised by Panmure Gordon, believe the Proposals and the waiver of the obligation that would otherwise arise under Rule 9 of the City Code are fair and reasonable and in the best interests of the Company and Shareholders as a whole. In providing such advice to the Company, Panmure Gordon has taken into consideration the Directors' commercial assessment of the Proposals.

Accordingly, your Directors (other than Nicholas Kennedy) unanimously recommend Shareholders to vote in favour of the Resolutions, as they have undertaken to do in respect of their beneficial shareholdings amounting to 6,887,000 Ordinary Shares (representing 6.44 per cent. of the Existing Ordinary Share capital).

In addition, irrevocable undertakings to vote in favour of the Resolutions have been received from various shareholders in respect of their beneficial shareholdings amounting to 6,060,000 Ordinary Shares (representing 5.66 per cent. of the Existing Ordinary Share capital).

Yours faithfully

John Gunn

Non-executive Chairman

PART II

FURTHER INFORMATION ON THE FLIGHTS GROUP

Introduction

As part of a detailed review of the transport sector, the Board identified the businesses of the Flights Group as fitting the Company's investment criteria as set out in the March 2005 Document. The Board believes that the activities of the Flights Group represent an excellent base from which to develop further the Rotala business in the transportation management industry.

Background to, and history of, the Flights Group

Flights Hallmark (formerly Dunn-Line (Flights) Limited) is a coach and bus operator. Significant current operations include a coach service known as "Flightlink", which utilises National Express branded coaches under a contract with National Express, the operation of various shuttle bus services, for example at Heathrow, Gatwick and the National Exhibition Centre, Birmingham and a substantial private coach hire business.

The business of Flights Hallmark was created at the end of 2004 by the amalgamation of two well established coach businesses operating under the Flights and Hallmark names respectively. These businesses had been acquired by Stuart Lawrenson, the Proposed Director, earlier that year — Flights, through the purchase of the share capital of Dunn-Line (Flights) Limited and Hallmark under a business and assets purchase.

Flights Hallmark's business is based principally at Long Acre, Birmingham where the company has a large coach and bus depot. Further details of the geographical location of its businesses are set out under "Business Locations" below.

Flights Corporate Transfers operates chauffeur driven cars, particularly relating to transport to and from UK airports. This company was acquired by Stuart Lawrenson in 2004. In May 2005, Flights Corporate Transfers purchased the business and assets of a Birmingham based chauffeur driven car operator, 5 Star Executive Travel (Birmingham) Ltd. Flights Corporate Transfers operates from Flights Hallmark's Birmingham premises.

The third company which is the subject of the Acquisitions, FH Transport, does not currently have an operating business but is a party to certain contracts with customers relating to the businesses operated by other Flights Group members.

Each member of the Flights Group was transferred by Stuart Lawrenson to the Vendor (which is wholly owned by Stuart Lawrenson) prior to execution of the Share Purchase Agreements.

All of the businesses in the Flights Group are managed by a single management team.

Description of the Flights Group businesses

Flights Hallmark

As stated above, Flights Hallmark is a coach and bus operator.

Revenues with Flights Hallmark's largest customers are largely contracted. In the year ended 30 November 2004, approximately 80 per cent. of Flights Hallmark's gross revenues were derived from 10 customer relationships. These include the Flightlink service which operates using National Express branded coaches under a contract with National Express (which is also described in paragraph 13a. of Part VIII of this document). The Flightlink service provides a route from Wolverhampton, Birmingham and Coventry to Heathrow and Gatwick.

Flights Hallmark also operates buses under a contract at the National Exhibition Centre, Birmingham ("NEC"), using between 10 and 30 dedicated buses to shuttle visitors around the site (which contract is also described in paragraph 13b. of Part VIII of this document).

Other significant contracted services include the operation of a local bus service in Birmingham for Centro (West Midlands Passenger Transport Executive) and a commuter shuttle service for National Grid Transco.

Through the operation of the Hallmark brand, Flights Hallmark provides coach services to a number of football clubs. Of particular note is its contract with Aston Villa FC as national ground transport partner. Further, Flights Hallmark operates up to 14 shuttle buses at Heathrow.

Flights Corporate Transfers

Flights Corporate Transfers operates a chauffeur driven car business. The business is less mature and is, to date, significantly smaller than the well established businesses of Flights Hallmark.

Flights Corporate Transfers' principal source of revenue currently derives from a contract with Emirates Airlines to provide chauffeur driven cars for Emirates passengers to Birmingham Airport. This contract is further described in paragraph 13e. of Part VIII.

Other customers of Flights Corporate Transfers include Aviance UK (a subsidiary of the Go-Ahead Group) to which Flights Corporate Transfers provides a passenger recovery service, Wooton Organic Wholesale and BSkyB to transport its football commentators. It also provides chauffeur driven cars for staff and crew of British Airways ("BA") to transport them between airports and training courses.

Website and potential developments

Flights Hallmark operates a website at www.flightshallmark.com which provides customers with coach information and contact details including an email booking address. BA premium customers at Gatwick and Heathrow are also able to book their complimentary chauffeur driven cars online.

The Flights Group management is considering a plan to install a vehicle tracking system (GPRS tracking) in its cars and coaches. The management consider that this would provide a number of advantages, particularly for cars since it can be used as a selling point for airlines which often make last minute requests for pick-ups. This should enable the Flights Group to locate the closest vehicle to make the journey.

The Directors and Proposed Director also understand that management of the Flights Group anticipates that the system would link into the Flights Group's coach manager system (the system used to make all bookings) and that airlines will be able to log on and book cars themselves. The system would also provide management with a tool to show customers that the Flights Group is meeting its agreed service levels and targets. Further, the system should also enable the management to monitor drivers and has the potential to improve operational efficiency.

Business locations

The main depot for both the coach and the car businesses of the Flights Group is The Coach Station on Long Acre in Birmingham. The group's headquarters and finance department are also located at this site, which is occupied under a lease.

Flights Hallmark also has a business presence at Heathrow, Gatwick, Birmingham, Luton and Manchester airports and the Birmingham NEC, which enables it to carry out airport transfers as well as providing a base in each city.

Flights Hallmark also has a nationwide support network of independent coach operators designed to enable it to provide customers with a service regardless of where they are in the UK.

Flights Corporate Transfers is based at the Flights Group's main premises on Long Acre in Birmingham. It also has a presence at Heathrow.

Regulatory environment for the Flights Group

The bus and coach industry is extensively regulated. All bus and coach operations are regulated by the Traffic Commissioners, which are supported by the Vehicle & Operator Services Agency ("VOSA"), under the powers conferred to their office by the Public Passenger Vehicles Act 1981. Traffic Commissioners grant operating licences to operators of public service vehicles and as such control, *inter alia*, the quality of services and safety standards. Operators must register with the Traffic Commissioners responsible for the relevant area giving at least 56 days' notice of their intention to operate a new service. VOSA assists the Traffic Commissioners by enforcing regulations and licensing requirements and by investigating alleged breaches.

The number of vehicles an operator may operate under its licence at any one time is limited to the number specified in the licence granted to the company by the Traffic Commissioners. As at the date of this document, the Flights Group's operator licences specify that it has authority to obtain 172 vehicle operating discs compared to the Flights Group's vehicle fleet of 134.

The industry is subject to legislation governing the hours that the drivers of its vehicles are permitted to drive. Vehicle maintenance and drivers' hours regulation enforcement falls under VOSA. It is the responsibility of the operator to ensure that vehicles are maintained and that drivers work in accordance with VOSA guidelines.

In order to operate private hire vehicles, it is necessary to obtain a licence issued by the Public Carriage Office in London and relevant local authorities.

Summaries of the principal licences necessary for the operation of the Flights Group businesses are set out in paragraph 17 of Part VIII.

The Market and Competition

Following a period of deregulation, privatisation and consolidation in the 1980s and 1990s the UK bus and coach industry has been relatively stable since 2002, with a few operators controlling the majority of the market. Stagecoach, FirstGroup and Arriva dominate the bus market while National Express has the UK's largest coach network. There is, however, still evidence of a large number of small operators and the Directors and Proposed Director believe that there is scope for consolidation. The Directors and Proposed Director consider that the Flights Group's major competition comes from small operators which do not have to sustain a large cost base. Competition for major contracts for which the Flights Group tenders comes from National Express, Dunn-Line plc and Tellings Golden Miller Group Plc.

Flights Hallmark is currently a significant operator in the provision of coaches to football clubs. Competition in this area is from Ellisons Coaches, which operates coaches for football teams.

The chauffeur driven car market is fragmented and relatively diverse.

Financial and trading results

The UK bus and coach business has generally recovered since depressed trading in 2001 following the foot and mouth epidemic and the impact of the New York bombing on 11 September 2001.

Flights Hallmark

In the financial year ended 30 November 2004, Flights Hallmark had operating profits of £118,293 on a turnover of £4,777,180.

During the year to 30 November 2004 much was done to re-focus Flights Hallmark's operations on contracted work and reduce its involvement in spot hire business. The management of the company took the view that a large spot hire business involved higher business risk than it was prepared to countenance. This was a conscious strategy pursued by Flights Hallmark and its effect was that revenues were deliberately forgone in order to comply with that strategy. Towards the end of the year, the company was acquired by Stuart Lawrenson. It was decided by the new board at that point to undertake the sale and leaseback of a number of vehicles which resulted in the exceptional loss on disposal described in note 6 to the accounts set out in the Accountant's Report in Part VI. Operating profits before this exceptional item were as set out above.

Further details of the audited results for Flights Hallmark for the year ended 30 November 2004 are set out in Part VI of this document.

Flights Corporate Transfers

In the financial year ended 30 November 2004, Flights Corporate Transfers had an operating loss of £165,198 on a turnover of £428,194.

During the year ended 30 November 2004 considerable forward-looking investment in employees, cars and systems was made in the Flights Group's operations which did not lead to any marked increase in the Flights Group's revenues in the short term. Hence a loss for the year, as set out above, was sustained.

Further details of the audited results for Flights Corporate Transfers for the year ended 30 November 2004 are set out in Part VI of this document.

Prospects and trends

Since the amalgamation of the Flights and Hallmark businesses in late 2004, much progress has been made in respect of their integration and the achievement of economies. The vehicle fleet has been rationalised in order to focus the Flights Group's principal maintenance base onto one site. Flights Hallmark's fleet now consists of 56 coaches and 78 buses. At the same time, duplications in administrative and support personnel have been eliminated. This has strengthened Flights Hallmark's operational capability and improved its margins. Consequently, the Company has been successful in winning new contracts from, for example, BA and GlaxoSmithKline. The Directors and Proposed Director consider that these contracts should enable it to increase revenue and add to the company's established reputation under the Flights and Hallmark brands

and that these developments should also enable Flights Hallmark to widen the areas of the country in which it operates and further expand its business.

The processes referred to above have, in the opinion of the Directors and Proposed Director, positioned the Flights Group well for its future development. The Flights Group now has a fleet of some 60 executive-type cars. Significant new contracts have been won, for example with BA, and others, such as with Emirates, increased in scope. In addition, in May 2005 Flights Corporate Transfers acquired the business and assets of 5 Star Executive Travel (Birmingham) Ltd. for a total consideration of £200,000. This acquisition should in a full year bring new revenues to the Flights Group. Furthermore, the acquisition made an excellent fit with Flights Corporate Transfers' existing work profile and necessitated only a small increase in drivers and vehicles to service the extra business acquired. Given the Flights Group's existing infrastructure capability, no increase in the overhead base was needed. The Directors and Proposed Director consider that these developments, taken together, should boost the group's revenues in the full year.

PART III

INFORMATION ON THE VENDOR

The information on the Vendor contained in this Part III is required to be disclosed pursuant to the Whitewash Guidance Note Appendix to the City Code on Takeovers and Mergers and does not relate to the Company's application for Admission of its ordinary share capital to trading on AIM and should not be taken into account in connection with a decision to subscribe for the Placing Shares in the Placing.

1. Introduction

The parent company of each member of the Flights Group is the Vendor, a company incorporated in England and Wales.

2. The Vendor's principal activities

The Vendor is a newly incorporated company which does not carry out any trade. It is a holding company which has three subsidiaries, Flights Hallmark, Flights Corporate Transfers and FH Transport.

3. Financial information on the Vendor

The Vendor was incorporated on 7 June 2005 and therefore, no financial information is available. Other than the transfer of shares in Flights Hallmark and Flights Corporate Transfers dated 4 August 2005 and the transfer of shares in FH Transport dated 28 July 2005 from Stuart Lawrenson, it has not undertaken any activities.

4. Directors and other information

4.1 The sole director and shareholder of the Vendor is Stuart John Lawrenson.

4.2 The business address of the director of the Vendor is 55 Gower Street, London WC1E 6HQ.

4.3 Save for the stock transfer forms dated 4 August 2005 and 28 July 2005 as described above in paragraph 3 in relation to the transfer of the issued share capitals of each of Flights Hallmark, Flights Corporate Transfers and FH Transport from the Proposed Director to the Vendor and the Share Purchase Agreements set out in paragraphs 12.1a, b and c of Part VIII of this document, the Vendor has not entered into any contracts (not being contracts entered into in the ordinary course of business) since incorporation which are or may be material.

4.4 The Vendor has not entered into any agreement, arrangement or understanding whereby the beneficial ownership of any of the Consideration Shares will be transferred to another person.

4.5 The Vendor Concert Party has not entered into any agreement, arrangement or understanding (including any compensation agreement) with any of the Directors, Shareholders or recent Shareholders having any connection with or dependence upon the Acquisitions.

PART IV

RISK FACTORS

The Board believes that an investment in Ordinary Shares may be subject to a number of risks. Investors and prospective investors should consider carefully all of the information set out in this document and the risks attaching to an investment in the Company, including, in particular, the risks described below, before making any investment decision. The information below does not purport to be an exhaustive list. Investors and prospective investors should consider carefully whether investment in Ordinary Shares is suitable for them in light of the information in this document and their personal circumstances.

The Company generally

- The Directors and Proposed Director have additional business interests, including involvement as directors or senior employees of, or substantial shareholders in, other operating businesses or other quoted companies established to grow through acquisition of businesses or interests in businesses. The Directors and Proposed Director do not consider that their respective other business interests currently present any conflict of interest. The Board has put in place procedures to ensure, so far as is practicable, that in the event of any conflict of interest arising, it will be resolved fairly in the interests of the Company and to ensure that the Company can, at all times, operate independently.
- The Shareholders include individuals who have ongoing business relationships with certain of the Directors and with whom the Directors may co-invest in other projects from time to time.
- The Company may incur costs in conducting due diligence into further potential acquisition opportunities that may not result in an acquisition being made.
- The Company may require additional funding to achieve its long term goals. The Company may have to issue further equity in the event of further acquisitions which may be dilutive to existing Shareholders.

The business of the Enlarged Group

- Part of the business of the Flights Group was dependent upon certain functions being carried on by, and on certain contractual and other relationships with, CPS. Such functions, and the manner in which they have been conducted, were not always formally documented. A process of separation has been initiated and as at the date of this document the Flights Group is dependent on CPS only in relation to its occupation of sites at Heathrow, Gatwick and Addlestone. Negotiations are currently underway regarding assignment and/or sub-letting of the leases of these sites. As a consequence of such previous inter-relationship and the subsequent disentanglement process which is continuing, certain logistical and other issues may arise which may, *inter alia*, absorb management time and involve costs and expenses being incurred by the Company.
- Stuart Lawrenson, the Proposed Director, has notified CPS of his resignation as a senior executive of it with responsibility for the operation of CPS' business in the United Kingdom and as a director of certain CPS subsidiary companies. It is expected that such resignation will take effect in the near future. Mr Lawrenson is in discussions with CPS as to whether he might assume a more limited role with CPS. Whilst the Directors consider that there is no commercial overlap between the businesses of CPS and the Enlarged Group (as currently conducted) they propose to put in place certain systems to fairly resolve any conflict of interest which may arise out of Mr Lawrenson's roles with CPS (if any) and the Enlarged Group and also as a result of his position as the beneficial owner of a significant minority shareholding of the Company.
- The Enlarged Group will be dependent on certain key personnel, the loss of whose services may delay or prevent the achievement of business objectives. The ability to retain and attract qualified individuals is critical to the Enlarged Group's success. There can be no assurance that the Enlarged Group will be able to attract and retain such individuals currently or in the future on acceptable terms, if at all, and the failure to do so would have a material adverse effect on the Enlarged Group's business, financial condition and results of operations.
- The process of locating, training and integrating successfully such personnel into the Enlarged Group's operations may be lengthy and expensive. The Enlarged Group's ability to expand is dependent on its ability to hire additional suitable employees, in particular suitably qualified drivers to operate its vehicles, and also appropriately qualified engineers. The Enlarged Group's growth may place strain on

its administrative, operational and financial resources and increase demands on its systems and controls.

