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If you have sold or otherwise transferred all of your Ordinary Shares in Garner plc ("Garner" or the "Company"), please forward this document (together with the accompanying Forms of Proxy) immediately to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. If you have sold or transferred only part of your holding in Garner you should retain this document.

This document, which is an AIM Admission Document prepared in accordance with the AIM Rules, has been issued in connection with the application for admission to trading of the issued and to be issued Ordinary Shares on AIM. The Placing and Admission will not constitute an offer to the public requiring an approved prospectus under section 85 of FSMA. Accordingly, this document does not constitute a prospectus for the purpose of the Prospectus Regulations 2005 and has not been pre-approved by the Financial Services Authority ("FSA") pursuant to section 85 of FSMA.

The Directors, whose names appear on page 10 of this document, and the Company accept responsibility for the information contained in this document including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application will be made for the admission of the entire issued and to be issued ordinary share capital of the Company to trading on AIM. It is expected that Admission will become effective and dealings in the issued and to be issued Ordinary Shares will commence on or around 3 December 2008.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. Neither the United Kingdom Listing Authority nor the London Stock Exchange has examined or approved the contents of this document.

Garner

PLC

(Incorporated and registered in England and Wales with registration number 318267)

**PROPOSED ACQUISITION OF BNB RECRUITMENT CONSULTANCY LIMITED,
BANCOMM LIMITED AND BNB RECRUITMENT OVERSEAS HOLDINGS LIMITED**

ADOPTION OF NEW ARTICLES OF ASSOCIATION

CONVERSION OF PREFERENCE SHARES

PLACING OF 24,354,335 NEW ORDINARY SHARES AT 3 PENCE PER SHARE

NOTICE OF GENERAL MEETING

NOTICE OF CLASS MEETING

AND

ADMISSION TO TRADING ON AIM

NOMINATED ADVISER



DOWGATE CAPITAL ADVISERS LIMITED

Ordinary Share capital immediately following Admission

Authorised			Issued and fully paid	
Number	Amount		Number	Amount
307,744,864	£3,077,448.64	Ordinary Shares of £0.01 each	70,855,541	£708,555.41

THE WHOLE OF THIS DOCUMENT SHOULD BE READ. YOUR ATTENTION IS DRAWN, IN PARTICULAR, TO INFORMATION ON THE COMPANY IN PART I OF THIS DOCUMENT AND THE SECTION HEADED "RISK FACTORS" SET OUT IN PART II OF THIS DOCUMENT.

The New Ordinary Shares will, upon Admission, rank *pari passu* in all respects and will rank in full for all dividend and other distributions declared, paid or made in respect of the Ordinary Shares following Admission.

Dowgate Capital Advisers Limited ("Dowgate"), which is authorised and regulated in the United Kingdom by the FSA, is acting as nominated adviser to the Company in connection with the proposed Admission and will not be acting for any other person or otherwise be responsible to any person for providing the protections afforded to clients of Dowgate or for advising any other person in respect of the proposed Admission. Dowgate's responsibilities as the Company's nominated adviser under the AIM Rules for Nominated Advisers are owed to London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire shares in the Company in reliance on any part of this document. No representation or warranty, express or implied, is made by Dowgate as to any of the

contents of this document and accordingly, no liability is accepted by Dowgate for the accuracy of any information or opinions contained in this document or for any omission of any material information for which it is not responsible.

St Helen's Capital Plc ("St Helen's Capital"), which is authorised and regulated in the United Kingdom by the FSA, is the Company's broker for the purposes of the AIM Rules, is a member of the London Stock Exchange and is acting exclusively for the Company in connection with Admission. St Helen's Capital will not be responsible to anyone other than the Company for providing the protections afforded to clients of St Helen's Capital for advising any other person on the contents of this document or Admission or any other arrangements described in this document. No representation or warranty, express or implied, is made by St Helen's Capital as to any of the contents of this document and accordingly, no liability is accepted by St Helen's Capital for the accuracy of any information or opinions contained in this document or for any omission of any material information for which it is not responsible.

The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws of such jurisdictions.

Prospective investors should rely only on the information contained in this document. No person has been authorised to give any information or make any representations other than as contained in this document and, if given or made, such information or representations must not be relied on as having been authorised by the Company, Dowgate or St Helen's Capital. Without prejudice to the Company's obligations under the AIM Rules, neither the delivery of this document nor any subscription made under this document shall, under any circumstances, create any implication that there has been no change in the affairs of the Company or the Enlarged Group since the date of this document or that the information contained herein is correct as at any time subsequent to its date.

This document does not constitute an offer, or the solicitation of an offer, to subscribe or buy any of the Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

This document is not for distribution in, or into, the United States of America, Canada, Australia, South Africa or Japan. Accordingly, the Ordinary Shares may not, subject to certain exceptions, be offered directly or indirectly in, or into, the United States of America, Canada, Australia, South Africa or Japan. The Ordinary Shares have not been and will not be registered under the United States Securities Act 1933 (as amended) or under the securities legislation of any state of the United States of America, Canada, Australia, South Africa or Japan and they may not be sold directly or indirectly within the United States of America, Canada, Australia, South Africa or Japan or to or for the account of any national, citizen or resident of the United States of America, Canada, Australia, South Africa or Japan or to an US person (within the definition of Regulation S made under the United States Securities Act 1933 (as amended)).

A notice convening a Class Meeting of the Preference Shareholders to be held at the offices of Field Fisher Waterhouse LLP, 35 Vine Street, London EC3N 2AA at 10.00 a.m. on 2 December 2008 is set out at the end of this document. Preference Shareholders will find enclosed a blue Form of Proxy for use in connection with the Class Meeting.

A notice convening an Extraordinary General Meeting of the Company to be held at the offices of Field Fisher Waterhouse LLP, 35 Vine Street, London EC3N 2AA at 10.15 a.m. on 2 December 2008 or, if later, immediately following the Class Meeting convened for the same day is set out at the end of this document. General Shareholders will find enclosed a white Form of Proxy for use in connection with the Extraordinary General Meeting.

The enclosed white Form of Proxy for the Extraordinary General Meeting should be completed, signed and returned to Capita Registrars, The Registry, 34 Beckenham Road, Beckenham Kent BR3 4TU in accordance with the instructions printed thereon as soon as possible and to be valid must arrive not later than 10.15 a.m. on 30 November 2008, being 48 hours before the time fixed for the Extraordinary General Meeting. The return of a white Form of Proxy will not preclude a member from attending, speaking or voting in person at the Extraordinary General Meeting should they so wish.