- The business of the Enlarged Group is dependent upon the obtaining and retention of applicable vehicle operator's licences and the associated compliance with certain statutory requirements. In relation to public vehicles, the Traffic Commissioners, the statutory licensing body which issues the vehicle operator's licences, also specify the number of public service vehicles the Enlarged Group is able to operate under its licences. In order to operate private hire vehicles, the Enlarged Group is dependent upon licences issued by the Public Carriage Office in London and the local authorities with responsibility for those areas outside of London in which the Enlarged Group operates. If the operator's licences are, for any reason, revoked, the Enlarged Group's operations would have to cease. In addition, if the Enlarged Group is not able to secure authorisation to operate additional vehicles under its licenses, the Enlarged Group would not be able to expand its fleet or could, if existing licence discs were lost, be required to reduce the size of the operating fleet. Further details of the regulatory environment in which the Enlarged Group operates are set out in paragraph 17 of Part VIII of this document.
- Changes in the regulatory environment in which the Enlarged Group operates may have a material adverse impact upon its business and prospects.
- The Enlarged Group operates in a competitive environment. There is no guarantee that the Enlarged Group will continue to be able to expand its operations or to continue to enjoy the benefits of its major contracts.
- The Enlarged Group operates, *inter alia*, contracts for tendered services for local authorities based on a minimum subsidy being paid by the local authority to the Enlarged Group and based on the Board's assessment of the revenue potential and cost of providing the service. The financial position of the Enlarged Group will depend to a significant extent on a correct assessment of these variables.
- The financial position of the Enlarged Group could be affected to a significant extent by further increases in fuel prices. Any significant further increase in the cost of fuel would, where possible, be passed onto the Enlarged Group's customers. To the extent that this is not possible, the financial position of the Enlarged Group would be adversely affected.
- The Company has not carried out an independent environmental survey on any of the premises from which the Enlarged Group operates as part of the process relating to the Acquisitions. Whilst the Directors are not aware of any significant breach of any environmental legislation by the Flights Group, the Flights Group is operating from premises which have been used as coach and bus depots and for engineering works and breaches of environmental legislation may have occurred historically. If any significant liability did arise in connection with breaches of any environmental legislation, this could have a material adverse effect on the business of the Enlarged Group.
- The Enlarged Group is required to maintain appropriate insurance. Any significant increase in insurance premiums could adversely affect the financial position of the Enlarged Group.
- There can be no assurances that the Enlarged Group's businesses will not be affected by work stoppages and other forms of industrial action in the future.
- Any business, but particularly one involved in the transportation sector, is exposed to risks arising from acts of terrorism or other politically or ideologically inspired acts of violence or disruption. Any significant such acts could materially adversely affect the day to day operations of the business of the Enlarged Group as well as causing longer term damage to business sentiment in the transportation sector and having adverse macro economic effects generally.

The Company's Ordinary Shares

- AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk than that associated with larger or more established companies tends to be attached. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks in investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with his or her own independent financial adviser. The London Stock Exchange has not itself examined or approved the contents of this document.
- No guarantee can be given on either the liquidity in the market for the Ordinary Shares, in particular given the lock-in arrangements described in Part I of this document, or on the future success of AIM.

PART V

SECTION A: ACCOUNTANT'S REPORT ON ROTALA



BDO Stoy Hayward
Chartered Accountants

BDO Stoy Hayward LLP
8 Baker Street
London W1U 3LL

The Directors
Rotala plc
46 Cannon Street
London
EC4N 6JJ

The Directors
Panmure Gordon (Broking) Limited
Moorgate Hall
155 Moorgate
London
EC2M 6XB

9 August 2005

Dear Sirs

Rotala plc (“Rotala” or the “Company”)

Introduction

We report on the financial information set out in section B of this Part V. This financial information has been prepared for inclusion in the admission document dated 9 August 2005 of Rotala plc (the “Admission Document”), on the basis of the accounting policies set out in section B of this Part V. This report is required by paragraph 20.1 of the Prospectus Rules and is given for the purpose of complying with that paragraph and for no other purpose.

The Company was incorporated as Rotala plc on 21 January 2005.

Responsibilities

As described in paragraph 1 to the financial information, the directors of Rotala plc and the Proposed Director are responsible for preparing the financial information on the basis of preparation set out in paragraph 2 and in accordance with generally accepted accounting principles in the United Kingdom (“UK GAAP”).

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 Statements of Investment Circular Reporting Standards 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 dated 9 August 2005, a true and fair view of the state of affairs of Rotala plc as at the dates stated and of its results, cash flow and recognised gains and losses for the years then ended in accordance with the basis of preparation set out in Section B, paragraph 2 and has been prepared in accordance with UK GAAP.

Declaration

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

Yours faithfully

BDO Stoy Hayward LLP
Chartered Accountants

SECTION B: FINANCIAL INFORMATION ON ROTALA

1. Responsibility

The Directors of Rotala and the Proposed Director are responsible for the financial information set out below.

2. Accounting policies

The financial information has been prepared under the historical cost convention and in accordance with applicable accounting standards. The following principal accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial information:

Deferred tax

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the group anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. Deferred tax balances are not discounted.

Share based employee remuneration

When shares and share options are awarded to employees a charge is made to the profit and loss account based on the difference between the market value of the company's shares at the date of grant and the option exercise price in accordance with UITF17 (Revised 2004) 'Employee Share Schemes'.

Liquid resources

For the purpose of the cash flow statement, liquid resources are defined as current asset investments and short term deposits.

Profit and loss account

	<i>Notes</i>	<i>Period ended 31 March 2005</i>
		<i>£</i>
Net operating expenses and operating loss		(18,201)
Interest receivable		163
Loss on ordinary activities before taxation		(18,038)
Tax on loss from ordinary activities		—
Loss on ordinary activities after taxation		(18,038)
Dividends (including non-equity)		—
Retained loss	6	(18,038)
Loss per share	3	
Basic and diluted		(0.14p)

All amounts relate to continuing activities.

All recognised gains and losses in the current period are included in the profit and loss account.

Balance sheet

	<i>Notes</i>	<i>As at 31 March 2005</i>
		<i>£</i>
Current assets		
Cash at bank		3,398,526
Creditors: amounts falling due within one year	4	(113,693)
Net current assets and net assets		3,284,833
Capital and reserves		
Called up share capital	5	1,070,000
Share premium account	6	2,232,871
Profit and loss account	6	(18,038)
Total shareholders' funds and capital employed	7	3,284,833

Cash flow statement

	<i>Notes</i>	<i>Period ended 31 March 2005</i>	<i>Period ended 31 March 2005</i>
		<i>£</i>	<i>£</i>
Net cash inflow from operating activities	8		28,627
Returns on investments and servicing of finance			163
Interest received			163
Cash inflow before use of liquid resources and financing			28,790
Cash outflow from management of liquid resources			(3,398,526)
Increase in short term deposits			(3,398,526)
Financing			
Issue of ordinary share capital		3,470,000	
Issue costs		(167,129)	
Cash inflow from financing			3,302,871
Decrease in cash for the period	9		(66,865)

Notes to the financial information

1. Employees

Staff costs for all employees, including executive directors, consist of:

	<i>Period ended 31 March 2005 £</i>
Wages and salaries	6,317
Social security costs	508
	<hr/> <u>6,825</u> <hr/>

The average number of employees (including executive directors) for the period was 3.

2. Directors' emoluments

	<i>Period ended 31 March 2005 £</i>
J H Gunn (Chairman)	2,352
N P Kennedy	1,613
K M Taylor	2,352
	<hr/> <u>6,317</u> <hr/>

The amount payable in respect of J H Gunn is due to a third party for the availability of the services of Mr Gunn.

Each director holds share options granted to him on 29 March 2005 as explained in note 5 below.

3. Loss per share

The basic and diluted loss per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period.

The options outstanding at the period end were not dilutive.

The weighted average number of ordinary shares in issue during the period was 13,071,557 and the loss, being the loss after tax is £18,038.

4. Creditors

Amounts falling due within one year

	<i>As at 31 March 2005 £</i>
Bank overdraft	66,865
Other creditors	39,592
Accruals	7,236
	<hr/> <u>113,693</u> <hr/>

5. *Share capital*

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	<i>31 March 2005</i>	<i>31 March 2005</i>	<i>31 March 2005</i>	<i>31 March 2005</i>
	<i>Number</i>	<i>£</i>	<i>Number</i>	<i>£</i>
Equity share capital				
Ordinary shares of 1p each	500,000,000	5,000,000	107,000,000	1,070,000

On incorporation the authorised share capital of the Company was £50,000, divided into 50,000 ordinary shares of £1 each, of which two shares were issued as subscriber shares.

On 22 February 2005 the authorised share capital of the Company of £50,000 was sub-divided into 5,000,000 ordinary shares of 1p each, and the authorised share capital was increased to £5,000,000 by the creation of an additional 495,000,000 ordinary shares of 1p each.

26,999,800 ordinary shares of 1p each were issued at par value and fully paid in cash on 7 March 2005.

80,000,000 ordinary shares of 1p each were issued at 4p each and fully paid in cash on 29 March 2005.

The directors hold options to subscribe for shares in the Company at 5p per share under the Share Option Scheme. The options were granted on 29 March 2005 and may be exercised between three and 10 years after the date of grant. Six million options are currently outstanding, two million in respect of each director.

6. *Reserves*

	<i>Profit and loss account</i>	<i>Share premium account</i>
	<i>£</i>	<i>£</i>
Loss for the period	(18,038)	—
Premium on shares issued	—	2,400,000
Expenses of share issues	—	(167,129)
As at 31 March 2005	(18,038)	2,232,871

7. *Reconciliation of movements in shareholders' funds*

	<i>£</i>
Issue of shares	3,470,000
Expenses of share issue	(167,129)
Loss for the period	(18,038)
As at 31 March 2005	3,284,833

8. *Reconciliation of operating loss to net cash inflow from operating activities*

	<i>Period ended 31 March 2005</i>
	<i>£</i>
Operating loss	(18,201)
Increase in creditors	46,828
Net cash inflow from operating activities	28,627

9. *Reconciliation of net cash inflow to movement in net funds*

	<i>Period ended 31 March 2005 £</i>
Decrease in cash in the period	(66,865)
Cash outflow from increase in liquid resources	3,398,526
Net funds at the end of the period	<u>3,331,661</u>

10. *Capital commitments*

As at 31 March 2005 the Company had no capital commitments.

11. *Commitments under operating leases*

As at 31 March 2005 the Company had no commitments under non cancellable operating leases.

12. *Post balance sheet events*

Subsequent to the period end the Company made the following loans to Flights Corporate Transfers Limited:

— £330,000 for short term working capital purposes; and

— £120,000 to finance an acquisition.

PART VI

ACCOUNTANT'S REPORTS ON FLIGHTS HALLMARK LIMITED, FLIGHTS CORPORATE TRANSFERS LIMITED AND FH TRANSPORT LIMITED

SECTION A: ACCOUNTANT'S REPORT ON FLIGHTS HALLMARK LIMITED



BDO Stoy Hayward
Chartered Accountants

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8 Baker Street
London W1U 3LL

The Directors
Rotala plc
46 Cannon Street
London
EC4N 6JJ

The Directors
Panmure Gordon (Broking) Limited
Moorgate Hall
155 Moorgate
London
EC2M 6XB

9 August 2005

Dear Sirs

Flights Hallmark Limited (“Flights” or the “Company”)

Introduction

We report on the financial information set out below in section B of this Part VI. This financial information has been prepared for inclusion in the admission document dated 9 August 2005 of Rotala plc (the “Admission Document”), on the basis of the accounting policies set out in section B of this Part VI. This report is required by paragraph 20.1 of the Prospectus Rules and is given for the purpose of complying with that paragraph and for no other purpose.

The Company was incorporated as Streaming Success Limited on 23 November 2001 and changed its name to Dunn-Line (Flights) Limited on 19 December 2001 and to Flights Hallmark Limited on 2 March 2005.

Responsibilities

As described in paragraph 1 to the financial information, the directors of Rotala plc and the Proposed Director are responsible for preparing the financial information on the basis of preparation set out in paragraph 2 to the financial information and in accordance with generally accepted accounting principles in the United Kingdom (“UK GAAP”).

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 Statements of Investment Circular Reporting Standards 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.

Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in paragraph 2 to the financial information concerning the uncertainty as to the adequacy of the Company's current overdraft facilities and the successful completion of the purchase of the Company. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

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 Flights as at the dates stated and of its results, cash flow and recognised gains and losses for the years then ended in accordance with the basis of preparation set out in Section B, paragraph 2 and has been prepared in accordance with UK GAAP.

Declaration

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

Yours faithfully

BDO Stoy Hayward LLP
Chartered Accountants

SECTION B: FINANCIAL INFORMATION ON FLIGHTS

1. Responsibility

The Directors of Rotala plc and the Proposed Director are responsible for the financial information set out below.

2. Accounting policies

The financial information has been prepared under the historical cost convention and in accordance with applicable accounting standards. The following principal accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial information:

Going Concern

The financial statements are prepared on a going concern basis which the Directors and the Proposed Director believe to be appropriate despite net liabilities of £88,493 for the following reasons. The Company meets its day to day working capital requirements through an overdraft facility which is currently guaranteed by a third party. In addition the Company is subject to a purchase offer from Rotala which has indicated it will provide sufficient funds to enable the Company to continue its operation for the foreseeable future. However there can be no certainty in either of these matters. The financial statements do not include any adjustments that would result from the current overdraft facilities being insufficient and if the acquisition does not take place.

Goodwill

Goodwill arising on an acquisition of a trade is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Positive goodwill is capitalised and amortised through the profit and loss account over the directors' estimate of its useful economic life of 20 years. Impairment tests on the carrying value of goodwill are undertaken.

- at the end of the first full financial year following acquisition;
- in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Turnover

Turnover represents sales to external customers at invoiced amount less value added tax.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, evenly over their expected useful lives. It is calculated at the following rates:

Plant & machinery	— Four years straight line
Fixtures and fittings	— Three years straight line
Public Service Vehicles (“PSVs”)	— Twelve years straight line less 20 per cent. residual value

At 1 December 2003 the depreciation policy for PSVs was revised. Depreciation in the current period is calculated to write off the carrying value of assets to reflect an estimated useful life of twelve years and an estimated residual value of 20 per cent. of the original new cost of the vehicle. In the comparative period PSVs were depreciated on a reducing balance basis at between 10 per cent. and 15 per cent. The impact of this on the depreciation charge for the period is a reduction of approximately £50,000.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the

Company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Profit and loss accounts

		<i>Year ended</i> <i>30 November</i> <i>2004</i> £
	<i>Notes</i>	
Turnover		4,777,180
Cost of sales		<u>(4,060,822)</u>
Gross profit		716,358
Administrative expenses		<u>(616,903)</u>
		99,455
Other operating income		<u>18,838</u>
Operating profit	1	<u>118,293</u>
Loss on disposal of fixed assets	2	<u>(284,452)</u>
Loss on ordinary activities before interest		(166,159)
Interest payable and similar charges	5	<u>(121,073)</u>
Loss on ordinary activities before taxation		(287,232)
Tax on loss from ordinary activities	6	<u>62,221</u>
		(225,011)
Loss on ordinary activities after taxation		(225,011)
Retained profit brought forward		<u>136,517</u>
Accumulated loss carried forward	15	<u><u>(88,494)</u></u>

All amounts relate to continuing activities.

All recognised gains and losses in the year are included in the profit and loss account.

There are no movements in shareholders funds apart from the loss for the year.

Balance sheet

		<i>Year ended</i> <i>30 November</i> <i>2004</i> £
	<i>Notes</i>	
Fixed assets		
Tangible assets	8	<u>506,087</u>
Current assets		
Stock	9	62,115
Debtors	10	1,228,473
Cash at bank and in hand		<u>11,418</u>
		1,302,006
Creditors: amounts falling due within one year	11	<u>(1,706,598)</u>
Net current liabilities		<u>(404,592)</u>
Total assets less current liabilities		101,495
Creditors: amounts falling due after more than one year	12	(152,988)
Provisions for liabilities and charges	13	<u>(37,000)</u>
		<u>(189,988)</u>
		<u>(88,493)</u>
Capital and reserves		
Called up share capital	14	1
Profit and loss account (deficit)	15	<u>(88,494)</u>
Shareholders' funds (deficit)		<u><u>(88,493)</u></u>

Cash flow statement

	<i>Year ended</i>
	<i>30 November</i>
<i>Notes</i>	<i>2004</i>
	<i>£</i>
Net cash inflow from operating activities	18 855,340
Returns on investments and servicing of finance	
Interest paid: other	(25,072)
Interest paid: hire purchase	(96,001)
Net cash outflow from returns on investments and servicing of finance	(121,073)
Capital expenditure and financial investment	
Purchase of tangible fixed assets	(733,573)
Sale of tangible fixed assets	1,411,531
Net cash inflow from capital expenditure	677,958
Cash inflow before financing	1,412,225
Financing	
Loans repaid	(360,934)
Capital element of finance lease payments	(1,029,486)
Cash outflow from financing	(1,390,420)
Increase in cash for the year	19 <u><u>21,805</u></u>

Notes to the financial information

1. Operating profit

This is arrived at after charging:

	<i>Year ended 30 November 2004 £</i>
Depreciation	174,849
Goodwill written off	79,692
Hire of plant and machinery — operating leases	643,656
Hire of other assets — operating leases	66,447
Auditors' remuneration audit services	15,000

2. Exceptional items

A number of coaches were sold during the year and leased back under operating lease arrangements. The transaction resulted in a loss on disposal of £284,452.

3. Employees

The average number of employees during the year, including executive directors, was 101.

Staff costs for all employees, including executive directors, consist of:

	<i>Year ended 30 November 2004 £</i>
Wages and salaries	1,572,075
Social security costs	144,932
Pension costs	17,457
	<u>1,734,464</u>

4. Directors' remuneration

	<i>Year ended 30 November 2004 £</i>
Directors' remuneration	<u>37,835</u>

5. Interest payable and similar charges

	<i>Year ended 30 November 2004 £</i>
Interest on:	
Finance leases and hire purchase contracts	96,001
Bank and invoice discounting interest	25,072
	<u>121,073</u>

6. *Taxation on loss from ordinary activities*

	<i>Year ended 30 November 2004 £</i>
Transfer (from) deferred taxation account (note 13)	(62,221)

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	<i>Year ended 30 November 2004 £</i>
Loss on ordinary activities before tax	(287,232)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 30%	(86,170)
Effect of	
Expenses not deductible for tax purposes	319
Depreciation for period in excess of capital allowances	173,643
Utilisation of losses brought forward	(87,792)
Current tax charge for period	—

Factors that may affect future tax charges

Losses carried forward are £122,000.