The enclosed blue Form of Proxy for the Class Meeting of Preference Shareholders should be completed, signed and returned to Capita Registrars, The Registry, 34 Beckenham Road, Beckenham Kent BR3 4TU in accordance with the instructions printed thereon as soon as possible and to be valid must arrive not later than 10.00 a.m. on 30 November 2008, being 48 hours before the time fixed for the Class Meeting. The return of a blue Form of Proxy will not preclude a Preference Shareholder from attending, speaking or voting in person at the Class Meeting should they so wish.

Copies of this document will be available to the public free of charge during normal business hours on any weekday (except Saturdays, Sundays and public holidays) from the Company's registered office and at the offices of Field Fisher Waterhouse LLP, 35 Vine Street, London EC3N 2AA from the date of this document and for a period of at least one month from Admission. This document will also be available from the Company's website, www.garnerinternational.com

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Forward-Looking Statements

This document contains forward-looking statements. These statements relate to the Enlarged Group's future prospects, developments and business strategy.

Forward-looking statements are identified by their use of terms and phrases such as "believe", "could", "expect", "envisage", "estimate", "intend", "may", "plan", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These statements are primarily contained in Parts I and II of this document.

The forward-looking statements in this document are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. Certain risks to and uncertainties for the Enlarged Group are specifically described in Part II of this document headed "Risk Factors". If one or more of these risk factors or uncertainties materialises, or if the underlying assumptions prove incorrect, the Enlarged Group's actual results may vary materially from those expected, estimated or projected. Given these risks and uncertainties, potential investors should not place any reliance on forward-looking statements.

These forward-looking statements speak only as at the date of this document. Neither the Directors nor the Company undertake any obligation to update forward-looking statements or risk factors other than as required by the AIM Rules or by the rules of any other securities regulatory authority, whether as a result of new information, future events or otherwise.

DEFINITIONS

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

"1985 Act"	the Companies Act 1985 as from time to time amended or restated
"2006 Act"	the Companies Act 2006 as from time to time amended or restated
"Acquisition"	the proposed acquisition of the NB Companies by Garner pursuant to the Acquisition Agreement
"Acquisition Agreement"	the conditional agreement dated 7 November 2008, entered into between, <i>inter alia</i> , (1) BNB and (2) the Company, further details of which are set out in paragraph 11 of Part V of this document
"Admission"	the admission of the Enlarged Share Capital to trading on AIM becoming effective in accordance with the AIM Rules
"Admission Agreement"	the conditional agreement, dated 7 November 2008, entered into by (1) the Company, (2) certain of the Directors and (3) Dowgate (relating to Admission, further details of which are set out in paragraph 11 of Part V of this document
"AIM"	the market of that name, operated by the London Stock Exchange
"AIM Rules"	the AIM Rules for Companies published by the London Stock Exchange
"Articles"	the Existing Articles or the New Articles (as the context requires)
"BNB"	BNB Recruitment Solutions plc, a company incorporated and registered in England and Wales with registered number 1660786, the parent company of, <i>inter alia</i> , the NB Companies
"Bancomm"	Bancomm Limited, a company incorporated and registered in England and Wales with registered number 4289307, a subsidiary of BNB
"BNB Group"	BNB and its subsidiaries, including <i>inter alia</i> the NB Companies
"BNBRC"	BNB Recruitment Consultancy Limited, a company incorporated and registered in England and Wales with registered number 2136204, a subsidiary of BNB
"BNBROH"	BNB Recruitment Overseas Holdings Limited, a company incorporated and registered in England and Wales with registered number 2694164, a subsidiary of BNB
"Board" or "Directors"	the directors of the Company as at the date of this document, whose names appear on page 10 of this document
"Class Meeting"	the separate general meeting of Preference Shareholders which will take place at 10.00 a.m. at the offices of Field Fisher Waterhouse LLP, 35 Vine Street, London EC3N 2AA on 2 December 2008, notice of which is set out at the end of this document
"Class Meeting Resolutions"	the resolutions set out in the Notice of Class Meeting
"Combined Code"	the Combined Code on Corporate Governance published by the Financial Reporting Council

"Companies Acts"	as the context requires, the 1985 Act or the 2006 Act (or the relevant provisions of such Acts as are in force at the relevant time)
"Company" or "Garner"	Garner plc, a company incorporated and registered in England and Wales with registered number 318267
"Conversion Shares"	the 8,348,528 new Ordinary Shares resulting from the conversion of the Preference Shares pursuant to the Re-organisation
"CREST"	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in the CREST Regulations)
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended
"Deferred Shares"	the deferred shares of 0.4p par value each in the capital of the Company
"Deferred A Shares"	the deferred 'A' shares of 4p par value each in the capital of the Company
"Deferred B Shares"	the deferred 'B' shares of 42p par value each in the capital of the Company to be created pursuant to the Re-organisation
"Dowgate"	Dowgate Capital Advisers Limited, nominated adviser to the Company
"DTR"	the Disclosure Rules and the Transparency Rules being the Rules published by the FSA from time to time
"Enlarged Group"	the Group as enlarged by the Acquisition
"Enlarged Share Capital"	the 70,855,541 Ordinary Shares in issue immediately following Admission, being the Issued Share Capital, the Placing Shares and the Conversion Shares
"EU"	the European Union
"Euroclear"	Euroclear UK & Ireland Limited
"Existing Articles"	the memorandum of association and the articles of association of the Company as at the date of this document
"FMCG"	fast moving consumer goods
"FSA"	the Financial Services Authority of the United Kingdom
"FSMA"	the UK Financial Services and Markets Act 2000, as amended
"Garner International"	Garner International Limited, a company incorporated and registered in England and Wales with registered number 3326763
"General Meeting"	an extraordinary general meeting of Garner which will take place at 10.15 a.m. at the offices of Field Fisher Waterhouse LLP, 35 Vine Street, London EC3N 2AA on 2 December 2008 or, if later, immediately following the Class Meeting, to consider and, if thought fit, approve the General Meeting Resolutions, notice of which is set out at the end of this document
"General Meeting Resolutions"	the resolutions set out in the Notice of General Meeting relating, <i>inter alia</i> , to the approval of the Acquisition and the Re-organisation

"Group"	the Company and its subsidiaries: Garner International and Constellation Consulting Limited
"Independent Director"	Bruce Lakefield
"Issued Share Capital"	the 38,152,678 Ordinary Shares in issue as at the date of this document
"London Stock Exchange"	London Stock Exchange plc
"NB Companies"	BNBRC, BNBROH and Bancomm
"NBSA"	NBS Norman Broadbent SA, a company incorporated and registered in Spain
"New Articles"	the proposed articles of association, further details of which are set out in paragraph 4 of Part V of this document, which are to be adopted by the Company pursuant to the Resolutions
"New Ordinary Shares"	the Conversion Shares and the Placing Shares
"Notice of Class Meeting"	the notice convening the Class Meeting which is set out at the end of this document
"Notice of General Meeting"	the notice convening the General Meeting which is set out at the end of this document
"Official List"	the Official List of the UK Listing Authority
"Options"	options to subscribe for Ordinary Shares granted prior to the date of this document
"Ordinary Shares"	ordinary shares of 1p par value each in the capital of the Company
"Ordinary Shareholders"	holders of Ordinary Shares
"Placees"	subscribers for Placing Shares pursuant to the Placing
"Placing"	the conditional placing of the Placing Shares pursuant to the Placing Letters
"Placing Letters"	the letters between the Company and the Placees relating to the subscription for the Placing Shares conditional upon, Admission as further detailed in Part V of this document
"Placing Price"	3p per Placing Share
"Placing Shares"	the 24,354,335 new Ordinary Shares to be issued to the Placees pursuant to the Placing
"Preference Shares"	preference shares of 50p par value each in the capital of the Company
"Preference Shareholders"	holders of Preference Shares
"Proposals"	the Acquisition, the Placing, Admission, the Re-organisation and the adoption of the New Articles as further described in this document
"Regulatory Information Service"	a regulatory information service provider approved by the FSA
"Registrar"	Capita Registrars, a trading division of Capita IRG Plc, registrars to the Company

"Re-organisation"	the conversion of the Preference Shares into new Ordinary Shares and Deferred B Shares as set out in the Resolutions
"Resolutions"	the General Meeting Resolutions and the Class Meeting Resolution
"Shareholders"	Ordinary Shareholders and Preference Shareholders
"Share Option Scheme"	the Enterprise Management Incentive Share Option Scheme adopted by the Company, the rules of which are summarised in paragraph 10 of Part V of this document
"Sortcomm"	Sortcomm Limited, a company incorporated and registered in England and Wales with number 3452601, a subsidiary of BNB
"St Helen's Capital"	St Helen's Capital plc, broker to the Company
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland
"US", "USA" or "United States"	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all other areas subject to its jurisdiction
"Warrants"	warrants entitling the registered holder to subscribe for Ordinary Shares at 3p per share as constituted by an instrument dated 7 November 2008, the terms of which are summarised in paragraph 11 of Part V of this document
"£" or "p"	pounds or pence Sterling, the lawful currency of the United Kingdom

ADMISSION AND PLACING STATISTICS

Placing Price	3 pence
Number of Ordinary Shares in issue at the date of this document	38,152,678
Number of Preference Shares in issue at the date of this document	1,043,566
Number of Conversion Shares resulting from the Re-organisation	8,348,528
Number of Placing Shares to be issued ¹	24,354,335
Enlarged Share Capital ¹	70,855,541
Percentage of the Enlarged Share Capital represented by the Placing Shares ¹	34.4%
Percentage of the Enlarged Share Capital represented by the Conversion Shares ¹	11.8%
Number of Warrants in issue immediately following Admission	3,350,001
Number of Options in issue immediately following Admission	2,557,199
Market capitalisation of the Company at the Placing Price on Admission ¹	£2,216,666
Gross proceeds of the Placing ^{2,3}	£730,630
Estimated net proceeds of the Placing ²	£233,000
AIM symbol	GAR.L
ISIN	GB00B16NPJ55

Notes:

1. Assuming completion of the Re-organisation and the Placing
2. Assuming completion of the Placing
3. Being cash subscriptions of approximately £472,500 and the remainder relating to the release of certain liabilities

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Date of this document	7 November 2008
Latest time and date for receipt of completed blue Form of Proxy to be valid at the Class Meeting	10.00 a.m. on 30 November 2008
Latest time and date for receipt of completed white Form of Proxy to be valid at the General Meeting	10.15 a.m. on 30 November 2008
Class Meeting	10.00 a.m. on 2 December 2008
General Meeting	10.15 a.m. on 2 December 2008
Record date for Re-organisation	5.30 p.m. on 28 November 2008
Cancellation of dealings on AIM of the Ordinary Shares and the Preference Shares	5.00 p.m. on 2 December 2008
Admission effective and commencement of dealings on AIM of the Enlarged Share Capital	8.00 a.m. on 3 December 2008
New Ordinary Shares credited to CREST members' accounts	8.00 a.m. on 3 December 2008
Despatch of definitive share certificates for Placing Shares in certificated (where applicable) form by not later than	4 December 2008
Despatch of definitive share certificates for Conversion Shares in certificated (where applicable) form by not later than	10 December 2008

If any details contained in the timetable above should change, the revised times and dates will be notified by means of an announcement through a Regulatory Information Service.

DIRECTORS, SECRETARY AND ADVISERS

Directors	<p>John Bartle, CBE – <i>Chairman (Non-executive)</i> Andrew Charles Garner – <i>Chief Executive</i> Susan Anne O'Brien – <i>Managing Director</i> Bruce Richard Lakefield (<i>Non-executive</i>) Richard Graham Robinson FCA (<i>Non-executive</i>)</p> <p>all of whose address for business is at the Company's registered office:</p> <p>6 Derby Street, Mayfair, London W1J 7AD</p>
Company Secretary	R G Robinson FCA
Registered Office and telephone number	<p>6 Derby Street, Mayfair, London W1J 7AD 020 7629 8822</p>
Nominated Adviser	<p>Dowgate Capital Advisers Limited 46 Worship Street, London EC2A 2EA</p>
Broker	<p>St Helen's Capital plc 15 St Helen's Place, London EC3A 6DE</p>
Reporting Accountants on the Acquisition	<p>Baker Tilly Corporate Finance LLP 2 Whitehall Quay, Leeds, West Yorkshire LS1 4HG</p>
Reporting Accountants on and auditors to the NB Companies	<p>Grant Thornton UK LLP Enterprise House, 115 Edmund Street, Birmingham B3 2HJ</p>
Auditors to the Company	<p>FW Stephens 3rd Floor, 24 Chiswell Street, London EC1Y 4YX</p>
Solicitors to the Company	<p>Field Fisher Waterhouse LLP 35 Vine Street, London EC3N 2AA</p>
Registrars	<p>Capita Registrars Northern House, Woodsome Park, Fenay Bridge, Huddersfield HD8 0LA</p>
Company website	www.garnerinternational.com