7. *Intangible assets*

	<i>Purchased Goodwill £</i>
Cost	
As at 1 December 2003	99,871
Elimination of goodwill	(99,871)
At 30 November 2004	—
Amortisation	
As at 1 December 2003	20,179
Elimination of goodwill	(20,179)
At 30 November 2004	—
Net book value	
As at 30 November 2004	—
As at 30 November 2003	79,692

8. *Tangible assets*

	<i>Land and buildings</i> £	<i>Motor vehicles</i> £	<i>Fixtures and fittings</i> £	<i>Total</i> £
Cost				
As at 1 December 2003	31,024	2,024,345	17,605	2,072,974
Additions	—	718,079	15,494	733,573
Disposals	—	(2,235,000)	—	(2,235,000)
As at 30 November 2004	<u>31,024</u>	<u>507,424</u>	<u>33,099</u>	<u>571,547</u>
Depreciation				
As at 1 December 2003	12,509	408,496	8,623	429,628
Provided for the year	7,801	160,479	6,569	174,849
Disposals	—	(539,017)	—	(539,017)
As at 30 November 2004	<u>20,310</u>	<u>29,958</u>	<u>15,192</u>	<u>65,460</u>
Net book value				
As at 30 November 2004	<u>10,714</u>	<u>477,466</u>	<u>17,907</u>	<u>506,087</u>
As at 30 November 2003	<u>18,515</u>	<u>1,615,849</u>	<u>8,982</u>	<u>1,643,346</u>

The net book value of tangible assets for the Company includes an amount of £191,726 in respect of assets held under finance lease and hire purchase contracts.

9. *Stocks*

	<i>Year ended 30 November 2004</i> £
Raw materials and consumables	62,115
	<u>62,115</u>

10. *Debtors*

	<i>Year ended 30 November 2004</i> £
Trade debtors	664,404
Amounts due from related undertakings	219,169
Other debtors	149,062
Prepayments and accrued income	195,838
	<u>1,228,473</u>

All amounts fall due for payment within one year.

11. Creditors

Amounts falling due within one year

	<i>Year ended 30 November 2004</i>
	£
Trade creditors	374,126
Amounts owed to related undertakings	732,221
Tax and social security creditor	296,875
Obligations under finance leases and hire purchase contracts	38,248
Other creditors	18,433
Accruals and deferred income	246,695
	<u>1,706,598</u>

12. Creditors

Amounts falling due after more than one year

	<i>Year ended 30 November 2004</i>
	£
Obligations under finance leases and hire purchase contracts	152,988
	<u>152,988</u>

	<i>Year ended 30 November 2004</i>
	£
Maturity of debt:	
In one year or less, or on demand	38,248
In more than one year but not more than two years	38,247
In more than two years but not more than five years	114,741
	<u>152,988</u>

13. Provision for liabilities and charges

Deferred taxation

	<i>Year ended 30 November 2004</i>
	£
Accelerated capital allowances	60,000
Unutilised tax losses	(23,000)
	<u>37,000</u>

Deferred taxation movements are:

	<i>Year ended 30 November 2004</i>
	£
Opening balance	99,221
Utilised in year	(62,221)
Closing balance	<u>37,000</u>

14. *Share capital*

	<i>Year ended 30 November 2004 £</i>
Authorised	
4,000 ordinary shares of 25p each	1,000
Allotted, called up and fully paid	
4 ordinary shares of 25p	1

On 27 September 2004 each of the ordinary shares of £1 each, issued and unissued, were sub-divided into four ordinary shares of 25p each.

15. *Reserves*

	<i>Profit and loss account £</i>
At 1 December 2003	136,517
Loss for the year	(225,011)
As at 30 November 2004	(88,494)

16. *Commitments under operating leases*

The following are the annual commitments under non-cancellable operating leases:

	<i>Year ended 30 November 2004</i>	
	<i>Land and buildings £</i>	<i>Other £</i>
Operating leases which expire:		
Within one year	26,667	35,860
In two to five years	—	339,372
	<u>26,667</u>	<u>375,232</u>

17. *Related party transaction*

Controlling parties

The Company is controlled by Mr Stuart Lawrenson, a director and shareholder of the Company.

Related party transactions and balances

	<i>Sales to related party</i>	<i>Purchases from related party</i>	<i>Amounts owed by related party</i>	<i>Amounts owed to related party</i>
Related party				
Dunn Line (Holdings) Ltd	18,598	95,025	4,432	311,820
Flights Corporate Transfers Ltd	109,492	10,743	198,691	4,325
Central Parking System of UK Limited	18,365	226,448	15,776	416,076

Dunn Line (Holdings) Ltd is controlled by Mr R A Dunn, Mrs C Dunn, Mr A S Dunn and Mr S L Dunn.

Flights Corporate Transfers Ltd is beneficially owned by Mr S Lawrenson.

S Lawrenson and P Churchman are employees of Central Parking System of UK Limited.

Central Parking System of UK Limited has guaranteed the liabilities to a trade creditor and given a guarantee of £500,000 to secure bank borrowings.

Debtors include £121,062 representing amounts paid to Mr S Lawrenson being prepayments in respect of the acquisition of the business and assets of Hallmark Coaches on 1st December 2004.

In February 2005 the Company paid £75,000 to the former owner of the Company, R A Dunn, on behalf of Mr S Lawrenson.

18. *Reconciliation of operating loss to net cash flow from operating activities*

	<i>Year ended 30 November 2004 £</i>
Operating profit	118,293
Elimination of goodwill	79,692
Depreciation	174,849
Decrease in stocks	13,873
Increase in debtors	(604,108)
Increase in creditors	1,072,741
Net cash flow from operating activities	<u>855,340</u>

19. *Ultimate parent company and parent undertakings of larger group*

The Directors regard the ultimate control of the Company to be held by Mr S Lawrenson.

20. *Reconciliation of net cash flow to movement in net funds*

	<i>Year ended 30 November 2004 £</i>
Increase in cash in the year	21,805
Cash inflow from changes in debt	1,581,656
Movement in net debt in the year	<u>1,603,461</u>
Net debt at the beginning of the year	<u>(1,592,043)</u>
Net funds at the end of the year (note 21)	<u>11,418</u>

21. *Analysis of net funds*

	<i>At start of the year £</i>	<i>Cash flow £</i>	<i>At the end of the year £</i>
30 November 2004			
Cash in hand, at bank	2,559	8,859	11,418
Overdrafts	(12,946)	12,946	—
	<u>(10,387)</u>	21,805	<u>11,418</u>
Debt due within one year	(360,934)	360,934	—
Finance leases	(1,220,722)	1,220,722	—
	<u>(1,581,656)</u>	1,581,656	<u>—</u>
Total	<u>(1,592,043)</u>	<u>1,603,461</u>	<u>11,418</u>

22. *Post balance sheet events*

On 1 December 2004, the Company acquired the business and assets of Hallmark Coaches from Mr S Lawrenson. The consideration for the business and assets was approximately £500,000 payable by instalments ending on 1 September 2005.

SECTION C: ACCOUNTANT'S REPORT ON FLIGHTS CORPORATE TRANSFERS LIMITED



BDO Stoy Hayward
Chartered Accountants

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The Directors
Rotala plc
46 Cannon Street
London
EC4N 6JJ

The Directors
Panmure Gordon (Broking) Limited
Moorgate Hall
155 Moorgate
London
EC2M 6XB

9 August 2005

Dear Sirs

Flights Corporate Transfers Limited (“Flights Corporate” or the “Company”)

Introduction

We report on the financial information set out in section D of this Part VI. This financial information has been prepared for inclusion in the admission document dated 9 August 2005 of Rotala plc (the “Admission Document”), on the basis of the accounting policies set out in section D of this Part VI. This report is required by paragraph 20.1 of the Prospectus Rules and is given for the purpose of complying with that paragraph and for no other purpose.

The Company was incorporated as Streisand Ltd on 8 March 2002 and changed its name to Flights Corporate Transfers Limited on 16 May 2002.

Responsibilities

As described in paragraph 1 to the financial information, the directors of Rotala plc and the Proposed Director are responsible for preparing the financial information on the basis of preparation set out in paragraph 2 to the financial information and in accordance with generally accepted accounting principles in the United Kingdom (“UK GAAP”).

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 Statements of Investment Circular Reporting Standards 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.

Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in paragraph 2 to the financial statements concerning the uncertainty as to the adequacy of the Company's current overdraft facilities and the successful completion of the purchase of the Company. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

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 Flights Corporate as at the dates stated and of its results, cash flow and recognised gains and losses for the years then ended in accordance with the basis of preparation set out in Section D, paragraph 2 and has been prepared in accordance with UK GAAP.

Declaration

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

Yours faithfully

BDO Stoy Hayward LLP
Chartered Accountants

SECTION D: FINANCIAL INFORMATION ON FLIGHTS CORPORATE

1. Responsibility

The Directors of Rotala plc and the Proposed Director are responsible for the financial information set out below.

2. Accounting policies

The financial information has been prepared under the historical cost convention and in accordance with applicable accounting standards. The following principal accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial information:

Going Concern

The financial statements are prepared on a going concern basis which the Directors and the Proposed Director believe to be appropriate despite net liabilities of £155,234 for the following reasons. The Company meets its day to day working capital requirements through an overdraft facility which is currently guaranteed by a third party. In addition the Company is subject to a purchase offer from an AIM listed company which has indicated it will provide sufficient funds to enable the Company to continue its operation for the foreseeable future. However there can be no certainty in either of these matters. The financial statements do not include any adjustments that would result from the current overdraft facilities being insufficient and if the acquisition does not take place.

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, evenly over their expected useful lives. It is calculated at the following rates:

Chauffeur cars — 33%

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the group anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Profit and loss account

		<i>Year ended</i> <i>30 November</i> <i>2004</i>
	<i>Notes</i>	<i>£</i>
Turnover		428,194
Cost of sales		<u>(387,790)</u>
Gross profit		40,404
Administrative expenses		<u>(205,602)</u>
Operating loss	1	(165,198)
Interest payable and similar charges	4	<u>(21,346)</u>
Loss on ordinary activities before taxation		(186,544)
Tax on loss from ordinary activities	5	<u>11,463</u>
Loss on ordinary activities after taxation		(175,081)
Retained profit brought forward		<u>19,846</u>
Accumulated loss carried forward		<u><u>(155,235)</u></u>

All amounts relate to continuing activities.

All recognised gains and losses in the year are included in the profit and loss account.

There are no movements in shareholders' funds in the year apart from the loss for the year.

Balance sheet

		<i>Year ended</i> <i>30 November</i> <i>2004</i>
	<i>Notes</i>	<i>£</i>
Fixed assets		
Tangible assets	6	130,171
Current assets		
Stock	7	3,000
Debtors	8	167,632
Cash at bank and in hand		<u>18,245</u>
		188,877
Creditors: amounts falling due within one year	9	<u>(424,608)</u>
Net current liabilities		<u>(235,731)</u>
Total assets less current liabilities		(105,560)
Creditors: amounts falling after more than one year	10	<u>(49,674)</u>
		<u><u>(155,234)</u></u>
Capital and reserves		
Called up share capital	11	1
Profit and loss account (deficit)		<u>(155,235)</u>
Shareholders' funds (deficit)		<u><u>(155,234)</u></u>

Cash flow statement

	<i>Year ended</i>
	<i>30 November</i>
	<i>2004</i>
	<i>Notes</i>
	<i>£</i>
Net cash inflow from operating activities	15 103,924
Returns on investments and servicing of finance	
Interest paid: other	(1,132)
Interest paid: hire purchase	(20,214)
Net cash outflow from returns on investments and servicing of finance	(21,346)
Capital expenditure and financial investment	
Purchase of tangible fixed assets	(188,846)
Sale of tangible fixed assets	180,941
Net cash outflow from capital expenditure	(7,905)
Cash inflow before financing	74,673
Financing	
Capital element of finance lease payments	(62,457)
Increase in cash for the year	<u>12,216</u>

Notes to the financial information

1. Operating loss

This is arrived at after charging:

	<i>Year ended 30 November 2004</i>
	£
Depreciation	69,510
Hire of other assets operating leases	14,400
Auditors' remuneration audit services	5,000
	<u> </u>

2. Employees

The average number of employees during the year, including executive directors, was 23.

Staff costs for all employees, including executive directors, consist of:

	<i>Year ended 30 November 2004</i>
	£
Wages and salaries	240,537
Social security costs	18,846
Pension costs	357
	<u> </u>
	259,740
	<u> </u>

3. Directors

The Directors received no salary or benefits during the year.

4. Interest payable and similar charges

	<i>Year ended 30 November 2004</i>
	£
Bank loans and overdrafts	600
Finance leases and hire purchase contracts	20,214
Factoring interest	532
	<u> </u>
	21,346
	<u> </u>

5. Taxation on profit from ordinary activities

	<i>Year ended 30 November 2004</i>
	£
<i>UK corporation tax</i>	
Current tax on profits of the year	(9,537)
<i>Deferred tax</i>	
Origination and reversal of timing differences	(1,926)
Taxation on loss on ordinary activities	(11,463)
	<u> </u>

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	<i>Year ended 30 November 2004</i>
	<i>£</i>
Loss on ordinary activities before tax	(186,544)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 30%	(55,963)
Effect of:	
Depreciation for period in excess of capital allowances	14,205
Marginal relief	—
Loss carried back	9,537
Loss carried forward	22,684
Current tax credit for period	(9,537)

The company has trading losses carried forward of £98,000.

6. *Tangible assets*

	<i>Motor Vehicles</i>
	<i>£</i>
Cost	
As at 1 December 2003	288,515
Additions	188,846
Disposals	(306,163)
As at 30 November 2004	<u>171,198</u>
Depreciation	
As at 1 December 2003	86,870
Provided for the year	69,510
Disposals	(115,353)
As at 30 November 2004	<u>41,027</u>
Net book value	
As at 30 November 2004	<u>130,171</u>
As at 30 November 2003	<u>201,645</u>

The net book value of tangible assets for the company includes an amount of £123,055 in respect of assets held under finance lease and hire purchase contracts.

7. *Stock*

	<i>Year ended 30 November 2004</i>
	<i>£</i>
Raw materials and consumables	<u>3,000</u>

There is no material difference between the replacement cost of stock and the amounts stated above.

8. Debtors

	<i>Year ended 30 November 2004</i>
	£
Amounts receivable within one year	
Trade debtors	103,976
Amounts owed by group undertakings	26,404
Other debtors	15,000
Prepayments and accrued income	12,715
Corporation tax recoverable	9,537
	<u>167,632</u>

All amounts shown under debtors fall due for payment within one year.

9. Creditors

Amounts falling due within one year

	<i>Year ended 30 November 2004</i>
	£
Trade creditors	21,059
Amounts owed to group undertakings	199,041
Corporation tax	9,537
Tax and social security creditor	93,300
Obligations under finance leases and hire purchase agreements	69,788
Other creditors	230
Accruals and deferred income	31,653
	<u>424,608</u>

10. Creditors

Amounts falling due after more than one year

	<i>Year ended 30 November 2004</i>
	£
Obligations under finance leases and hire purchase agreements	<u>49,674</u>
 Maturity of debt:	
	£
In one year or less, or on demand	<u>69,788</u>
In more than one year but not more than two years	24,837
In more than two years but not more than five years	24,837
	<u>49,674</u>

11. *Share capital*

	<i>Year ended 30 November 2004 £</i>
Authorised	
1,000 ordinary shares of £1	1,000
Allotted, called up and fully paid	
1 ordinary share of £1 each	1

12. *Commitments under operating leases*

The following are the annual commitments under non-cancellable operating leases:

	<i>Year ended 30 November 2004 Other £</i>
Operating leases which expire:	
Within one year	64,713
In two to five years	17,655
	<u>82,368</u>

13. *Related party transaction*

Controlling parties

The Company is controlled by Stuart Lawrenson, a director of the Company.

Related party transactions and balances

	<i>Sales to related party</i>	<i>Purchases from related party</i>	<i>Amounts owed by related party</i>	<i>Amounts owed to related party</i>
Related party				
Dunn-Line (Holdings) Ltd	20,665	2,667	20,193	—
Flights Hallmark Ltd	10,743	109,492	4,325	198,961
Central Parking System of UK Limited	1,605	—	1,886	—
Xtranet Ltd	—	—	—	80

Mr R A Dunn, Mrs C Dunn, Mr A S Dunn and Mr S L Dunn own 100% of Xtranet Ltd and Dunn-Line (UK) Ltd which owns the entire share capital of Dunn-Line (Holdings) Ltd.

Flights Hallmark Ltd is beneficially owned by Mr S Lawrenson.

Mr S Lawrenson and Mr P Churchman are employees of Central Parking System of UK Limited.

14. *Ultimate parent company and parent undertaking of larger group*

The directors regard the ultimate control of the Company to be held by Mr S Lawrenson.

15. *Reconciliation of operating loss to net cash flow from operating activities*

	<i>Year ended 30 November 2004 £</i>
Operating loss	(165,198)
Depreciation of tangible fixed assets	69,510
Loss on sale of tangible fixed assets	9,869
Increase in debtors	(67,423)
Increase in creditors	257,166
Net cash flow from operating activities	<u>103,924</u>

16. *Reconciliation of net cash flow to movement in net debt*

	<i>Year ended 30 November 2004 £</i>
Increase in cash in the year	12,216
Cash outflow from changes in debt	62,457
Movement in net debt in the year	<u>74,673</u>
Net debt at the beginning of the year	<u>(175,890)</u>
Net debt at the end of the year (note 17)	<u>(101,217)</u>

17. *Analysis of net debt*

	<i>At start of the year £</i>	<i>Cash flow £</i>	<i>At the end of the Year £</i>
30 November 2004			
Cash in hand, at bank	6,029	12,216	18,245
Finance leases	(181,919)	62,457	(119,462)
Total	<u>(175,890)</u>	<u>74,673</u>	<u>(101,217)</u>

18. *Post balance sheet events*

On 8 May 2005, the Company purchased certain of the trade and assets of 5 Star Executive Travel (Birmingham) Ltd for approximately £200,000.

SECTION E: ACCOUNTANT'S REPORT ON FH TRANSPORT LIMITED



BDO Stoy Hayward
Chartered Accountants

BDO Stoy Hayward LLP
8 Baker Street
London W1U 3LL

The Directors
Rotala plc
46 Cannon Street
London
EC4N 6JJ

The Directors
Panmure Gordon (Broking) Limited
Moorgate Hall
155 Moorgate
London
EC2M 6XB

9 August 2005

Dear Sirs

FH Transport Limited (“FH Transport” or the “Company”)

Introduction

We report on the financial information set out below in section F of this Part VI. This financial information has been prepared for inclusion in the admission document dated 9 August 2005 of Rotala plc (the “Admission Document”). This report is required by paragraph 20.1 of the Prospectus Rules and is given for the purpose of complying with that paragraph and for no other purpose.