PART I

LETTER FROM THE CHAIRMAN OF GARNER PLC

(Incorporated and registered in England and Wales with registered number 318267)

Directors:

J Bartle, CBE – *Chairman (Non-executive)*

A C Garner – *Chief Executive*

S O'Brien – *Managing Director*

B R Lakefield (*Non-executive*)*

R G Robinson FCA (*Non-executive*)

Registered Office:

6 Derby Street,
Mayfair,
London
W1J 7AD

* The Independent Director

7 November 2008

To the holders of the Ordinary Shares and the Preference Shares and for information purposes only to the holders of Options

Dear Shareholder,

**PROPOSED ACQUISITION OF
BNB RECRUITMENT CONSULTANCY LIMITED,
BANCOMM LIMITED AND BNB RECRUITMENT OVERSEAS HOLDINGS LIMITED
ADOPTION OF NEW ARTICLES OF ASSOCIATION
CONVERSION OF PREFERENCE SHARES
PLACING OF 24,354,335 NEW ORDINARY SHARES AT 3 PENCE PER SHARE
NOTICE OF GENERAL MEETING
NOTICE OF CLASS MEETING
AND
ADMISSION TO TRADING ON AIM**

1. Introduction

The Acquisition

The Company announced on 7 November 2008 the terms of the proposed acquisition of the NB Companies. The Acquisition constitutes a reverse takeover under the AIM Rules and requires, *inter alia*, shareholder approval. The terms of the Acquisition are detailed in paragraph 6 below and paragraph 11 of Part V of this document.

An extraordinary general meeting of Garner will take place at 10.15 a.m. on 2 December 2008 (or, if later, immediately after the end of the Class Meeting) for the purposes of, *inter alia*, approving the Acquisition. The General Meeting will be held at the offices of Field Fisher Waterhouse LLP, 35 Vine Street, London EC3N 2AA, and a notice convening this General Meeting is set out at the end of this document.

The Re-organisation

In my statement accompanying the publication on 30 September 2008 of Garner's interim report and accounts for the period of six months ended 30 June 2008, I announced that an agreement had been reached in principle for the conversion of all of the Preference Shares into new Ordinary Shares. The terms of the Re-organisation are detailed in paragraph 7 below. The Re-organisation requires the approval of the Preference Shareholders, and a notice convening a separate general meeting of the Preference Shareholders for this purpose is set out at the end of this document. The Class Meeting will be held at the offices of Field Fisher Waterhouse LLP, 35 Vine Street, London EC3N 2AA, and will take place at 10.00 a.m. on 2 December 2008. Changes to the Company's share capital associated with the Re-organisation also require the approval of Shareholders and the relevant resolutions are included in the Notice of General Meeting.

Upon completion of the Re-organisation, the Preference Shares will cease to exist and will no longer be admitted to trading upon AIM.

The Company is also proposing to adopt new articles of association, further details of which are contained in paragraph 4 of Part V of this document.

The Placing

The Company has also conditionally raised £0.73 million (before expenses) through the placing to certain of the Directors, certain Shareholders, certain employees of the Enlarged Group and a new investor for 24,354,335 Placing Shares at 3 pence per share. Approximately £472,500 of the proceeds of the Placing, which is subject to shareholder approval, will be received in cash and used principally to help fund the costs of the Proposals. In addition, approximately 29 per cent. of the Placing Shares are being issued in consideration for the conversion or release of certain loans and deposits owed by the Company to certain of the Directors. Approximately six per cent. of the Placing is being issued to a number of the employees of the Enlarged Group for which the consideration is being met by a small interim bonus payment from the accrued discretionary bonus total available for the Enlarged Group's employees. Accordingly the Company will not receive cash for approximately 35 per cent. of the Placing.

Changes to the Board

This letter also sets out certain changes to the Board that will take effect upon Admission.

Outline timetable

Assuming that the Resolutions are approved at the General Meeting and the Class Meeting, trading in the Enlarged Share Capital on AIM is expected to commence on or around 3 December 2008. A more detailed timetable is set out on page 9 above.

Purpose of this document

The purpose of this document is to explain the background to and reasons for the Proposals, to explain why the Directors consider that they are in the best interests of the Company and the Shareholders as a whole and to recommend that Shareholders vote in favour of the Resolutions.

2. Background to the Group and the Reasons for the Proposed Acquisition

The Group's primary business is the provision of executive search services. The Group's trading subsidiary Garner International was established in 1997 by Andrew Garner and became a wholly-owned subsidiary of the Company in 2000.

The Group has developed close ties with a number of blue-chip clients and has grown organically over the last four years. However, it has 18 employees and its clients have predominantly been restricted to the UK. The Board has been investigating opportunities for acquisitive growth and seeking to extend the Group's overseas operations and has identified the acquisition of the NB Companies as potentially fundamentally changing the size and scope of the Group's business.

The Norman Broadbent brand was established in 1982 with the formation of Norman Broadbent International Limited by David Norman and Miles Broadbent. The business and assets of Norman Broadbent International were transferred to BNBRC on 31 December 1988. The Directors consider that the Norman Broadbent brand is widely recognised and that it has a strong executive search practice in a number of sectors which does not compete with the existing business of the Group. The NB Companies have 48 employees and operate in the UK, USA, Canada and Dubai. In addition, the NB Companies have an interest in an associated business in Spain, NBSA, which also trades under the Norman Broadbent brand under a licence granted by BNBROH.

The NB Companies are currently part of the BNB Group, the companies of which trade under a number of brands including Norman Broadbent, for executive search and recruitment consultancy, and Barkers, for recruitment advertising. The Acquisition only involves the NB Companies and the Norman Broadbent brand.

All of the other businesses within the BNB Group, including those which trade under the Barkers brand are not included within the Acquisition and will remain with BNB.

The Directors believe that the Acquisition will enable the Enlarged Group, which they intend will trade under both the Garner International and Norman Broadbent brands, to attract new clients and strengthen existing client relationships.

3. Information on the Group

History and Operations

Garner International is an executive search business which was formed in 1997 by Andrew Garner. It was established with a vision to offer quality service to clients on a selective and independent basis which avoided the conflicts of interests which Mr Garner felt to be typical of the big firms. In 1998, the Company, which at that time was called Upton and Southern Holdings PLC, acquired 50.1 per cent. of Garner International. In 2000 the Company acquired the remaining 49.9 per cent. of Garner International and was renamed Constellation Corporation plc and was admitted to trading on AIM. In 2006 the Company was renamed Garner plc.

The Group provides services in relation to the search for senior management and director and board appointees. It also provides consultancy services in relation to a range of human resources issues, including organisational development, business process analysis and restructuring and executive coaching.

In the last two years the Group has worked for 60 clients, including 14 in the FTSE 250, 11 of which were in the FTSE100, in sectors including retail, FMCG, commercial property investment and development, digital media, technology, airlines, academia, leisure and financial services. At present it operates from a single location in London and has 18 full-time employees.

On 30 September 2008, Garner announced that it had entered into an alliance with Rhodes Associates, an executive search business which operates in New York and San Francisco and is one of the top ten US firms by revenue. This alliance enables Garner to offer a presence in North America to its clients.

Business Model

Garner International's business model involves being retained by clients to carry out searches for new or replacement employees at senior and board levels. Typically Garner International charges a fee based on a percentage of the candidate's expected first year remuneration for the relevant person and is paid this fee in stages. Garner International's standard fee structure involves three equal payment instalments. Revenue is recognised at each invoicing point. Even if the chosen candidate is not appointed, or the search is cancelled, under normal practice Garner International will still receive the majority of its fees.

Garner International also charges clients for additional consultancy and advisory services, for example in respect of executive coaching and talent programme design.

Historically, the Group's practice has been focused towards the financial services sector. This weighting has decreased year on year since 2005 and now over 70 per cent. of the Group's revenue is derived from sectors outside of financial services across a wide spectrum of commerce and now also in academia. This trend is expected to continue – in my statement accompanying the Company's interim accounts I reported that the Group had won 18 new clients this year. Of these, 12 were from sectors other than financial services.

Garner International has built long-term relationships with its clients with over 80 per cent. of the revenue for the year to 31 December 2007 coming from repeat business with existing clients.

4. Information on the NB Companies

History and Operations

The Norman Broadbent business was founded by David Norman and Miles Broadbent in 1982 and celebrated its 25th anniversary in September 2007.

The NB Companies comprise BNB Recruitment Consultancy Limited, Bancomm Limited and BNB Recruitment Overseas Holdings Limited. The Norman Broadbent business is carried out through the first two companies (the "NB Businesses").

The NB Businesses have offices in London, Aberdeen, Birmingham and Leeds in the UK which together trade as Norman Broadbent. The NB Businesses also operate in Toronto and Houston in North America and in Dubai under the name Norman Broadbent International. The NB Businesses together have an aggregate of 48 employees. In the last two years 271 clients have utilised the executive search business of the NB Businesses for over 500 roles in a variety of sectors including energy (oil and gas), professional services, FMCG, banking and financial services and pharmaceuticals.

BNBROH does not trade but holds a 20 per cent. stake in a Spanish company, NBS Norman Broadbent SA. NBSA is a former subsidiary of BNBROH and carries on business in Spain under the trading style of Norman Broadbent International with offices in Madrid and Barcelona comprising 18 consultants. Norman Broadbent International is a trade mark of BNBROH which NBSA uses under licence.

Although the provision of executive search is responsible for significantly more than half of the revenues of the NB Businesses, interim management services and the provision of consultancy services in assessment, training and development of staff and diversity management together represent a important element of the NB Businesses.

Business Model

The business and revenue generation model for the executive search component of the NB Businesses and Garner is broadly similar. As with Garner International, the NB Businesses typically charge for executive search based upon expected remuneration for the role in the first year and typically invoice for their fees in three instalments.

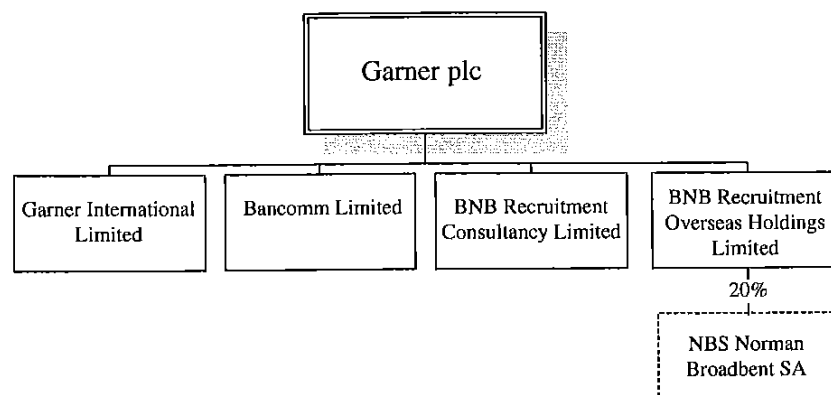
The NB Companies' interim management service provides staff to clients for defined periods, in relation to which clients are typically charged on a monthly basis. The NB Companies provide a range of consultancy and advisory services with a range of billing structures, including fixed fee and time-based appointments.

5. The Enlarged Group

Corporate Structure

The NB Companies will be acquired by the Company.

The diagram below sets out the corporate structure of the Group on Admission (excluding dormant subsidiaries).



As at the date of this document there are a number of intercompany agreements between the NB Companies and other members of the BNB Group and NBSA which will be re-assigned or novated prior to Admission in accordance with the Acquisition Agreement, further details of which are set out in paragraph 11 of Part V

of this document. After Admission, the Company is likely to take further steps to remove certain dormant subsidiaries.

Further information about the companies in the Enlarged Group may be found in paragraph 2 of Part V of this document.

Management Structure and Operational Efficiencies

Garner International and the NB Companies will operate with independent brands. The Enlarged Group will be managed by a single executive team comprised of Andrew Garner and Sue O'Brien. It is intended that a Group CFO will be added to this team.

The executive team and the search and consultancy teams across both businesses will, so far as possible, be supported by a single back-office and administration team. It is expected that this may produce annualised cost savings for the Enlarged Group of up to approximately £0.5 million.

Initially the search and consultancy teams will continue to operate from their current locations. However it is intended to combine the operations in London into a single location in due course. This is expected to result in further cost savings and operational efficiencies. The Board is also intending over a period of time to harmonise the benefits of the employees of the Enlarged Group to enable the creation of an incentives package that will create appropriate bonus and equity participation schemes.