The Company was incorporated as Centra Bus Limited on 29 January 2004 and changed its name to FH Transport Limited on 12 July 2005. Since incorporation, the Company has not traded, nor has it received any income, incurred any expenses or paid any dividends. Consequently no profit and loss account is presented. No financial statements have been drawn up.

Basis of preparation

The financial information set out below is based on the balance sheet of the Company as at 30 June 2005 (“the Balance Sheet”) to which no adjustments were considered necessary.

Responsibility

As described in paragraph 1 to the financial information, the directors of Rotala plc and the Proposed Director are responsible for preparing the financial information on the basis of preparation set out in paragraph 2 and in accordance with generally accepted accounting principles in the United Kingdom (“UK GAAP”).

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 Statements of Investment Circular Reporting Standards issued by the Auditing Practices Board. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the Balance Sheet underlying the financial information and whether the accounting policies are appropriate to the entity’s circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the

financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the Admission Document dated 9 August 2005, a true and fair view of the state of affairs of FH Transport as at 30 June 2005.

Declaration

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

Yours faithfully

BDO Stoy Hayward LLP
Chartered Accountants

SECTION F: FINANCIAL INFORMATION ON FH TRANSPORT

1. Responsibility

The Directors and the Proposed Director of Rotala are responsible for the financial information set out below.

2. Accounting policies

The financial information has been prepared under the historical cost convention and in accordance with applicable accounting standards.

Balance sheet as at 30 June 2005

	<i>As at 30 June 2005 £000</i>
Current assets	
Debtors — unpaid share capital	1
Net assets	<u>1</u>
Share capital and reserves	
Called up share capital	1
Shareholders' funds — equity	<u>1</u>

Notes to the financial information

Share capital

The Company was incorporated with authorised share capital of £1,000 divided into 1,000 ordinary shares of £1.

PART VII

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE ENLARGED GROUP

The following unaudited pro forma statement of net assets of the Enlarged Group following the Acquisitions and Placing has been prepared for illustrative purposes only to provide information about the impact of the Acquisitions and Placing on the Enlarged Group and because of its nature may not give a true reflection of the financial position of the Enlarged Group. It has been prepared on the basis that the Acquisitions and Placing were undertaken as at 31 March 2005 and on the basis set out in the notes:

	<i>Rotala as at 31 March 2005 (note 1) £000</i>	<i>Flights Hallmark as at 30 November 2004 (note 2) £000</i>	<i>Flights Corporate Transfers as at 30 November 2004 (note 3) £000</i>	<i>Acquisitions and net proceeds from Placing (notes 5 & 6) £000</i>	<i>Pro forma net assets of the Enlarged Group £000</i>
Fixed assets					
Intangible assets	—	—	—	5,189	5,189
Tangible assets	—	506	130	—	636
		506	130	5,189	5,825
Current assets					
Stock	—	62	3	—	65
Debtors	—	1,228	168	—	1,396
Cash at bank and in hand	3,398	11	18	690	4,117
Creditors: amounts falling due within one year	(114)	(1,705)	(424)	—	(2,243)
Net current assets/(liabilities)	3,284	(404)	(235)	690	3,335
Creditors: amounts falling due after more than one year	—	(153)	(50)	—	(203)
Provisions for liabilities and charges	—	(37)	—	—	(37)
Net assets	<u>3,284</u>	<u>(88)</u>	<u>(155)</u>	<u>5,879</u>	<u>8,920</u>

Notes:

The pro forma statement of net assets has been prepared on the following basis:

1. The net assets of Rotala plc at 31 March 2005 have been extracted without adjustment from the Accountant's Report set out in Part V of this document.
2. The net assets of the Flights Hallmark Ltd at 30 November 2004 have been extracted without adjustment from the Accountant's Report set out in Part VI of this document.
3. The net assets of the Flights Corporate Transfers Ltd at 30 November 2004 have been extracted without adjustment from the Accountant's Report set out in Part VI of this document.
4. The net assets of FH Transport Ltd have not been disclosed above on the basis that the net assets are immaterial.
5. The Acquisitions and net proceeds of the Placing represent the gross proceeds of £1.19 million less estimated expenses of £0.5 million.
6. Goodwill arising has been calculated as follows:

	<i>£000</i>
Cost of acquisition	4,650
Estimated transaction costs	500
	5,150
Total consideration	5,150
Estimated fair value of the aggregated net assets and liabilities of Flights Hallmark Ltd and Flights Corporate Transfers Ltd	39
	5,189
Pro forma goodwill	5,189

7. No adjustments have been made to reflect any fair value adjustments to the aggregated net assets of Flights Hallmark Ltd and Flights Corporate Transfers Ltd.
Adjustments:
8. The cost of acquisition includes 13,333,333 Ordinary Shares (valued at £866,667 at the placing price of 6.5p) payable in the event of the business achieving £800,000 of profits in the year ending 30 November 2006, payable within 14 days of the approval by the Company's shareholders of the statutory accounts of each member of the Flights Group. It also includes £750,000 deferred cash consideration in the form of a 5 per cent. loan note due to be repaid in 2007.
9. No adjustments have been made to reflect the trading results of Company or the trading results of Flights Hallmark Ltd or Flights Corporate Transfers Ltd since the balance sheet dates.

PART VIII

ADDITIONAL INFORMATION

1. Responsibility

- a. The Directors and the Proposed Director, whose names appear on page 4 of this document, accept responsibility for the information contained in this document (save for the information contained in Part III) including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge of the Directors and the Proposed Director (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and there is no omission likely to affect the import of such information.
- b. The Spritto Director, whose name appears on page 4 of this document, accepts responsibility for the information contained in this document (including the information contained in Part III) relating to the Vendor Concert Party. To the best of the knowledge of the Spritto Director (who has taken all reasonable care to ensure that such is the case) the information contained in this document relating to the Vendor Concert Party is in accordance with the facts and there is no omission likely to affect the import of such information.

2. The Company

- a. The Company was incorporated and registered with the Registrar of Companies in England and Wales on 21 January 2005 under the Act as a public company limited by shares with the name Rotala plc and with registered number 5338907. On 9 March 2005, the Registrar of Companies issued the Company with a certificate to commence business and borrow pursuant to section 117 of the Act.
- b. The Company's main activity is that of a general commercial company, including being a holding company for companies within the group of companies of which the Company is for the time being the holding company. The Company currently has no subsidiaries.
- c. The principal legislation under which the Company operates is the Act and the regulations made thereunder. The Company is subject to the City Code.
- d. The liability of the members of the Company is limited.
- e. The Company's registered office and principal place of business is 46 Cannon Street, London EC4N 6JJ.

3. Share capital

- a. The Company was incorporated with an authorised share capital of £50,000 divided into 50,000 ordinary shares of £1 each, of which two were issued as subscriber shares. On 22 February 2005 one subscriber share was transferred to each of John Humphrey Gunn and Nicholas Patrick Kennedy and each of the subscriber shares was fully paid up in cash.
- b. By a special resolution passed on 22 February 2005 (the "Resolution"):
 - i. the Company's authorised share capital was sub-divided into 5,000,000 Ordinary Shares of 1p each;
 - ii. the Company's authorised share capital was increased from £50,000 to £5,000,000 by the creation of an additional 495,000,000 Ordinary Shares of 1p each;
 - iii. the Directors were generally and unconditionally authorised in accordance with section 80 of the Act to exercise all the powers of the Company to allot relevant securities (as defined in section 80(2) of the Act) up to an aggregate nominal value of £4,999,998 for the period expiring on 21 February 2010, provided that such authority would allow the Company to make an offer or enter into an agreement which would or might require relevant securities to be allotted after the expiry of such authority and the Directors may allot relevant securities in pursuance of any such offer or agreement as if the authority conferred by the Resolution had not expired;
 - iv. the Directors were given power pursuant to section 95 of the Act to allot or make offers or agreements to allot equity securities and to transfer equity securities (in each case, as defined in section 94 of the Act) that are held by the Company in treasury pursuant to, and over the number of Ordinary Shares set out in, the section 80 authority referred to in sub-paragraph (b) iii above as if section 89 (1) of the Act did not apply to any such allotment or transfer, such power to expire at the conclusion of the first annual general meeting of the Company (unless previously revoked, varied or extended by the Company in general meeting); and

- v. the Company adopted new Articles of Association.
- c. On 7 March 2005, the Company issued for cash an aggregate of 26,999,800 Ordinary Shares, fully paid, at 1p per Ordinary Share.
- d. On 29 March 2005, the Company issued 80,000,000 Ordinary Shares as a result of a placing at 4p per share in order to fund due diligence on and provide capital for the acquisition of potential acquisition targets.
- e. The table below sets out both the authorised and issued and fully paid share capital of the Company as at the date of this document and at Admission (assuming that the Placing becomes unconditional):

At the date of this document

<i>Authorised</i>		<i>Issued and fully paid</i>	
<i>£</i>	<i>Number of Ordinary Shares</i>	<i>£</i>	<i>Number of Ordinary Shares</i>
5,000,000	500,000,000	1,070,000	107,000,000

At Admission

<i>Authorised</i>		<i>Issued and fully paid</i>	
<i>£</i>	<i>Number of Ordinary Shares</i>	<i>£</i>	<i>Number of Ordinary Shares¹</i>
5,000,000	500,000,000	1,719,744	171,974,360

1. On the assumption that the Placing becomes unconditional

- f. There are no issued but not fully paid Ordinary Shares.
- g. The provisions of section 89 (1) of the Act (which, to the extent not disapplied pursuant to section 95 of the Act, confer on shareholders rights of pre-emption in respect of the allotment of securities which are, or are to be, paid up in cash other than by way of allotment to employees under any employee's share scheme as defined in section 743 of the Act) have been disapplied as described in paragraph 3b iv above.
- h. The existing issued Ordinary Shares are, and the Consideration Shares and the Placing Shares will be, in registered form and are, or will be, eligible for settlement within CREST.
- i. Other than the issue of the Consideration Shares and the Placing Shares there is no present intention to issue any of the authorised but unissued ordinary share capital of the Company.
- j. As at the date of this document, the Company has no listed or unlisted securities not representing share capital.
- k. The Ordinary Shares are not redeemable and the Company has not issued any convertible or exchangeable securities or securities with warrants.
- l. As at the date of this document the Company does not hold any of its own Ordinary Shares.
- m. Save as disclosed in this document:
 - i. no share or loan capital of the Company has, since the date of incorporation of the Company, been issued or been agreed to be issued, fully or partly paid, either for cash or for a consideration other than cash and no such issue is now proposed;
 - ii. no commissions, discounts, brokerages or other special terms have been granted by the Company since the date of its incorporation in connection with the issue or sale of any such share or loan capital; and
 - iii. no share or loan capital of the Company is under option or is agreed conditionally or unconditionally to be put under option.
- n. The Consideration Shares and the Placing Shares will rank *pari passu* in all respects with the Existing Ordinary Shares and will rank in full for all dividends or other distributions hereafter declared, paid or made in respect of the Ordinary Share capital of the Company.
- o. In order to give effect to the Acquisitions and to approve the other elements of the Proposals and the Waiver, the EGM is being convened by the means of the notice of EGM set out at the end of this document. At the EGM, Shareholders will be asked to consider the Resolutions, which will be proposed as follows:
 - i. to approve the Acquisitions in accordance with the Share Purchase Agreements; and

- ii. to approve the Waiver.
- p. Further details of the Resolutions are set out in the notice of EGM set out at the end of this document.
- q. In accordance with the requirements of the City Code, the voting on the resolution referred to in paragraph 3o ii will be held on a poll by Independent Shareholders.

4. Memorandum and Articles of Association

a. Memorandum of Association

Clause 4 of the Memorandum of Association of the Company provides that the Company's principal object is to carry on the business of a general commercial company. The objects of the Company are set out in full in clause 4 of the Memorandum of Association of the Company, which is available for inspection as described in paragraph 18 below.

b. Articles of Association

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

i. General meetings

a. Annual general meetings

Subject to the provisions of the Act, annual general meetings shall be held at such time and place as the Board may determine. An annual general meeting convened for the passing of a special resolution shall be convened by not less than 21 clear days' notice in writing and an annual general meeting is deemed to have been duly convened if it is so agreed by all the members entitled to attend and vote at the meeting.

b. Extraordinary general meetings

The Board may convene an extraordinary general meeting whenever it thinks fit. An extraordinary general meeting shall also be convened on such requisition, or in default may be convened by such requisitionists, as provided by section 368 of the Act. An extraordinary general meeting convened for the passing of a special resolution shall be convened by not less than 21 clear days' notice in writing and all other extraordinary general meetings shall be convened by not less than 14 clear days' notice in writing. An extraordinary general meeting is deemed to have been duly convened by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent in nominal value of the shares giving that right.

In the case of both an annual general meeting and an extraordinary general meeting, the notice must specify the type of meeting, the place, day and time of the meeting, the general nature of the business (if special business is to be transacted) and the intention to propose a special or extraordinary resolution if that be the case.

The notice must be given to the members, the Directors and the Auditors.

The Board may, for the purpose of controlling the level of attendance and ensuring the safety of those attending at any place specified for the holding of a general meeting, make such arrangements as the Board shall in its absolute discretion consider to be appropriate. The entitlement of a member or proxy to attend a general meeting shall be subject to any such arrangements as may be for the time being approved by the Board.

The Board may direct that any person wishing to attend any general meeting should provide evidence of identity and submit to searches or such other security arrangements or restrictions as the Board shall consider appropriate in the circumstances and shall be entitled in its absolute discretion to refuse admission to any person who fails to provide such evidence or fails to submit to such searches or otherwise comply with such security arrangements or restrictions.

ii. Voting

Subject to any special rights or restrictions as to voting attached to any shares, on a show of hands every member who is present in person shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder. If a member, in respect of any shares held by him in relation to which he or any other person appearing to be interested in such shares, has been duly served by the Company with a notice under section 212 of the Act and fails to supply the Company with the information thereby

required within a period of 14 days from the date of service of such notice, he shall not be entitled to attend or vote at a general meeting either personally or by proxy or to receive any dividend or to transfer or agree to transfer any shares or any rights therein (depending on the percentage of any class of shares held by such member).

iii. Variation of rights and changes of capital

- a. If at any time the capital of the Company is divided into different classes of shares the special rights attached to any class of shares may, subject to the provisions of the Act, be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of such provision, either with the consent in writing of the holders of not less than three-quarters in nominal amount of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the class, but not otherwise. To every such separate meeting, the provisions of the Articles relating to general meetings of the Company shall apply with the necessary modifications except that the necessary quorum shall be not less than two persons holding or representing by proxy at least one-third in nominal amount paid up on the issued shares of that class.
- b. The Company may from time to time by ordinary resolution increase its share capital by such sum to be divided into shares of such amounts and carrying such rights as the resolution may prescribe.
- c. The Company may by ordinary resolution consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares, cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the nominal amount of the shares so cancelled and sub-divide its shares, or any of them, into shares of smaller amounts.
- d. The Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account. The Company may, subject to the provisions of the Act and to any rights for the time being attached to any shares, purchase any of its own shares (including redeemable shares).

iv. Transfer of shares

All transfers of shares shall be effected in writing in any usual or common form or in any other form approved by the Board. The instrument of transfer shall be executed by or on behalf of the transferor. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered on the register of members. The Directors may decline to recognise any instrument of transfer unless:

- a. it is duly stamped and deposited at the registered office of the Company accompanied by the certificate for the shares and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, provided that the Board shall not refuse to register any transfer or renunciation or partly paid shares which are traded on the London Stock Exchange on the grounds that they are partly paid shares in circumstances where such refusal would prevent dealings in such shares from taking place on an open and proper basis; and
- b. the instrument of transfer is in respect of only one class of shares, which are fully paid up and over which the Company has no lien and is in favour of not more than four transferees. If the Directors refuse to register any transfer of shares, they shall send to the transferee notice of such refusal within two months after the date on which the transfer was lodged with the Company. There are no rights of pre-emption on the issue or transfer of Ordinary Shares contained in the Articles.

v. Dividends and distribution of assets on a winding up

The profits of the Company available for dividend and resolved to be distributed shall be applied in the payment of dividends to the members in accordance with their respective rights and interests in the profits of the Company. The Company in general meeting may declare dividends accordingly, but no dividend shall exceed the amount recommended by the Directors. No dividends shall be payable otherwise than in accordance with the Act out of the profits of the Company available for that purpose. If the Company should be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may with the authority

of a special resolution and any other sanction required by law, divide amongst the members *in specie* the whole or any part of the assets of the Company and may for such purposes value any asset and may determine how such division should be carried out as between the members or different classes of members. There are no fixed dates on which entitlement to dividends arises.

vi. Unclaimed dividends

No dividend or other monies payable in respect of a share shall bear interest as against the Company unless otherwise provided by the rights attached to the share. Any dividend which has remained unclaimed for a period of twelve years after having been declared or from its due date of payment shall, if the Board so resolves, be forfeited and shall cease to remain owing by the Company.

vii. Redeemable shares

The Company may issue redeemable shares.

viii. Borrowing powers

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

ix. Directors

- a. Unless and until otherwise determined by the Company by ordinary resolution, the number of Directors (other than any alternate directors) shall be not less than two but there shall be no maximum. Save as mentioned below, a Director shall not vote on or in respect of any contract or arrangement or any other proposal in which he has any interest which is to his knowledge a material interest otherwise than by virtue of his or her interest in shares, debentures or other securities or rights of, or otherwise in or through, the Company.
- b. A Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters:
 - i. the giving of any security, guarantee or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;
 - ii. the giving of any security, guarantee or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
 - iii. any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings in which he is or may be entitled to participate as a holder of securities or in the underwriting or subunderwriting in which he is to participate;
 - iv. any proposal relating to any other company in which he (together with persons connected with him within the meaning of section 346 of the Act) does not to his knowledge hold an interest (as the term is used in Part VI of the Act) in shares (as that expression is defined for the purposes of Part VI of the Act) in one per cent. or more of any class of the issued equity share capital of such company or the voting rights in such company;
 - v. any proposal relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award to him any privilege or benefit not generally awarded to the employees to whom the arrangement relates; or
 - vi. any proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons including the Directors.