Competition and Market

The Directors consider the market for executive search, in its current format, to be mature with a large number of competitors. The Directors believe that developments in digital information provision have had a considerable impact on the advertisement of junior job vacancies, but that senior roles are not traditionally advertised and board level positions are typically confidential searches due to the nature of share price sensitivity. Therefore the fundamental business of executive search has remained broadly the same.

The Enlarged Group will compete with major global search firms such as Heidrick & Struggles, Korn/Ferry and Spencer Stuart, as well as with smaller, executive search businesses, of which Garner International is an example. In the UK there are a number of such smaller businesses, some with specialist focus such as the The Rose Partnership and Sainty Hurd and others like Garner International which have a presence in several sectors or client types. The Directors are mindful of the current economic circumstances, but are of the view that executive search, as opposed to volume recruitment services, is better placed to withstand an economic downturn. The Directors believe that, in a challenging economic environment, board members will be looking to enhance or reconfigure the capability of their senior leadership team. In addition, while in general terms there is currently pressure on city firms to curb bonus payments, this is not necessarily true of the broader commercial environment. Therefore, given that the enlarged group is not dependant on City fees the Directors do not expect that the overall executive search fees the Enlarged Group may achieve are likely to reduce. The Directors are mindful of the risks of making forecasts in these uncertain times, however they believe that, outside of the financial services sector, an economic downturn should not have a materially adverse impact upon the Enlarged Group's prospects for growth.

Strategy

The Directors believe that the combination of Garner International and the NB Companies will make the Enlarged Group one of the largest providers of executive search services in the UK.

The executive search practice of the Enlarged Group will cover the following sectors:

- Automotive
- Aviation
- Commercial Property
- Digital Media and eBusiness
- Diversity
- Energy, Oil and Gas and Petrochemicals
- Entertainment and Media
- Financial Services
- FMCG and Consumer Markets
- Government
- Healthcare and Life Sciences
- Industrial materials
- Industry and Manufacturing
- IT and telecoms
- Legal and Professional Services
- Leisure and Hospitality
- Public & Not-for-Profit
- Retail
- Technology

The Directors consider that the Garner International and Norman Broadbent brands have different but complementary values and strengths, and that the Enlarged Group will benefit from operating them as independent brands after completion of the Acquisition. Garner International and the NB Companies have few common clients and accordingly the Directors believe that there will be opportunities to market services to clients of both brands. The Directors anticipate that the additional profile and size of the Enlarged Group will enable the search services of the Garner International business to be promoted to a wider range of clients.

While the immediate focus of Garner's management will be the successful integration of the companies in the Enlarged Group and a re-launch of the Norman Broadbent brand, the Directors will be seeking to expand the two businesses through the recruitment of additional search consultants, which they consider will be made easier by the greater size and financial strength of the Enlarged Group. Additionally they will actively consider the acquisition of other businesses that the Directors consider will complement the Enlarged Group should the right opportunities arise. The growth of the existing international client base and the acquisition of additional overseas clients will be a particular priority.

Given the turbulent circumstances currently being faced by most of the established economies of the world, the Directors believe that a further advantage represented by the creation of the Enlarged Group will be its scale and the broader range of clients and market sectors than is currently the case for the Group and the NB Businesses as separate entities.

The Directors intend to grow the non-search services offered by the Enlarged Group to reduce its reliance upon that revenue stream. In this regard the Directors consider that the current period of financial uncertainty represents an opportunity for the Enlarged Group to expand upon its interim management and leadership development practices, which may be expected to perform strongly in a period of economic downturn.

6. Principal Terms of the Acquisition

On 7 November 2008, the Company entered into the Acquisition Agreement, pursuant to which it agreed to acquire three of BNB's subsidiaries, Bancomm, BNBRC and BNBROH. The NB Companies together comprise the Norman Broadbent business. The Company has agreed to pay in aggregate a purchase price of £5,500,000 for the NB Companies, with such amount being subject to adjustment based on the net asset position of the NB Companies as at 30 September 2008 and an adjustment for certain unpaid debts. The purchase price is to be paid in the following manner:

- £200,000 in cash immediately on completion of the Acquisition at the time of Admission;
- certain amounts due from NBSA to BNBROH (being dividends and royalty payments received by BNBROH on an ongoing basis) will be paid directly to BNB, net of tax (the "NBSA Payments");
- quarterly payments over a period of up to 60 months from 30 September 2008, based on a proportion of actual revenues as against projected revenues of the Enlarged Group.

In the event that the amount of the quarterly payments paid by the Company to BNB under the Acquisition Agreement and the NBSA Payments received by BNB during the period of 30 months from 30 September 2008 is less than £2,800,000 then the Company must pay the full amount of the shortfall at that time. If the total amount received by BNB under the Acquisition Agreement (including the NBSA Payments) during the period of 60 months from 30 September 2008 is less than £5,500,000 (subject to any net asset adjustment and adjustment for unpaid debts) then the Company must pay the full amount of the shortfall at that time. There is no guarantee that, should they be required, alternative financing arrangements will be available to meet these commitments (see page 30 of this document, "Risk Factors").

If any shortfall payment due in respect of the period of 30 months from 30 September 2008 is not paid in accordance with the terms of the Acquisition Agreement then BNB will have the right to acquire all intellectual property rights relating to the Norman Broadbent name and brand for £1.

The Acquisition Agreement contains customary warranties which have been given by BNB and the immediate parent companies of each of the NB Companies. Such warranties have been given, inter-alia, in relation to the respective businesses, assets and affairs of the NB Companies. In addition, certain specific covenants, undertakings and indemnities have been given by BNB to the Company.

Andrew Garner has personally agreed to guarantee the payment of up to £500,000 of the consideration due to BNB in respect of the purchase price. The guarantee reduces on a pound-for-pound basis for the purchase consideration received by BNB over the first £1,000,000.

The Board intends that the majority of the working capital requirement for the Enlarged Group will be met through a new or additional financing facility to be entered into as at Admission to cover the NB Companies. Andrew Garner has agreed, in the event that such a facility is not available to the Company, to provide a loan facility to the Company of up to £0.5 million to provide the necessary working capital.

Further information on the Acquisition Agreement is set out in paragraph 11 of Part V of this document.

7. Background to and Reasons for the Re-organisation

In the announcement of our interim results on 30 September 2008, I was pleased to report that an agreement has been reached in principle, subject to Shareholder approval, whereby the Preference Shares would be converted into Ordinary Shares.

History of the Preference Shares

The Company issued a number of convertible preference shares prior to 2003. As at the date of this document the Company has in issue 1,043,566 Preference Shares. The period for conversion of these shares has now passed and accordingly they are no longer convertible. The Preference Shares carried the right to receive a fixed cumulative preferential dividend of five pence (gross) per annum payable half yearly in respect of the previous half year, with the dividend accruing as a debt in the event that the Company did not have sufficient distributable reserves to declare the dividend. The right to receive further fixed cumulative preferential dividends ended on 30 June 2003. The Company has not had sufficient distributable reserves to declare the fixed cumulative preferential dividend which accrued up to 30 June 2003. Accordingly a debt has been accrued to the Preference Shareholders in relation to the unpaid preferential dividend.

The Company should have redeemed any unconverted Preference Shares on 30 June 2003. The amount payable on redemption would have been the sum of 100 pence per Preference Share plus any arrears or accruals of the preferential dividend. The Company had insufficient distributable reserves at 30 June 2003 and so redemption did not take place.

As a consequence of the Company not being in a position to redeem the Preference Shares and pay the accrued dividend as at 30 June 2003, the Company has a current liability of approximately £1,213,000 to the Preference Shareholders. However, the Company is not liable to pay this sum until it has sufficient distributable reserves to enable the redemption price (including the accrued preferential dividend) to be paid.

Further information about the Preference Shares is given in paragraph 3 of Part V of this document.

Proposed Conversion

Following discussions with certain of the Preference Shareholders, the Company is proposing to convert the Preference Shares on the following basis:

For each Preference Share:

eight Ordinary Shares and one Deferred B Share

Because the aggregate nominal value of the shares in the Company must be the same following the conversion of the Preference Shares to avoid an unlawful reduction of capital, in addition to eight Ordinary Shares each Preference Share will also be converted into a single Deferred B Share. The rights attaching to the Deferred B Shares are summarised in paragraph 4 of Part V of this document. The Deferred B Shares will not be admitted to trading on AIM.

To become effective, the Re-organisation requires the approval of special resolutions of Shareholders at the General Meeting in respect of the conversion of the Preference Shares and the adoption of the New Articles. As the rights of Preference Shareholders are affected, the Re-organisation also requires the approval of extraordinary resolutions of Preference Shareholders at the Class Meeting in respect of the variation of their rights arising from the conversion of the Preference Shares and the adoption of the New Articles.

Following the Re-organisation, the Preference Shareholders would, in aggregate, hold 8,348,528 Ordinary Shares representing approximately 11.8 per cent. of the Enlarged Share Capital. Upon completion of the Re-organisation, the liability of £1.213 million referred to above will cease to exist and will be removed from the Company's balance sheet. In addition, upon completion the Preference Shares will cease to exist and will no longer be admitted to trading upon AIM.

I would like to make particular reference to the role played by Mr John Sharma, one of the Preference Shareholders, who has been instrumental in enabling the Company to reach an agreement with the individuals who hold the majority of the Preference Shares in respect of the Re-organisation.

Further details of the effect of the Re-organisation on the Enlarged Group are provided in the pro forma statement of net assets in Part IV of this document.

8. Board of Directors of the Company

I mentioned above that the Company is proposing certain changes to the current Board. I have been Chairman for five years during which time the Group has grown revenues from £1.070 million to £3.122 million in the year ended 31 December 2007 and moved from making losses of £760,000 to a profit of £402,000. The Acquisition marks a significant step change in the size and the prospects for the Group and the Directors and senior management will now be faced with the challenge of integrating the operations of the Group and the NB Companies into a cohesive business. I therefore believe that now is the right time for me to step aside as Chairman, although I will remain on the Board as the senior non-executive director. Andrew Garner will become the Executive Chairman of the Company and Sue O'Brien, who is currently the Managing Director of Garner International, will become the Group Managing Director across the Enlarged Group. The appointment of Sue O'Brien as Group Managing Director will enable him to focus more on developing the Group's brands. It is also the intention of the Board to appoint a CFO as soon as practical.

Following completion of the Acquisition, the Directors will be:

Andrew Garner, aged 64, Executive Chairman

Andrew Garner founded Garner International in 1997 having worked in executive search since 1983 where he became Chairman and Chief Executive of Boyden World Corporation. In the seven years under his leadership, Boyden's global revenues more than doubled, and by its 50th anniversary in 1996, the company had grown to 64 offices in 38 countries, more than 40 of which ranked in the top five by market share.

Andrew joined the board of the Company when it acquired Garner International in 1998. Andrew was a Senior Honorary Visiting Fellow at Manchester Business School for more than 10 years and served on its

board. For more than 10 years he was on the board of the Royal Philharmonic Orchestra and he is a non-executive director of Haynes Publishing Group Plc.

Sue O'Brien, aged 43, Group Managing Director

Sue is responsible for all operational aspects of the Group's business. She began her career with J Sainsbury plc, where she worked for a period of more than 12 years in a variety of roles within HR operations PR and Marketing. Sue was appointed Marketing Director of the Kingswood Group of companies, a niche player in the travel and leisure sector in 1995 and became Managing Director of the Kingswood Group later that year. After completing several acquisitions, Sue joined an independent executive search firm as a managing consultant in 1998. Sue joined Garner International as its Managing Director in 2003. Sue was appointed to the Board in January 2007.

John Bartle, aged 64, Non-executive Director

(Member of Audit Committee, Chairman of Remuneration Committee, Member of AIM Compliance Committee)

John has served on the Board since 2000 and was appointed Chairman in 2003.

Previously, John worked at Cadbury Schweppes before starting his advertising career as planning director and founding partner of TBWA London. In 1982 he left to co-found Bartle Bogle Hegarty, the advertising agency, as joint chief executive. He retired from BBH in 1999 and now holds a number of advisory and non-executive roles with Barnardo's, Guardian Media Group Plc, i-Level and Dare.

In June 2003, John was awarded a CBE in the Queen's Birthday Honours for his services to advertising, charity and education.

Bruce Lakefield, aged 66, Non Executive Director

(Member of Audit Committee, Member of Remuneration Committee, Member of AIM Compliance Committee)

Bruce has served on the Board since 2000.

Previous career highlights include his appointment as President and Chief Executive Officer of US Airways Group and US Airways from April 2004 until completion of the merger and he has served as a director of US Airways Group and US Airways since 2003. Since the merger, Bruce has served as Vice Chairman of the Board of US Airways Group, US Airways, America West Holdings and AWA. Bruce also served as Chairman and Chief Executive Officer of Lehman Brothers International from 1995 until 1999, as well as being a Senior Advisor to the Investment Policy Committee of HGK Asset Management from 2000 until April 2004. He is also a Director of Magic Media, Inc.