- c. Where proposals are under consideration concerning the appointment (including determining or varying the terms of appointment) of two or more Directors to offices or places of profit with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately. In such case, each of the Directors concerned shall (if not debarred from voting under the Articles) be entitled to vote in respect of each resolution except that concerning his own appointment (although he shall still be counted in the quorum).
 - d. If any question shall arise at a meeting as to the right of a Director to vote or to the materiality of a Director's interest, and such question is not resolved by his voluntary agreement to abstain from voting, the question may (subject to the Act) be referred to the chairman of the meeting (or, if the Director concerned is the chairman of the meeting, to such other Directors present at the meeting) and his ruling in relation to any other Director shall be final and conclusive.
 - e. The Directors shall be entitled to receive by way of fees for their services such sum as the Board may from time to time determine. The Directors shall also be entitled to be paid all reasonable travelling, hotel and other expenses properly incurred by them in connection with the business of the Company or in attending meetings of the Directors or any committee of the Directors or general meetings or separate meetings of the holders of any class of shares or debentures of the Company. Extra remuneration may be paid out of the funds of the Company by way of salary, commission, participation in profits or otherwise as the Directors may determine to any Director who, by arrangement with the Board, shall perform or render any special duties or services outside the scope of the ordinary duties of a Director and not in his capacity as a holder of employment or executive office.
 - f. The Board may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits and to provide death or disability benefits or other allowances or gratuities (whether by insurance or otherwise) for, or to institute and maintain, any institution, association, society, club, trust, other establishment or profit-sharing, share incentive, share purchase or employees' share scheme calculated to advance the interests of the Company or to benefit any person who is or has at any time been a Director or employee of the Company or any company which is a holding company or a subsidiary undertaking of or allied to or associated with the Company or any such holding company or subsidiary undertaking or any predecessor in business of the Company or of any such holding company or subsidiary undertaking, and for any member of his family (including a spouse or former spouse) and any person who is or was dependent on him. For such purpose the Board may establish, maintain, subscribe and contribute to any scheme, institution, association, club, trust or fund and pay premiums and, subject to the provisions of the Act, lend money or make payments to, guarantee or give an indemnity in respect of, or give any financial or other assistance in connection with any of the aforesaid matters. The Board may procure any of such matters to be done by the Company either alone or in conjunction with any other person. Any Director or former Director shall be entitled to receive and retain for his own benefit any pension or other benefit provided under the Articles and shall not be obliged to account for it to the Company.
- x. **Non-United Kingdom shareholders**
There are no limitations in the Articles on the rights of non-United Kingdom shareholders to hold, or to exercise voting rights attached to, the ordinary shares. However, non-United Kingdom shareholders are not entitled to receive notices of general meetings unless they have given an address in the United Kingdom to which such notices may be sent.
 - xi. **CREST**
CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. The Articles are consistent with CREST membership and, amongst other things, allow for the holding and transfer of shares in uncertificated form.

xii. Restrictions on Changes in Control, Mergers, Acquisitions or Corporate Restructuring of the Company

There are no provisions in the Articles that would have the effect of delaying, deferring or preventing a change in control of the Company or that would operate only with respect to a merger, acquisition or corporate restructuring involving the Company.

xiii. Ownership Threshold requiring Public Disclosure

There are no provisions in the Articles governing the threshold above which shareholder ownership must be disclosed. The Company is subject to the provision of the Act requiring public disclosure of shareholdings.

5. Interests and dealings of Directors, the Proposed Director and others

- a. The interests of the Directors, the Proposed Director and their immediate families and of persons connected with them within the meaning of section 346 of the Act (all of which are beneficial) in the share capital of the Company as at the date of this document (which have been notified to the Company pursuant to section 324 or 328 of the Act and are required to be entered in the register of Directors' interests maintained under the provisions of section 325 of the Act or could, with reasonable diligence, be ascertained by the Directors) and as they are expected to be immediately following Admission (on the assumption that the Placing becomes unconditional) are as follows:

	<i>Number of Ordinary Shares prior to Admission</i>	<i>Percentage of issued share capital prior to Admission</i>	<i>Number of Ordinary Shares on Admission¹</i>	<i>Percentage of issued share capital on Admission¹</i>	<i>Options held prior to Admission</i>	<i>Options held on Admission</i>
John Humphrey Gunn ²	6,887,000	6.44	8,387,000	4.88	2,000,000	2,000,000
Nicholas Patrick Kennedy	2,500,000	2.34	2,500,000	1.45	2,000,000	2,000,000
Kim Michael Taylor	—	—	—	—	2,000,000	2,000,000
Stuart John Lawrenson ³	—	—	46,666,667 ⁴	27.1	—	3,700,000

Note:

1. On the assumption that the Placing becomes unconditional
2. John Gunn also holds 20.40 per cent. of the issued shares in Ludgate Investments Limited, which holds 3,750,000 Ordinary Shares
3. These Ordinary Shares are registered in the name of the Vendor which is wholly owned by Stuart Lawrenson
4. This excludes up to 13,333,333 Ordinary Shares that may be issued as deferred consideration under the Share Purchase Agreements

- b. Following Admission additional options will be held by senior management and other persons as detailed in paragraph 81. below.
- c. Save as disclosed in this paragraph 5, none of the Directors, nor the Proposed Director, nor any member of their respective immediate families, nor any person connected with them within the meaning of section 346 of the Act, is interested in the share capital of the Company.
- d. No loan or guarantee has been granted or provided by the Company to any Director or the Proposed Director or any person connected with them save for the loan made to Flights Corporate Transfers as further described in paragraph 12.1e and f of this Part VIII.
- e. Flights Hallmark has paid £75,000 in aggregate in respect of a liability of the Proposed Director to a third party. The Proposed Director has confirmed that he intends to repay this sum prior to Admission.
- f. No Director, nor the Proposed Director, nor any Shareholder who has given an irrevocable undertaking in favour of the Resolutions, has dealt for value in the securities of the Company during the period from incorporation of the Company to 8 August 2005 (the latest practicable date prior to publication of this document).
- g. Irrevocable undertakings to vote in favour of the Resolutions have been given by the Directors (including their connected persons) as follows:

<i>Name</i>	<i>Number of Existing Ordinary Shares</i>
John Gunn	6,887,000
Nicholas Kennedy ¹	2,500,000

1. Nicholas Kennedy is not entitled to vote on Resolution 2 as he is not considered to be independent.

h. Irrevocable undertakings have also been given by the following Shareholders:

<i>Name</i>	<i>Number of Existing Ordinary Shares</i>
Ludgate Investments Limited	3,750,000
Trustees of the Ingrid Croft Trust	870,000
Trustees of the Alison Pople Trust	720,000
Trustees of the Natalie Haynes Trust	720,000

i. Neither the Company nor any Director is interested in any relevant securities of the Vendor or has dealt for value in any such securities during the 12 months prior to 8 August 2005 (the latest practicable date prior to the publication of this document).

j. No member of the Vendor Concert Party has any interest in the relevant securities of the Company nor has any member of the Vendor Concert Party dealt for value in any such securities during the period from 21 January 2005 (the date of incorporation of the Company) to 8 August 2005 (the latest practicable date prior to the publication of this document).

k. The relevant securities of the Company which will, following Admission and on the assumption that the Proposals are implemented in full and the maximum number of Ordinary Shares are issued pursuant to the Placing, be owned or controlled by members of the Vendor Concert Party are as follows:

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>Number of options over Ordinary Shares</i>	<i>Percentage of Enlarged Share Capital¹</i>
Vendor	46,666,667 ²	Nil	27.1
Proposed Director	Nil	3,700,000	2.2

1. On the assumption that the Placing becomes unconditional

2. Excluding up to a further 13,333,333 Consideration Shares that may be issued to the Vendor under the Share Purchase Agreements

l. The Company has no interest in the relevant securities of the Vendor, nor has the Company dealt for value in any such securities during the period from 21 January 2005 (the date of incorporation of the Company) to 8 August 2005 (the latest practicable date prior to the publication of this document).

m. No Associated Company, nor any pension fund of the Company or of an Associated Company, any connected adviser of the Company or of an Associated Company (including stockbrokers, other than in their capacity as exempt principal trader), including any person controlling, controlled by or under the same control as any such bank or financial or other connected adviser and no employee benefit trust of the Company or of an Associated Company has any interest in the relevant securities of the Company, nor have they dealt for value in any such securities during the period from 21 January 2005 (the date of incorporation of the Company) to 8 August 2005 (the latest practicable date prior to the publication of this document).

- n. Save as disclosed in paragraph 5a above, and as set out below, the Company is not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company or who is or will, or is expected to, be interested in 3 per cent. or more of the issued share capital or voting rights over Ordinary Shares of the Company, as at the date of this document or at Admission (on the assumption that the Placing becomes unconditional):

	<i>Number of Ordinary Shares held as at the date of this document</i>	<i>Percentage of issued share capital as at the date of this document</i>	<i>Number of Ordinary Shares to be held on Admission¹</i>	<i>Percentage of issued share capital to be held on Admission¹</i>
WB Nominees Limited ²	45,605,750	42.62	53,298,058	30.99
Pershing Keen Nominees Limited	13,445,900	12.57	13,445,300	7.82
Prestbury Investment Holdings Ltd	10,000,000	9.35	10,000,000	5.81
NCL Nominees Limited	8,540,500	7.98	8,540,500	4.97
ODL Nominees Limited	7,938,125	7.42	7,938,125	4.62
Link Traders (AUST) Pty Limited ³	6,000,000	5.61	6,000,000	3.49
Paul Frederick Heath ³	4,800,000	4.49	4,800,000	2.79
Ludgate Investments Limited ³	3,750,000	3.50	3,750,000	2.18

Note:

1. On the assumption the Placing becomes unconditional
 2. WB Nominees Limited ("WB Nominees") acts as bare nominee for underlying shareholders in respect of all the 53,298,058 Ordinary Shares registered in its name. WB Nominees does not exercise any discretion over the said shareholdings or voting rights or other shareholder rights which remain with the underlying beneficial holders
 3. These shareholders hold through WB Nominees
- o. All holders of Ordinary Shares have the same voting rights.
- p. The Company is not aware of any arrangement in place, other than the Acquisitions, which may result in a change of control of the Company.
- q. Save as set out in paragraphs 12a, b, c, d, g and j of this Part VII, no member of the Vendor Concert Party, nor the Company, nor any associate of the Company has any arrangement with any person in relation to relevant securities of the Company.
- r. The details of the relevant securities of the Company owned or controlled by persons who have an arrangement of the kind referred to in Note 6 (b) on Rule 8 of the City Code with the Company or any associate of the Company by virtue of paragraphs (1), (2), (3) or (4) of the definition of associate in the City Code are as follows:

<i>Name</i>	<i>Number of Ordinary Shares owned or controlled³</i>
John Gunn ¹	12,137,000
Nicholas Kennedy	2,500,000
Wengen Pension Plan ²	2,250,000
Scheidegg Limited ²	887,000
Renate Gunn ²	500,000

1. Including the interests of his immediate family and connected persons (within the meaning of section 346 of the Act) and including the holding of Ludgate Investments Limited in which John Gunn has a 20.4 per cent. shareholding
 2. These Ordinary Shares are included in the shareholding of John Gunn above
 3. Including Ordinary Shares subscribed for under the Placing.
- s. Nicholas Kennedy, a Director has a longstanding personal relationship with the Proposed Director, a member of the Vendor Concert Party. Nicholas Kennedy has also acted as a tax adviser to CPS. Details of the Proposed Director's relationship with CPS are set out on page 8.
- t. The Company has not redeemed or purchased any relevant securities of the Company during the period from 21 January 2005 (the date of incorporation of the Company) to 8 August 2005 (the latest practicable date prior to the publication of this document).
- u. The Vendor has not redeemed or purchased any relevant securities of the Vendor during the period from 7 June 2005 (the date of incorporation of the Vendor) to 8 August 2005 (the latest practicable date prior to the publication of this document).

- v. In this paragraph 5:
- (i) in relation to a company, “relevant securities” means shares in that company and any securities convertible into, rights to subscribe for, options (including traded options) in respect of or derivatives referenced to such shares;
 - (ii) references to an “arrangement” include any indemnity or option arrangement and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing; and
 - (iii) references to “interests” or similar phrases has the meaning set out in Parts VI and X of the Act and related regulations.

6. Additional information on the Board

- a. The Board may, from time to time, hold directorships, or otherwise be interested in, other companies operating in similar business sectors to the Company. The Board will ensure, so far as is practicable, that in the event of any conflict of interest arising (including that as a result of the significant shareholding of the Vendor (which is beneficially held by the Proposed Director)) it will be resolved fairly in the interests of the Company and ensure that the Company can at all times operate independently.
- b. The directorships held by each of the Directors and the Proposed Director over the five years preceding the date of this document, other than in the Company, and the partnerships in which they have been partners in the five years preceding the date of this document are as follows:

<i>Director</i>	<i>Current Directorships</i>	<i>Past Directorships</i>
John Humphrey Gunn	Ashley House plc Ashley House Properties Limited Blakedew 380 Limited California Wine Company Inc Ceres Power Holdings Limited Corac Group plc DAT Group plc Hiflux Limited Honning Limited HydroDec Group plc Ludgate 181 (Jersey) Limited Ludgate 181 plc (in liquidation) Ludgate Investments Limited Medical Properties Limited Scheidegg Limited Solphen Group plc Solphen Limited Trilateral Group Limited Wengen Limited West 175 Media Group Inc XPO Network Interactive Limited XPO Network Limited	Barnham Broom Limited Cabledown Limited Ceres Power Limited Christows Group Limited Daveney Limited Fitness Holdings (Europe) Limited I-Spire plc JD Participations Limited LBM Direct Marketing Limited MEC International Limited Miller Brazil (Marketing Consultants) Limited SunBlush Technologies Corporation Trilateral Communications plc The California Wine Company (UK) Limited The Evolution Group plc Turbo Genset Company Limited Turbo Genset Inc West 175 Media Limited Witlecraft Limited XPO Interactive (UK) Limited
Nicholas Patrick Kennedy	Clark Kennedy White Limited	LBM Direct Marketing Limited MF2 Consulting Limited
Kim Michael Taylor		Alpha Petroleum Limited Forex Limited Fulton Prebon Administration Limited Fulton Prebon Group Limited Fulton Prebon (NA) Inc. Marshall's 106 Limited M.W. Marshall (Capital Markets) Holdings Limited M.W. Marshall (International) Limited M.W. Marshall (London) Limited M.W. Marshall (Overseas) Limited M.W. Marshall (Services) Limited Onlymatch Leasing Limited Prebon Administration Limited Prebon Data Services (Bermuda) Limited Prebon Group Limited Prebon Investments Limited Prebon Limited Prebon Services Limited Prebon Yamane International Limited

<i>Director</i>	<i>Current Directorships</i>	<i>Past Directorships</i>
Stuart John Lawrenson	Centra Executive Travel Limited Central Parking System Poland Limited Central Parking System (Birmingham) Limited Central Parking System (Luton) Limited FH Transport Limited Flights Corporate Transfers Limited Flights Hallmark Limited MF2 Consulting Limited Spritto Nominees Limited	

- c. No Director, nor the Proposed Director has any unspent convictions relating to indictable offences, has been bankrupt or has made or been the subject of any individual voluntary arrangement.
- d. Save as disclosed in paragraphs 6h to 6q of this Part VIII, none of the Directors or the Proposed Director has been a director of any company at the time of or within 12 months preceding the date of its receivership, compulsory liquidation, creditors voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors and none of the Directors or the Proposed Director has been a partner of any partnership at the time of or within 12 months preceding the date of any partnership voluntary arrangement, compulsory liquidation or administration of such partnership or has been a partner of a partnership at the time of or within 12 months preceding the date of the receivership of any asset of such partnership and none of the Directors or the Proposed Director has had any of his assets subject to any receivership.
- e. Save as disclosed in paragraph 6h of this Part VIII, none of the Directors, nor the Proposed Director, has been criticised by any statutory or regulatory authority (including recognised professional bodies) or been disqualified by a court from acting as a director of a company or from acting in the management of the affairs of the company.
- f. No Director, nor the Proposed Director (nor any member of a Director's or the Proposed Director's family) has had a related financial product (as defined in the AIM Rules) referenced to Ordinary Shares.
- g. Save as disclosed in this document, none of the Directors or the Proposed Director has or has had any interest in transactions effected by the Company since its incorporation which are or were unusual in their nature or conditions or which are or were significant to the business of the Company and which was effected by the Company and remains in any respect outstanding or unperformed.
- h. Mr Gunn was an executive director at the time of winding up proceedings occurring of British & Commonwealth Holdings plc ("B&C"). Mr Gunn was appointed Chief Executive of B&C in October 1986 and Executive Chairman in March 1987. Following the collapse of B&C as a result of a takeover of Atlantic Computers plc ("Atlantic"), inspectors were appointed by the Secretary of State for Trade and Industry pursuant to Section 432(2) of the Act to investigate the affairs of Atlantic, Atlantic Computer Systems plc and B&C. The inspectors reported to the Secretary of State in April 1994 and their report was published in July 1994. This report included certain criticisms of Mr Gunn's actions as a director of B&C and other companies within the group. These criticisms included criticism of Mr Gunn for approving the annual accounts of each of Atlantic and B&C for 1988 at a time when the possible existence of significant contingent liabilities within Atlantic and B&C respectively, had already emerged and for not drawing this to the attention of each company's auditors; for failing to inform the whole of the B&C board of the possible contingent liabilities within Atlantic as soon as he became aware of them; and for allowing the interim statement of B&C for the six months ended June 1989 to be issued with misleading content. These criticisms were refuted by Mr Gunn.

Following publication of the report, the Secretary of State commenced proceedings against Mr Gunn under Section 8 of the Company Directors Disqualification Act 1986, on the basis that the Inspector's report demonstrated an unfitness to act as a director of a company.

These proceedings culminated in a trial in the High Court of Justice conducted throughout January to March 1998. The judgement found no culpability in Mr Gunn's conduct as a director of any company in the British & Commonwealth group of companies. These include the following companies:

- i. Abaco Investments Limited (which entered into a corporate voluntary arrangement on 26 April 1991, Mr Gunn having resigned on 13 March 1991);

- ii. Atlantic and B&C Group Management Limited (which had an administration order placed on each such company on 16 April 1990, Mr Gunn having resigned on 25 April 1990);
- iii. BCMB Corporation Limited and B&C Group Finance Limited (which had an administration order placed on each such company on 3 June 1990. BCMB Corporation Limited also entered into a corporate voluntary arrangement on 30 August 1991, Mr Gunn having resigned on 31 March 1991);
- iv. B&C Investment Holdings Limited (which entered into a corporate voluntary arrangement on 6 January 1992 and was dissolved on 13 February 2001);
- v. Conmin Limited (which has entered into a corporate voluntary arrangement);
- vi. St. Mary Axe Holdings Limited (which had an administration order placed on it on 5 December 1990 and entered into a corporate voluntary arrangement on 8 June 1992, Mr Gunn having resigned on 31 March 1991);
- vii. British & Commonwealth Capital plc (which had an administration order placed on it on 3 June 1990. This was discharged on 16 March 1992 when the company entered into a voluntary arrangement with creditors. The company was dissolved on 28 October 2000. Mr Gunn resigned as a non-executive director on 31 March 1991);
- viii. British & Commonwealth Securities Limited (which entered into a corporate voluntary arrangement on 6 January 1990 and was dissolved on 13 February 2001).

The High Court of Justice judgment justifies Mr Gunn's repeated assertions that the findings of the inspectors appointed by the DTI were incorrect and unfounded.

In January 1999 the advisers to B&C, during its acquisition of Atlantic, who were, *inter alia*, charged by B&C to carry out extensive due diligence, settled the claim for negligence made by B&C's administrators in the sum of £150,000,000.

- i. Mr Gunn resigned as a non-executive director of Cabledown Limited on 31 October 1997. On the same date an administrative receiver was appointed owing to a short-fall in working capital.
- j. Mr Gunn resigned as a non-executive director of Pavilion Holdings Limited on 9 May 1997. On the same date an administrative receiver was appointed by Coutts, the company's bankers as a result of, *inter alia*, the company advancing too much money to authors without receiving the works for those advances (and the company was subsequently dissolved on 28 November 2000).
- k. Mr Gunn resigned as a non-executive director of Satinbridge Limited on 20 July 1995, the date that the business was sold to the then managing director of the company. On 11 October 1995 the company entered into a creditors' voluntary liquidation (and the company was subsequently dissolved on 14 August 1996).
- l. Mr Gunn resigned as a non-executive director of Trafford Carpets (Bradford) Limited and Trafford Carpets (Manchester) Limited on 24 November 1994. On the same date an administrative receiver was appointed to both companies (and both companies were subsequently dissolved on 29 June 2004) owing to a short-fall in working capital.
- m. Mr Gunn resigned as a non-executive director of Witlecraft Limited on 16 February 1996 after having reported suspected fraud by certain of the directors to the company's bank. On the same date an administrative receiver was appointed by the bank (and the company was subsequently dissolved on 15 February 2000).
- n. Mr Gunn was a non-executive director of XPO Network Limited and XPO Network Interactive Limited when on 6 September 2002 these companies entered into creditors' voluntary liquidations as a result of the rescission of a lease agreement entered into with the British Airports Authority which itself was a result of a short-fall in working capital.
- o. Mr Gunn is currently a director of Ludgate 181 plc which entered into voluntary liquidation on 8 April 2002.
- p. Mr Gunn is currently a director of West 175 Media Group Inc. which entered into a voluntary arrangement in May 2004. West 175 Media Limited, also entered into a voluntary arrangement and was struck off the register on 29 March 2005.

- q. Mr Kennedy was a director of Vision Music Entertainment Limited (“Vision”) a subsidiary of Telstar Entertainment Group plc (“Telstar”) which entered into insolvent liquidation on 10 November 1997. The only creditors of Vision were companies in the Telstar group.

7. Directors’ terms of engagement and service agreements

- a. Wengen Limited (“Wengen”) signed a consultancy letter agreement to provide the services of a Non-executive Chairman on 10 March 2005. In accordance with that letter agreement, Wengen and the Company have agreed that John Gunn will be the individual appointed to carry out Wengen’s obligations under that agreement. Nicholas Kennedy signed a letter of appointment with the Company on 10 March 2005 in respect of his services as Non-executive Director. The principal terms of the letter and the consultancy letter agreement are as follows:

<i>Director</i>	<i>Notice period by both parties</i>	<i>Fees per annum (£)</i>
Wengen Limited acting through John Gunn	6 months	35,000 (excluding VAT)
Nicholas Kennedy	6 months	24,000

- b. On 4 August 2005 the consultancy letter agreement and the letter of appointment described above in paragraph 7a of this Part VIII, were amended to include an indemnity from the Company in favour of such Directors, on a continuing basis, against any liability to third parties that may arise in connection with their position as a director, to the extent permitted by law and the Company’s Articles and to provide funds to the directors to meet expenditure incurred in defending such legal proceedings.
- c. Kim Taylor has entered into a service agreement with the Company dated 8 August 2005 as Executive Finance Director of the Company for an annual remuneration of £80,000. This agreement is in substitution for the letter of appointment entered into by Kim Taylor with the Company dated 10 March 2005 in respect of his services as a Non-executive Director, details of which are contained in the Company’s AIM admission document dated 11 March 2005. The service agreement contains an indemnity from the Company on the same terms as that described in paragraph 7b above.

The service agreement may be terminated by either party giving not less than six months’ notice at any time. The agreement also contains certain provisions preventing Kim Taylor from competing with the Enlarged Group or soliciting any of its employees. The remuneration under the agreement is subject to review six months from the date of the agreement.

- d. As at the date of Admission, the Proposed Director will be appointed as Non-executive Director of the Company pursuant to a letter of appointment as Non-executive Director. The letter of appointment may be terminated by either party on six months’ notice and contains an indemnity from the Company on the same terms as that described in paragraph 7b above. Under this agreement, the Proposed Director will receive an annual fee of £24,000.
- e. Save as described above in paragraph 7b of this Part VIII, neither the consultancy letter agreement nor the letter of appointment described above in paragraph 7a of this Part VIII have been amended since they were entered into, nor do they provide for any benefits upon their termination. Neither the service agreement, nor the letter of appointment described in paragraphs 7c and 7d above provide for any benefits upon their termination.

8. Summary of the principal features of the Share Option Scheme

- a. Introduction

The Company has established a discretionary share option plan, the Share Option Scheme, under which options can be granted over Ordinary Shares.

The Share Option Scheme comprises two parts: the first enables the Company to grant tax favourable options to eligible participants as Enterprise Management Incentive (“EMI”) options, which give the participants and the Company the opportunity to achieve considerable tax and National Insurance savings compared with unapproved options. However, Inland Revenue rules prohibit any one participant holding EMI options at any time over Ordinary Shares with a market value of more than £100,000 (calculated by reference to the market value of an Ordinary Share on the relevant date of grant). In addition, EMI options may not be outstanding at any time over Ordinary Shares with an aggregate market value (calculated as above) of more than £3 million. Consequently, a non-approved part is required to facilitate the grant of options in excess of such limits. Currently, and assuming the

Company meets the criteria which are required to be satisfied at the date of grant of any options, it is proposed to grant options as EMI options to the maximum extent possible and then non-approved options to a participant once he holds the maximum entitlement of EMI options.

Unless specified to the contrary, the following summary relates to options granted under both parts of the Share Option Scheme as each part has substantially the same terms. The following also assumes that Resolution 3 to be proposed at the EGM is passed.

b. Administration

The Share Option Scheme will be administered and operated by the remuneration committee.

c. Eligibility

Any consultant, provider of services, employee or Director of the Company and its subsidiaries is eligible to participate, at the Remuneration Committee's discretion, in the Share Option Scheme (although only employees and executive Directors may be granted EMI options).

d. Timing of Awards

Options may be granted in the six weeks following the announcement of the Company's preliminary or interim results from time to time and also at any other time when the Remuneration Committee considers it appropriate to award options in exceptional circumstances.

No amount is payable by a participant on the grant of an option. It is currently intended that the exercise price per Ordinary Share will be the prevailing market price at the date of grant. However, Options may be granted with exercise prices at a discount to market value at the date of grant.

e. Exercise of Options

Options will normally be exercisable between three and ten years from the date of grant, providing, other than in the circumstances set out below, the participant is still working for the Company or its subsidiaries (the "Group").

The exercise of an option may also be subject to performance criteria set by the Remuneration Committee being met.

Options remaining unexercised on the tenth anniversary of grant will automatically lapse.

Participants may be required to pay any employers' National Insurance contributions which arise on the exercise of options.

f. Leavers

Options will normally lapse without compensation when a participant ceases to be employed by the Group unless the cessation of the participant's employment is as a result of death, injury, ill health, disability, redundancy, retirement or the sale of his employing company or business.

Early exercise of an option may also be permitted on cessation of employment in other circumstances at the Remuneration Committee's discretion.

g. Change of Control

In the event of a takeover of the Company, all options may be exercised shortly thereafter.

h. Plan Limit

At any one time, the aggregate number of Ordinary Shares which have been issued under options and the number of Ordinary Shares issuable under outstanding options may not exceed 13.47 per cent. of the Company's issued share capital from time to time. Awards may be satisfied by newly issued Ordinary Shares or Ordinary Shares purchased in the market (whether held as treasury shares or by an employee trust).

i. Variation of Capital

In the event of a rights or capitalisation issue or any sub-division, consolidation, reduction or other variation of the Company's share capital, the exercise price of an option and the number of Ordinary

Shares over which an option has been granted may be adjusted in such manner as the Board determines is fair and reasonable.

j. Voting, Dividend and other Rights

Until they receive Ordinary Shares, participants have no voting or dividend rights. Ordinary Shares allotted under the Share Option Scheme will rank *pari passu* with existing Ordinary Shares then in issue with the exception of rights attaching by reference to a record date prior to the allotment date.

Application will be made for all Ordinary Shares allotted pursuant to the Share Option Scheme to be admitted to trading on AIM.

All awards are non-transferable and non-pensionable.

k. Amendments

The Share Option Scheme may be amended by the Board.

Amendments to the material detriment of participants require participants' prior approval.

Any amendment to the limit referred to in paragraph 8(h) above requires prior shareholder approval.

l. The following options over Ordinary Shares have been granted:

	<i>Number of Ordinary Shares</i>	<i>Date of grant of option</i>	<i>Expiry date of Option</i>	<i>Exercise price per Ordinary Share</i>
John Gunn	2,000,000	29 March 2005	28 March 2015	5p
Nicholas Kennedy	2,000,000	29 March 2005	28 March 2015	5p
Kim Taylor	2,000,000	29 March 2005	28 March 2015	5p

It is proposed that the following options over Ordinary Shares will be granted in connection with the Acquisitions:

	<i>Number of Ordinary Shares</i>	<i>Date of grant of option</i>	<i>Expiry date of Option</i>	<i>Exercise price per Ordinary Share</i>
Proposed Director	3,700,000	Completion	10 years from the date of grant	6.5 pence per share
Paul Churchman	3,500,000	Completion	10 years from the date of grant	6.5 pence per share ¹
Michael Tackley	3,500,000	Completion	10 years from the date of grant	6.5 pence per share
Antony Goozee	2,000,000	Completion	10 years from the date of grant	6.5 pence per share ¹
Simon Dunn	2,000,000	Completion	10 years from the date of grant	6.5 pence per share ¹

- The options to be granted to Messrs. Churchman, Goozee and Dunn will be divided between the EMI and non-approved parts of the Share Option Scheme. They will each be granted an EMI option over £100,000 of Ordinary Shares with the relevant number of shares being calculated by reference to, and the exercise price per share being equal to, the market value of an Ordinary Share on the date of Admission and a non-approved option over the balance of their option shares with an exercise price which will be such that the average exercise price of the options granted to them will be 6.5 pence per share. This does not apply to Messrs. Lawrenson or Tackley as neither of them are eligible to be granted EMI options and so they will be granted a non-approved option alone.

9. The Vendor

Details of the person selling the Flights Shares in accordance with the terms of the Share Purchase Agreements, together with its interests in the share capital of the Company following Admission (assuming the Placing becomes unconditional), all of which interests are beneficial unless otherwise stated, are set out below:

<i>Name</i>	<i>Percentage of issued ordinary share capital of each of the Flights Group companies</i>	<i>Number of Ordinary Shares after Completion</i>	<i>Percentage of Enlarged Share Capital¹</i>
Spritto Nominees Limited ²	100	46,666,667	27.1

- On the assumption that the Placing becomes unconditional
- All of these shares are held as nominee for the Proposed Director. This company is wholly owned by the Proposed Director
- Excluding up to a further 13,333,333 Consideration Shares which may be issued under the Share Purchase Agreements

10. Market Prices

The closing middle market quotation for an Existing Ordinary Share as derived from the AIM Appendix to the London Stock Exchange Daily Official List at the close of business on the following dates in as follows:

	<i>Closing mid market share price</i>
29 March 2005	6.50p
1 April 2005	6.00p
11 April 2005	8.75p

On 12 April 2005 the Ordinary Shares were suspended from trading following the announcement by the Company that it had commenced negotiations relating to the Acquisitions.

11. Indebtedness

a. The Company

At the close of business on 8 August 2005 (the latest practicable date prior to the publication of this document), apart from expenses relating to the Placing, the Acquisitions and Admission the Company had no borrowings or indebtedness in the nature of borrowings outstanding, including loan capital, term loans outstanding or created but unissued, or any mortgages, charges or any other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptances (other than normal trade bills), acceptance credits, obligations under finance leases, hire purchase commitments, guarantees, indemnities or other material contingent liabilities.

b. Flights Group

At 8 August 2005 (the latest practicable date prior to the publication of this document) the Flights Group had aggregate indebtedness of £1,060,698 (including the sum of £450,000 owing to the Company as described in paragraph 12.1e. below).

12. Material Contracts

12.1 The following contracts have been entered into by the Company since incorporation and are or may be material:

- a. The Flights Hallmark Share Purchase Agreement dated 9 August 2005 between the Company, the Vendor and the Proposed Director as guarantor (the "Guarantor"). Under the terms of the Flights Hallmark Share Purchase Agreement, which is conditional upon, *inter alia*, the passing of Resolutions 1 and 2 at the EGM, the completion of the Flights Corporate Transfers Share Purchase Agreement and the FH Transport Share Purchase Agreement, and admission of the Initial Consideration Shares to trading on AIM, the Company has agreed to acquire 100 per cent. of the issued share capital of Flights Hallmark in consideration for the issue of 31,111,127 Ordinary Shares and £493,333 to be satisfied by the issue of 5 per cent. loan notes 2007 on Completion, and the issue of 13,333,333 Ordinary Shares on the attainment of a pre-tax profit of £800,000 for the financial year 1 December 2005 to 30 November 2006 by the Flights Group.

The Vendor has given warranties to the Company in relation to the business and affairs of Flights Hallmark together with certain indemnities in favour of the Company. These warranties and indemnities are subject to certain financial and time limits. All of the obligations of the Vendor under the agreement are guaranteed by the Guarantor.

The agreement also contains an undertaking by the Vendor not to dispose of the Ordinary Shares issued to it under the agreement for 12 months following Admission without the Company's written consent and effect any disposal of those Ordinary Shares within 12 months following the expiry of the initial lock-in period through the Company's broker with a view to ensuring an orderly market in the Ordinary Shares. The Vendor may, however, dispose of such shares in the following limited circumstances:

- (i) an acceptance of an offer for the entire issued ordinary share capital of the Company (or that part of the issued ordinary share capital not owned by the offeror or any person(s) acting in concert within the meaning of the City Code) and the Vendor may give an irrevocable undertaking to accept any such offer or pursuant to any agreement to sell shares to an offeror or potential offeror; or
- (ii) any compromise or arrangement under section 425 of the Act providing for the acquisition by any person (or group of persons acting in concert within the meaning of the City Code)

of shares in the Vendor representing more than 50 per cent. of the total voting rights of the Company; or

- (iii) any scheme of reconstruction under section 110 of the Insolvency Act 1986 in relation to the Company.

The Flights Hallmark Share Purchase Agreement may be terminated by the Company prior to Completion in certain circumstances including a material breach of warranty or the loss of certain key contracts.

- b. The Flights Corporate Transfers Share Purchase Agreement dated 9 August 2005 between the Company, the Vendor and the Proposed Director as guarantor (the “Guarantor”). Under the terms of the Flights Corporate Transfers Share Purchase Agreement, which is conditional upon, *inter alia*, the completion of the Flights Hallmark Share Purchase Agreement and the FH Transport Share Purchase Agreement, the Company has agreed to acquire 100 per cent. of the issued share capital of Flights Corporate Transfers in consideration for the issue of 15,555,540 Ordinary Shares and £246,667 to be satisfied by the issued of 5 per cent. loan notes 2007 on Completion.

The Vendor has given warranties to the Company in relation to the business and affairs of Flights Corporate Transfers together with certain indemnities in favour of the Company. These warranties and indemnities are subject to certain financial and time limits. All of the obligations of the Vendor under the agreement are guaranteed by the Guarantor.

The agreement also contains a lock-in undertaking from the Vendor in relation to the Ordinary Shares issued to it under this agreement on the same terms as that described in paragraph 12.1a above.

The Flights Corporate Transfers Share Purchase Agreement may be terminated by the Company prior to Completion in certain circumstances including a material breach of warranty or the loss of certain key contracts.

- c. The FH Transport Share Purchase Agreement dated 9 August 2005 between the Company, the Vendor and the Proposed Director as guarantor (the “Guarantor”). Under the terms of the FH Transport Share Purchase Agreement, which is conditional upon, *inter alia*, the completion of the Flights Hallmark Share Purchase Agreement and the Flights Corporate Transfers Share Purchase Agreement, the Company has agreed to acquire 100 per cent. of the issued share capital of FH Transport for a consideration of £10,000 to be satisfied by the issue of 5 per cent. loan notes 2007 on Completion.

The Vendor has given warranties to the Company in relation to the business and affairs of FH Transport together with certain indemnities in favour of the Company. These warranties and indemnities are subject to certain financial and time limits. All of the obligations of the Vendor under the agreement are guaranteed by the Guarantor.

The FH Transport Share Purchase Agreement may be terminated by the Company prior to Completion in certain circumstances including a material breach of warranty or the loss of certain key contracts.

- d. The Placing Agreement dated 9 August 2005, pursuant to which Panmure Gordon has agreed to use its reasonable endeavours to procure subscribers for 18,307,693 Ordinary Shares at 6.5p per share. The agreement contains, subject to certain limitations (including as to the amounts of claims that may be made against the Directors and the Proposed Director), certain indemnities, warranties and undertakings from the Company, the Directors and the Proposed Director in favour of Panmure Gordon including an agreement not to dispose, save in the case of certain exceptions substantially similar to those set out in paragraph 12 a above, of any Ordinary Shares held by or on behalf of the Directors or the Proposed Director for a period of 12 months from Admission and for a period of 12 months thereafter any disposals shall only be effected through the Company’s broker from time to time. Under the Placing Agreement, Panmure Gordon is entitled to a corporate finance fee of £100,000 and a commission of 5 per cent. of the aggregate value of the Placing Shares at the Placing Price placed by it and 2 per cent. of the aggregate value of the Placing Shares at the Placing Price in respect of Placing Shares introduced from other sources.

The Placing Agreement may be terminated at any time up to Admission, including in certain *force majeure* circumstances.

- e. A working capital facility agreement (as amended) dated 6 April 2005 between the Company as lender and Flights Corporate Transfers as borrower pursuant to which the Company has lent, in aggregate, £450,000 to Flights Corporate Transfers at a rate of 8 per cent. per annum for working capital and other purposes. In this agreement, Flights Corporate Transfers made certain representations and gave certain undertakings to the Company. The Company may demand repayment of the loan at any time.
- f. A charge over receivables granted by Flights Corporate Transfers in favour of the Company dated 6 April 2005 as security for the loan described in paragraph 12.1 e above, being a first fixed charge and first floating charge over all book and other debts and claims and proceeds of collection of all debts from time to time owned by Flights Corporate Transfers.
- g. The Placing Agreement dated 11 March 2005, pursuant to which Panmure Gordon agreed to use reasonable endeavours to procure subscribers for up to 80,000,000 Ordinary Shares at 4p per share. The agreement contained, subject to certain limitations (including as to the amounts of claims that may be made against the Directors), certain indemnities, warranties and undertakings from the Company and the Directors in favour of Panmure Gordon (then known as Durlacher Limited).
- h. An agreement dated 24 February 2005 between the Company and Panmure Gordon, pursuant to which Panmure Gordon has agreed to act as nominated adviser and broker to the Company for the purposes of the AIM Rules for a fee of £25,000 rising to £45,000 on completion of the Company's first Reverse Takeover. The agreement may be terminated by either party on one month's written notice and contains certain indemnities given by the Company in favour of Panmure Gordon.
- i. An agreement dated 15 February 2005 between the Company and Ludgate Investments Limited ("Ludgate"), pursuant to which Ludgate agreed to act as non-exclusive financial adviser to the Company in relation to the admission of the Company's shares to trading on AIM, which took place on 29 March 2005. Ludgate received a fee for such services.
- j. Lock-in and orderly marketing deeds dated 11 March 2005 between the Company, Panmure Gordon and each of John Gunn, Nicholas Kennedy, Wengen Pension Plan, Scheidegg Limited and Renate Gunn under the terms of which such Shareholders conditionally upon admission agreed not to dispose of the Ordinary Shares held by them or allotted to them until the first anniversary of admission save in the circumstances substantially similar to those described in paragraph 12.1a above. In addition, so as to maintain an orderly market in the Ordinary Shares, such persons agreed that for a period of 12 months after the expiry of such period, any disposal of their Ordinary Shares shall subject to certain exceptions only be effected through the Company's broker from time to time.
- k. The consultancy letter agreement, service agreement and the letters of appointment referred to in paragraph 7 of this Part VIII.

12.2 The Flights Group

12.2.1 The following contracts have been entered into by Flights Hallmark in the two years prior to publication of this document and are or may be material:

- a. an agreement dated 1 December 2004 whereby Flights Hallmark acquired the business and assets of Hallmark Coaches Limited from Stuart Lawrenson (who had himself acquired such business and assets from Hallmark Coaches Limited on 29 July 2004) for a consideration of £500,000; and
- b. an agreement between Flights Hallmark and CPS dated 1 June 2005 whereby Flights Hallmark acquired certain assets and business of CPS in order to operate the contract between FH Transport and British Airways plc (described below at paragraph 13 f. for a total consideration of £40,500.

12.2.2 The following contracts have been entered into by Flights Corporate Transfers in the two years prior to publication of this document and are or may be material:

- a. the working capital facility agreement described in paragraph 12.1 e. of this Part VIII;

- b. the charge over receivables described in paragraph 12.1 f. of this Part VIII; and
- c. an agreement dated 4 May 2005 between Flights Corporate Transfers as purchaser and 5 Star Executive Travel (Birmingham) Ltd as vendor in respect of the sale and purchase of the entire business, assets and trading activities of 5 Star Executive Travel (Birmingham) Ltd for a consideration of £200,000.

12.2.3 FH Transport has not entered into any contracts in the two years prior to publication of this document which are or may be material.

13. Commercial Contracts and relationships

13.1 The business of the Flights Group is or may be dependent on the following commercial contracts:

- a. An agreement between Flights Hallmark and National Express Limited dated 28 March 2002 for the provision of bus services between Wolverhampton and Gatwick Airport and between Coventry and Heathrow Airport for a minimum consideration of £306,000 per annum, invoiced on a mileage basis. Negotiations are currently being undertaken concerning the terms of renewal of this agreement. The Directors have been informed that absent agreement being reached on such terms, this agreement will terminate in or around March 2006.
- b. An agreement between Flights Hallmark and National Exhibition Centre Limited (“NEC”) dated 14 September 2004 for the provision of shuttle bus services at NEC’s site in Birmingham. The agreement terminates on 31 July 2008 and fees are payable on a monthly basis, calculated according to mileage.
- c. An agreement between West Midlands Passenger Transport Executive and Flights Hallmark dated 24 October 2004 for the provision of a public passenger transport service around Warwick University. The Agreement continues in force until 21 October 2006 and fees are calculated according to a daily rate.
- d. An agreement between National Grid Company plc and Flights Hallmark dated 1 September 2004. Pursuant to the agreement, Flights Hallmark provides coach transportation services for staff and other authorised users to and from NGT House, Warwick. The agreement is to continue for three years unless earlier terminated by either party and fees are payable on a monthly basis, calculated according to mileage.
- e. An agreement between Flights Corporate Transfers and Emirates dated 1 February 2004 for the provision of chauffeur drive services to Emirates passengers. The agreement has an initial term of 3 years and fees are payable on a weekly basis, calculated according to mileage.
- f. An agreement between FH Transport and British Airways plc dated 1 February 2005 for the supply of ground transportation services. The agreement is to continue until 28 February 2010 unless terminated earlier by either party and fees are payable on a monthly basis, calculated according to mileage and type of journey.

13.2 As discussed on page 17 of this document under “Risk Factors” the Flights Group has been party to various relationships with CPS, of which Stuart Lawrenson, the Proposed Director is a senior employee. Such relationships may comprise related party transactions. As at 30 November 2005, £416,076 was owned by the Flights Group to CPS. As at 8 August 2005 (the latest date practicable prior to the publication of the document) the Company has been informed that approximately £500,000 is owing in respect of recharging for supplies and similar issues. The aggregate turnover of the Flights Group in the year ended 30 November 2005 was £5,205,374. In addition, at the year ended 30 November 2004 £311,820 was owing to Dunn-Line (Holdings) Limited, a company in which Simon Dunn, an employee of Flights Group, is interested as a shareholder.

14. Taxation

The following is a general summary of certain UK tax consequences of the ownership of the Ordinary Shares for UK resident shareholders. This summary is based on current UK tax law and Inland Revenue practice at the date of this document. It assumes that the persons referred to in this section are beneficially entitled to the Ordinary Shares as an investment and does not address the tax consequences which may be relevant to certain other categories of UK shareholders such as financial institutions and dealers in securities or where the Ordinary Shares are acquired in connection with an employment. It does not purport to be a complete analysis of all the potential tax effects relevant to a decision to invest in the Ordinary Shares, nor should it be

considered to be legal or tax advice to any potential investor. Accordingly, prospective investors who are in any doubt as to their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the United Kingdom are urged to consult their tax advisers regarding the applicable tax consequences of acquiring, holding and disposing of the Ordinary Shares based upon their particular circumstances.

a. Taxation of dividends for UK income taxpayers

Under current UK tax legislation no UK tax will be withheld from any dividend paid by the Company.

An individual shareholder who is resident in the UK for tax purposes and who receives a dividend from the Company will be entitled to a tax credit which may be set off against his total income tax liability on the dividend. Such an individual shareholder's liability to income tax is calculated on the aggregate of the dividend and the tax credit (the "Gross Dividend") which will be regarded as the top slice of the individual's income. The tax credit will be equal to 10 per cent. of the Gross Dividend (i.e. the tax credit will be one-ninth of the amount of the dividend received).

Generally, a UK resident individual shareholder who is not liable to income tax in respect of the Gross Dividend will not be entitled to reclaim any part of the tax credit. A UK resident shareholder who is liable to income tax at the starting or basic rate will be subject to income tax on the dividend at the rate of 10 per cent. of the Gross Dividend so that the tax credit will satisfy in full such shareholder's liability to income tax on the dividend. A UK resident individual shareholder liable to income tax at the higher rate will be subject to income tax on the Gross Dividend at 32.5 per cent. but will be able to offset the tax credit against part of this liability. The effect of that set off of the tax credit is that such a shareholder will have to account for additional tax equal to 22.5 per cent. of the Gross Dividend (which is also equal to 25 per cent. of the amount of the dividend received).

b. Taxation of dividends — Other UK taxpayers

The trustees of certain trusts may also have further tax to pay on dividends.

UK resident corporate shareholders, subject to certain very limited exceptions, are not liable to UK corporation tax in respect of dividends received from the Company.

Pension funds and most UK corporate shareholders are not, however, entitled to claim a refund of dividend tax credits from the Inland Revenue.

c. Taxation of capital gains for UK resident shareholders

A disposal of Ordinary Shares by a person who is resident or ordinarily resident in the UK for tax purposes may give rise to a liability to taxation on chargeable gains ("CGT") depending on individual circumstances. Individuals, personal representatives and trustees may be entitled to taper relief which may operate to reduce the chargeable gains subject to CGT. Companies are not entitled to taper relief, but are entitled to an indexation allowance which may reduce the taxable chargeable gains. The indexation allowance cannot be used to create or increase a loss. There are provisions contained in the Finance Act 2002 which operate to remove from the scope of taxation on chargeable gains for UK companies certain gains (or disallow a loss) arising on disposals of shares where such shares constitute part of a substantial holding (defined as at least 10 per cent. of the ordinary share capital) in a company subject to a number of conditions.

d. UK stamp duty and stamp duty reserve tax

Except in relation to depository receipt arrangements and clearance systems (where special rules apply) no stamp duty or stamp duty reserve tax ("SDRT") will be payable on the issue and allotment of Ordinary Shares by the Company.

Subsequent sale and purchase of Ordinary Shares will normally give rise to a charge to stamp duty and/or SDRT, payable by the purchaser, generally at a rate of 0.5 per cent. of the consideration payable, rounded up to the nearest £5 in the case of stamp duty. Where the sale transaction takes place in CREST, generally SDRT will be automatically deducted and no stamp duty will arise. Stock transfer forms used to transfer Ordinary Shares not held within CREST will be liable to stamp duty. The execution and stamping of an appropriate stock transfer form within 6 years of the agreement to transfer the Ordinary Shares will normally cancel the related charge to SDRT.

e. Inheritance tax

The Ordinary Shares will be assets situated in the UK for the purposes of inheritance tax. A gift of such assets by, or on the death of, an individual holder of such assets might, subject to certain exemptions and reliefs, including business property relief, give rise to a liability to inheritance tax. A transfer of such assets at less than market value may be treated as a gift for inheritance tax purposes.

f. No Ordinary Shares will be offered into any jurisdiction outside of the United Kingdom.

g. EIS tax reliefs

The Inland Revenue has given provisional confirmation that the Company is a qualifying company under the Enterprise Investment Scheme legislation. To obtain the tax reliefs described below it is necessary to subscribe for ordinary shares in a qualifying company and claim the relief. Whilst the Company cannot guarantee to conduct its activities in a way to maintain its status as a qualifying company, the Directors and the Proposed Director intend as far as possible to do so.

The summary below gives only a brief outline of how tax reliefs are given assuming the investor is a 40 per cent. tax payer. It does not set out all the rules which must be met for periods of between three and five years by the Company and the investor. The tax reliefs will only be relevant to investors who pay income tax and/or wish to defer a capital gain. The summary is not a substitute for the investor obtaining professional advice before applying for shares.

The EIS relief has four elements.

1. Income Tax Relief

This allows an investor to reduce the amount of his, or her, liability to income tax in the year of investment. Relief is obtained at the lower rate of income tax, currently 20 per cent., on the amount invested in the shares of qualifying companies. Investors should be able to deduct an amount equal to 20 per cent. of their investment from their liability to income tax in the current tax year. Relief cannot be claimed on more than £200,000 invested by an individual (in any number of qualifying companies) in any tax year.

To retain this relief the shares must be held by the investor for a period that ends three years after the share issue date or three years after the trade starts, whichever is later. This will be referred to below as the three year period.

An individual who subscribes for shares after 5 April and before 6 October 2005 may elect to carry back part of the subscription to the previous tax year so that relief at 20 per cent. can be set against his 2004/2005 income tax liability. The amount of subscription that can be carried back is limited to the smaller of (a) £25,000 (b) half the amount subscribed and (c) the unused balance of his £200,000 relief available for 2004/2005.

2. Capital Gains Tax Exemption

This exempts investors from the liability to capital gains tax when they realise a gain on disposal of their shares in qualifying companies after the three year period, provided the EIS income tax relief was given on the shares and has not been withdrawn.

3. Loss Relief

In the event of an investor suffering a loss arising from the disposal of the EIS shares at any time, this relief allows the offset of losses against either capital gains or taxable income in the year of the loss.

4. Capital Gains Tax Deferral

Individuals and certain trustees can defer all or part of their capital gains tax liabilities by subscribing for eligible shares in an EIS company. There is no monetary limit on the amount of the EIS subscription and thus the gain that can be deferred in this way. The gains that can be deferred are those that have arisen in the three years before the EIS shares are issued or those that arise up to one year after that date. Such gains may be the result of the disposal of an asset or, a gain previously deferred by the individual, may have become chargeable to tax.

Investors should not think that this relief is a deferral only and that the original capital gain will crystallise on the disposals of the EIS shares at any time, resulting in CGT being payable in the normal way. The investor would however, be able to claim further deferral to the extent that a qualifying reinvestment is made within the time allowed. A transfer of shares on the owner's death does not cause the deferred gain to crystallise.

h. Venture Capital Trusts

The Company has received provisional clearance from the Inland Revenue of the Company's status as a qualifying VCT investment.

Whilst the Company cannot guarantee to conduct its activities in a way to allow it to maintain its status as a qualifying VCT investment, the New Board intends, as far as possible, to do so.

15. Working capital

In the Directors' and the Proposed Director's opinion, having made due and careful enquiry, the working capital available to the Enlarged Group will, from Admission, be sufficient for its present requirements, that is for at least the next 12 months.

16. Litigation

- a. Since incorporation the Company has not been engaged in, nor is it currently engaged in, any governmental, legal or arbitrational proceeding which has or may have a significant effect on the financial position of the Company and, so far as the Company is aware, there are no such proceedings pending or threatened against the Company.
- b. In the 12 months prior to the date of this document none of Flights Hallmark, Flights Corporate Transfers or FH Transport have been engaged in, nor are any of them currently engaged in, any governmental, legal or arbitrational proceeding which has or may have a significant effect on the financial position of any of Flights Hallmark, Flights Corporate Transfers or FH Transport and, so far the Directors and the Proposed Director are aware, there are no such proceedings pending or threatened against any of Flights Hallmark, Flights Corporate Transfers or FH Transport.

17. Licences

The business of the Flights Group is or may be dependent on the following licences:

- a. Under the Public Passenger Vehicles Act 1981 (the "PPV Act"), operators of public service vehicles must obtain a PSV Licence for any traffic area in which, if the licence is granted, there will be one or more operating centres of vehicles used under the licence. The vehicles can then be used anywhere in Great Britain. Vehicles and drivers must also be individually licensed.

Flights Hallmark currently holds PSV Licences for the following traffic areas: West Midlands traffic area, North West traffic area, Eastern traffic area and South East and Metropolitan traffic area. All vehicles and drivers employed by Flights Hallmark are also properly licensed.
- b. According to the Local Government (Miscellaneous Provisions) Act 1976, operators of private hire vehicles must obtain a licence to use the vehicle as a private hire vehicle from the relevant local authority, or from the Public Carriage Office if operating in London. Vehicles and drivers must also be individually licensed.

Flights Corporate Transfers is in possession of private hire licences from Birmingham City Council and the Public Carriage Office. The Proposed Director has confirmed that all vehicles and drivers employed by Flights Corporate Transfers are also properly licensed.

18. General

- a. The accounting reference date of the Company is 30 November.
- b. Panmure Gordon of Moorgate Hall, 155 Moorgate, London EC2M 6XB has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which it appears.
- c. BDO Stoy Hayward LLP of 8 Baker Street, London W1U 3LL, a member of the Institute of Chartered Accountants, has given and not withdrawn its written consent to the inclusion of their accountant's report on the Company in the form set out in Part V, their accountant's report on Flights in the form set out in Part VI and the Unaudited Pro Forma Statement of Net Assets of the Enlarged Group set out in Part VII of this document and references to its name in the form and context in which it appears and has authorised the inclusion of such reports for the purposes of Annex 1, paragraph 1.2 of the Prospectus Rules. BDO Stoy Hayward LLP has no material interest in the Company.
- d. BDO Stoy Hayward LLP accepts responsibility for the information contained in Parts V, VI and VII of this document for the purposes of Annex 1, paragraph 1.2 of the Prospectus Rules. To the best of the knowledge and belief of BDO Stoy Hayward LLP (which has taken all necessary steps to ensure that such is the case), the information contained in Parts V, VI and VII of this document

is in accordance with the facts and such Parts contain no omission of information likely to affect the import of such information.

- e. The information in paragraphs 1b, 5i, 5q, 5u and 9 of this Part VIII and Part III has been provided by the Vendor. The Directors and the Proposed Director confirm that this information has been accurately reproduced in this document and that, as far as they are aware and are able to ascertain from information provided by the Vendor, no facts have been omitted which would render such information inaccurate or misleading.
- f. The ISIN number of the Ordinary Shares is GB00B069ZP08.
- g. The total costs and expenses payable by the Company in connection with the Placing, the Acquisitions and Admission (including professional fees and the costs of printing and the fees payable to the registrars) are estimated to amount to approximately £500,000 (including VAT). The total net proceeds of the Placing are estimated to amount to £690,000.
- h. The Ordinary Shares are not currently admitted to dealings on a recognised investment exchange and no applications for such admission have been made.
- i. Save as disclosed in this document, there are no patents or licences, industrial, commercial or financial contracts or new manufacturing processes which are of fundamental importance to the Company's business.
- j. Save as disclosed in paragraph 12.1 of this Part VIII, no person (other than professional advisers named in this document and trade suppliers) has received, directly or indirectly, from the Company within 12 months preceding the application for Admission, or entered into contractual arrangements to receive, directly or indirectly, from the Company on or after Admission, fees totalling £10,000 or more or securities in the Company with a value of £10,000 or more, calculated by reference to the Placing Price, or any other benefit with a value of £10,000 or more at the date of Admission.
- k. The Company will, following Completion, continue to assess further acquisition opportunities which meet its acquisition criteria described in the prospectus issued by the Company on 11 March 2005 and it may issue Ordinary Shares in connection with such acquisitions. However, other than the Acquisitions, no terms have been agreed to effect such further acquisitions and no other significant investments are currently in progress.
- l. Each of the Directors and the Proposed Director is, or may be deemed to be, a promoter of the Company.
- m. The financial information concerning the Company for the relevant accounting period set out in the Accountant's Report in Part V does not constitute statutory accounts of the Company within the meaning of section 240 of the Act. The Company has not prepared any statutory accounts since its incorporation.
- n. The Placing Price represents a premium over nominal value of 5.5p per Ordinary Share.
- o. Save as disclosed in this document, there has been no significant change in the financial or trading position of the Company since its incorporation or any exceptional factors which have influenced its activities.
- p. Save as disclosed in this document, there has been no significant change in the financial or trading position of each of Flights Hallmark, Flights Corporate Transfers or FH Transport since 30 November 2004 or any exceptional factors which have influenced any of their activities.
- q. As at the date of this document the Company has two employees. Following completion of the Acquisitions, the Company and its subsidiaries will employ 128 people.
- r. The Flights Group principal premises are at Long Acre, Birmingham, as described in Part II of this document. The premises are held under a lease which expires in March 2006.
- s. Monies received from applicants pursuant to the Placing will be held in accordance with the terms of the contract note issued by Panmure Gordon until such time as the Placing Agreement becomes unconditional in all respects. If the Placing Agreement does not become unconditional in all respects by 9.30 a.m. on 30 August 2005, or such later date as the Company and Panmure Gordon may agree, being no later than 16 September 2005, application monies will be returned to the relevant applicant at the relevant applicant's sole risk without interest.
- t. Funds received pursuant to the Placing will be used by the Company for the following, in the following order of priority: (i) to augment the Company's funds for due diligence on further potential acquisition targets, (ii) to satisfy any cash element of consideration payable, where

appropriate, for future acquisitions and (iii) to supplement the Company's future working capital.

- u. Following Admission, share certificates representing the Ordinary Shares to be issued pursuant to the Placing are expected to be despatched by post to applicants who do not wish to receive shares in uncertificated form, at the relevant applicant's sole risk. Temporary documents of title will not be issued in connection with the Placing. Pending despatch of definitive share certificates, instruments of transfer will be certified against the register of members of the Company.
- v. Copies of this document, which includes full details of the Company and Admission, will be available free of charge at the Company's registered office and from the offices of the Company's nominated adviser, Panmure Gordon, at Moorgate Hall, 155 Moorgate, London EC2M 6XB during normal office hours on any weekday (Saturdays, Sundays and public holidays excepted), from the date of this document until the date which is one month following Admission.
- w. Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of Norton Rose, Kempson House, Camomile Street, London EC3A 7AN, from the date of this document until the date which is one month following Admission:
 - i. the memorandum and articles of association of the Company;
 - ii. the memorandum and articles of association of the Vendor;
 - iii. the report from BDO Stoy Hayward LLP set out in Part V of this document;
 - iv. the report from BDO Stoy Hayward LLP set out in Part VI of this document;
 - v. the report from BDO Stoy Hayward LLP set out in Part VII of this document;
 - vi. the consultancy letter agreements, services agreement and the letters of appointment referred to in paragraph 7 of this Part VIII;
 - vii. the material contracts referred to in paragraph 12 of this Part VIII;
 - viii. the transfers described in paragraph 4.3 of Part III;
 - ix. the rules of the Share Option Scheme as proposed to be amended;
 - x. the consent letters referred to in paragraph 18b and c of this Part VIII;
 - xi. the irrevocable undertakings set out in paragraphs 5g and h of this Part VIII; and
 - xii. this document.

Dated: 9 August 2005

PART IX
DEFINITIONS

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

“Acquisitions”	the Flights Hallmark Acquisition, the Flights Corporate Transfers Acquisition and the FH Transport Acquisition or any of them, as the context requires
“Act”	the Companies Act 1985, as amended
“Admission”	the admission of the Existing Ordinary Shares, the Initial Consideration Shares and the Placing Shares (if any) to trading on AIM becoming effective in accordance with the AIM Rules
“AIM”	the market of that name operated by the London Stock Exchange
“AIM Rules”	the rules for AIM companies and their nominated advisers published by the London Stock Exchange
“Associated Company”	a parent company, subsidiary company, fellow subsidiary company and Associated Companies of such companies and companies of which such companies are Associated Companies. For these purposes ownership or control of 20 per cent. or more of the equity share capital of a company is the test of associated status
“Board” or “Directors”	the directors of the Company, whose names are set out on page 4 of this document
“Business Day”	a day other than a Saturday or Sunday on which banks are ordinarily open for the transaction of normal banking business in London
“City Code”	the City Code on Takeovers and Mergers
“Combined Code”	the combined code on corporate governance published in July 2003 by the United Kingdom Financial Reporting Council
“Company” or “Rotala”	Rotala plc
“Completion”	completion of the Acquisitions or any of them, as the context requires
“Consideration Shares”	the up to 60,000,000 Ordinary Shares to be issued as part consideration for the Acquisitions
“CPC”	Certificate of Professional Competence
“CPS”	Central Parking System of UK Limited, a company incorporated in England and Wales, of which the Proposed Director is currently a member of the senior management
“CREST”	the computerised settlement system to facilitate the transfer of title of shares in uncertificated form operated by CRESTCo Limited
“Enlarged Group”	together, the Company and its subsidiaries following Completion
“Enlarged Share Capital”	the enlarged ordinary share capital of the Company at Completion but before any dilution as a result of the exercise of any Options
“Existing Ordinary Shares”	the Ordinary Shares of the Company in issue as at the date of this document
“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting of the Company convened at Norton Rose, Kempson House, Camomile Street at 11.00 a.m. on 26 August 2005, notice of which is set out at the end of this document
“FH Transport”	FH Transport Limited, a company incorporated in England and Wales

“FH Transport Acquisition”	the proposed acquisition by the Company of the entire issued share capital of FH Transport pursuant to the FH Transport Share Purchase Agreement
“FH Transport Share Purchase Agreement”	the conditional agreement dated 9 August 2005 between the Company (1) the Vendor (2) and the Proposed Director (3) relating to the FH Transport Acquisition, details of which are set out in paragraph 12.1c. of Part VIII of this document
“Form of Proxy”	the form of proxy enclosed with this document for use by Shareholders in connection with the EGM
“Flights Corporate Transfers”	Flights Corporate Transfers Limited, a company incorporated in England and Wales
“Flights Corporate Transfers Acquisition”	the proposed acquisition by the Company of the entire issued share capital of Flights Corporate Transfers pursuant to the Flights Corporate Transfers Share Purchase Agreement
“Flights Corporate Transfers Share Purchase Agreement”	the conditional agreement dated 9 August 2005 between the Company (1) the Vendor (2) and the Proposed Director (3) relating to the Flights Corporate Transfers Acquisition, details of which are set out in paragraph 12.1b. of Part VIII of this document
“Flights Group”	Flights Hallmark, Flights Corporate Transfers and FH Transport
“Flights Hallmark”	Flights Hallmark Limited, a company incorporated in England and Wales
“Flights Hallmark Acquisition”	the proposed acquisition by the Company of the entire issued share capital of Flights Hallmark pursuant to the Flights Hallmark Share Purchase Agreement
“Flights Hallmark Share Purchase Agreement”	the conditional agreement dated 9 August 2005 between the Company (1), the Vendor (2) and the Proposed Director (3) relating to the Flights Hallmark Acquisition, details of which are set out in paragraph 12.1a. of Part VIII of this document
“Flights Shares”	the entire issued share capitals of each of Flights Corporate Transfers, Flights Hallmark and FH Transport
“Independent Directors”	John Gunn and Kim Taylor
“Independent Shareholders”	those shareholders who are entitled to vote on Resolution 2 pursuant to paragraph 2(d) of Appendix 1 to the City Code, and which excludes Nicholas Kennedy, a Director
“Initial Consideration Shares”	the 46,666,667 Ordinary Shares to be allotted and issued on Completion pursuant to the Share Purchase Agreements
“London Stock Exchange”	London Stock Exchange plc
“New Board”	the Directors and the Proposed Director
“Official List”	the Official List of the UK Listing Authority
“Options”	options over Ordinary Shares granted under the Share Option Scheme
“Ordinary Shares”	ordinary shares of 1p each in the capital of the Company
“Panel”	the Panel on Takeovers and Mergers
“Panmure Gordon”	Panmure Gordon (Broking) Limited (trading as Panmure Gordon & Co) whose registered office is at Moorgate Hall, 155 Moorgate, London, EC2M 6XB, which is the Nominated Adviser and Broker to the Company
“Placing”	the proposed placing of 18,307,693 Ordinary Shares by Panmure Gordon at the Placing Price, as described in this document

“Placing Agreement”	the conditional agreement, dated 9 August 2005, between the Company (1), Panmure Gordon (2) and the Directors and Proposed Director (3), in relation to the Placing, details of which are set out in paragraph 12.1d. of Part VIII of this document
“Placing Price”	6.5p per Ordinary Share
“Placing Shares”	18,307,693 Ordinary Shares (if any) to be issued pursuant to the Placing
“Proposals”	together, the Acquisitions, the Placing, the grant of options over 3,700,000 Ordinary Shares to the Proposed Director, Admission and all related matters
“Proposed Director” and “Spritto Director”	Stuart Lawrenson, details of whom are set out in the paragraph entitled “The proposed New Board” of Part I of this document
“Prospectus Rules”	the rules made for the purposes of Part VI Financial Services and Markets Act 2000 in relation to offers of securities to the public and admission of securities to trading on a regulated market, which are incorporated, in part in the AIM Rules
“PSV”	Public Service Vehicle
“Regulations”	the Uncertificated Securities Regulations 2001 (<i>SI 2001/3755</i>)
“Resolutions”	the resolutions to be proposed to Shareholders at the EGM
“Reverse Takeover”	an acquisition by the Company which constitutes a reverse takeover for the purposes of the AIM Rules
“Shareholders”	holders of issued Ordinary Shares
“Share Purchase Agreements”	the Flights Hallmark Share Purchase Agreement, the Flights Corporate Transfers Share Purchase Agreement and the FH Transport Share Purchase Agreement or any of them as the context requires
“Share Option Scheme”	the Rotala plc 2005 Share Option Scheme, details of which are set out in paragraph 8 of Part VIII of this document
“UK”	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 Financial Services and Markets Act 2000
“Vendor”	Spritto Nominees Limited, a company incorporated in England and Wales, which is 100 per cent. owned by the Proposed Director and whose registered office is at 55 Gower Street, London WC1E 6HQ
“Vendor Concert Party”	the Vendor and the Proposed Director
“Waiver”	the conditional waiver granted by the Panel under Rule 9 of the City Code, as described in the paragraph entitled “City Code” in Part I of this document

Rotala plc

(THE "COMPANY")

(Incorporated in England and Wales under the Companies Act 1985, with company number 5338907)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of the Company ("the EGM") will be held at the offices of Norton Rose at Kempson House, Camomile Street, London EC3A 7AN on 26 August 2005 at 11 a.m. for the purpose of considering and, if thought fit, passing the following Resolutions as ordinary resolutions, Resolution 2 being held on a poll vote by Independent Shareholders (as defined in the circular of the Company dated 9 August 2005).

ORDINARY RESOLUTIONS

1. THAT, conditional upon Resolution 2 being duly passed as an ordinary resolution on a poll vote by independent shareholders and conditional upon and with effect from the Share Purchase Agreements (as defined in the circular of the Company dated 9 August 2005 (the "Circular")) becoming unconditional (save only in respect of the conditions therein relating to Admission (as defined in the Circular) and in respect of the passing of this resolution), the proposed acquisition by the Company of the entire issued and to be issued share capitals of Flights Hallmark Limited, Flights Corporate Transfers Limited and FH Transport Limited on the terms and conditions of the Share Purchase Agreements be and is hereby approved and the directors of the Company (or a duly constituted committee thereof) be and they are hereby authorised to do all such things as they may consider to be necessary, expedient or appropriate to execute, complete or implement such agreements, together with all documents to be entered into under the terms of the Share Purchase Agreements, in accordance with their terms subject to such modifications thereto as they may consider necessary, expedient or appropriate and approve as such (provided that any such modifications shall not be material modifications in the context of the Acquisitions (as defined in the Circular) as a whole).
2. THAT, conditional on Resolution 1 being duly passed as an ordinary resolution and conditional upon and with effect from the Share Purchase Agreements (as defined in the circular of the Company dated 9 August 2005 (the "Circular")) becoming unconditional (save only in respect of the condition therein relating to Admission (as defined in the Circular)), the waiver by the Panel on Takeovers and Mergers of the requirement under Rule 9 of The City Code on Takeovers and Mergers for Spritto Nominees Limited and persons acting in concert with it (as defined in the Circular), to make a general offer for the ordinary shares in the Company that would otherwise arise by reason of:
 - (a) the allotment of up to 60,000,000 new ordinary shares representing up to 35.93 per cent. of the issued ordinary share capital of the Company as a result of the Acquisitions (as defined in the Circular); and
 - (b) the exercise of options over 3,700,000 ordinary shares in the capital of the Company, representing up to 2.35 per cent. of the ordinary share capital of the Company in issue on Admission (as defined in the Circular) to Stuart Lawrenson, a member of the Vendor Concert Party (as defined in the Circular),which in aggregate, would amount to up to 37.32 per cent. of the ordinary share capital of the Company in issue, as further described in the paragraph entitled "City Code" on page 9 of the Circular, be and is hereby approved.
3. THAT, the rules of the Rotala plc 2005 Share Option Scheme (the "Share Option Scheme") as proposed be amended to accommodate the grant of options in connection with the Acquisitions (as defined in Resolution 2 above) (and in the form produced to this meeting and for the purposes of identification initialled by the Chairman) be and are hereby approved and the Directors be and are hereby authorised to do all such acts and things as may be necessary or expedient to carry the same into effect, including making such modifications to the rules of the Share Option Scheme as may be necessary or expedient to ensure compliance with such statutory, fiscal or securities regulations as may apply thereto or to any participant therein.

Registered Office:
46 Cannon Street
London, EC4N 6JJ

BY ORDER OF THE BOARD

Kim Taylor
Company Secretary

Dated: 9 August 2005

Notes:

1. A Shareholder entitled to attend and vote at the EGM may appoint one or more proxies to attend (and on a poll) vote in his stead. Any person (whether a Shareholder or not) may be appointed to act as a proxy.
2. If a proxy is appointed for use at the EGM, the form of proxy as issued by the Board must be used. This form of proxy is enclosed herewith reply-paid. To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is executed, or a notorially certified copy of such power or authority, must be deposited at the Company's registrars at the following address at least 48 hours before the time for holding the EGM (i.e., by no later than 11.00 a.m. on 24 August 2005) or any adjournment thereof: Capita Registrars (Proxies), PO Box 25, Beckenham, Kent, BR3 4BR, UK.
3. Completion and return of a form of proxy will not preclude a Shareholder from attending and voting at the EGM in person in respect of which the proxy is appointed (or at any adjournment of the EGM) if such Shareholder subsequently decides to do so.
4. In the case of a corporation, a proxy should be given under its common seal or should be signed on its behalf by an attorney or officer so authorised or in accordance with the provisions of Section 36A of the Companies Act 1985 (if applicable).
5. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders. For this purpose seniority is determined by the order in which the names stand in the register of members in respect of the joint holdings.
6. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those Shareholders registered in the register of members of the Company at 11.00 a.m. on 24 August 2005 (or, if the EGM is adjourned, in the register of members of the Company 48 hours before the time of any adjourned EGM) shall be entitled to attend and vote at the EGM in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after that time shall be disregarded in determining the rights of any person to attend or vote at the EGM.
7. Resolution 2 of this EGM will be taken on a poll and only Independent Shareholders (as defined in the circular of the Company dated 9 August 2005) will be entitled to vote thereon in accordance with the requirements of the Panel on Takeovers and Mergers for dispensation from Rule 9 of The City Code on Takeovers and Mergers.