Richard Robinson, aged 60, Non-Executive Director

(Chairman of Audit Committee, Member of Remuneration Committee, Chairman of AIM Compliance Committee)

Richard has served on the Board and as Company Secretary since 2003.

Richard is the Senior Partner at Anderson Barrowcliff Chartered Accountants LLP, heading up the Corporate Finance team. He specialises in acquisitions, sales, mergers, capital reconstructions and international fund raising. Richard has also served on the boards of BDMC Ltd, Cornpath Ltd and Dukedom Ltd.

Richard is a past president of the UK 200 Group and is Deputy Chairman of The East India Club in London.

9. Financial Information

Garner

The selected financial information on Garner set out below has been extracted without material adjustment from the audited accounts for Garner for the years to 31 December 2005, 2006 and 2007 and the unaudited interim accounts for the six months to 30 June 2008.

	<i>Six months ended 30 June 2008 (unaudited) IFRS £'000</i>	<i>Year ended 31 December 2007 (audited) IFRS £'000</i>	<i>Year ended 31 December 2006 (audited) Restated for IFRS £'000</i>	<i>Year ended 31 December 2005 (audited) UK GAAP £'000</i>
REVENUE	1,259	3,122	2,612	1,580
COST OF OPERATIONS	(1,187)	(2,513)	(1,978)	(1,426)
GROSS OPERATING PROFIT	72	609	634	154
Net Finance Costs	(43)	(115)	(116)	(108)
PROFIT ON ORDINARY ACTIVITIES				
BEFORE TAXATION	29	494	518	46
Tax expense	(9)	(92)	(153)	0
PROFIT FOR THE FINANCIAL PERIOD	20	402	365	46
Earnings per share – basic	0.05p	1.06p	0.97p	0.00p
Earnings per share – diluted	0.05p	1.01p	0.97p	0.00p

All activity arose from continuing operations.

In issuing this document, the Company has taken advantage of the benefits of the exemption set out in Rule 28 of the AIM Rules in relation to the omission of the historical financial information on Garner. The historical financial information on Garner is available publicly by reason of Garner's compliance with the AIM Rules, with the Reports and Accounts for each of the years to 31 December 2005, 2006 and 2007 and the unaudited interim accounts for the six months to 30 June 2008 all being available on the Company's web site, www.garnerinternational.com.

For the year from 1 January 2007 to 31 December 2007 the Group reported a profit of £402,000 after tax. As at 31 June 2008 the Group had net liabilities of £1.3 million and net debt totalling £1.4 million.

The NB Companies

Set out in Part III of this document are the accountants' reports on each of the NB Companies and historical financial information for each of the three years to 31 December 2005, 31 December 2006 and 31 December 2007 together with unaudited results for each of the NB Companies for the six month period ended 30 June 2008.

The selected financial information on the NB Companies set out below has been extracted without material adjustment from the financial information contained in Part III of this document.

BNBRC

	<i>Six months ended</i>	<i>Year ended</i>	<i>Year ended</i>	<i>Year ended</i>
	<i>30 June</i>	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>
	<i>2008</i>	<i>2007</i>	<i>2006</i>	<i>2005</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Revenue	3,987	7,880	9,320	10,092
Cost of sales	(478)	(1,474)	(1,482)	(2,215)
Gross profit	3,509	6,406	7,838	7,877
Administrative expenses	(3,101)	(7,894)	(8,987)	(7,349)
Operating profit/(loss)	408	(1,488)	(1,149)	528
Net finance costs	(53)	(44)	(28)	(114)
Profit/(loss) before taxation	355	(1,532)	(1,177)	414
Taxation	–	10	–	(31)
Profit/(loss) for the financial period	355	(1,522)	(1,177)	383

Bancomm

	<i>Six months ended</i>	<i>Year ended</i>	<i>Year ended</i>	<i>Year ended</i>
	<i>30 June</i>	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>
	<i>2008</i>	<i>2007</i>	<i>2006</i>	<i>2005</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Revenue	255	1,710	768	344
Cost of sales	–	–	–	–
Gross profit	255	1,710	768	344
Administrative expenses	(564)	(1,082)	(620)	(259)
Operating (loss)/profit	(309)	628	148	85
Net finance income/(costs)	10	12	(1)	(5)
(Loss)/profit before taxation	(299)	640	147	80
Taxation	–	–	–	4
(Loss)/profit for the financial period	(299)	640	147	84

BNBROH

	<i>Six months ended</i>	<i>Year ended</i>	<i>Year ended</i>	<i>Year ended</i>
	<i>30 June</i>	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>
	<i>2008</i>	<i>2007</i>	<i>2006</i>	<i>2005</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Revenue	197	100	–	–
Cost of sales	–	–	–	–
Gross profit	197	100	–	–
Administrative expenses:				
Impairment of investment in subsidiaries	–	(1,400)	–	–
Operating profit/(loss)	197	(1,300)	–	–
Loss on sale of investments	–	(189)	–	–
Dividends received	–	1,255	–	–
Net finance income	15	38	–	–
Profit/(loss) before taxation	212	(196)	–	–
Taxation	(28)	(2)	–	–
Profit/(loss) for the financial period	184	(198)	–	–

The financial information set out above and in Part III of this document reflects the position of the NB Companies as members of the BNB Group and include a number of inter-company charges and payments that will cease on completion of the Acquisition. As a result the financial information set out above is not fully representative of the contribution that the Directors believe the NB Companies will make to the financial performance of the Enlarged Group.

The table below sets out adjusted financial information for the NB Companies for the year to 31 December 2007 in order to demonstrate what the Directors consider to be a better illustration of the difference between the underlying business of the NB Companies and the historical financial information for the NB Companies set out in Part III of this document.

	<i>NB Companies</i>	<i>Adjustments</i>	<i>NB Companies</i>
	<i>Year ended 31</i>		<i>Year ended 31</i>
	<i>December 2007</i>		<i>December 2007</i>
	<i>Original</i>		<i>Restated</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Revenues	9,690	(451)	9,239
Cost of Sales	(1,474)	–	(1,474)
Gross profit	8,216	(451)	7,765
Administrative expenses ¹	(8,315)	997	(7,318)
Impairment of investment (BNBROH)	(1,400)	1,400	–
Exceptional items (BNBRC)	(661)	661	–
Loss on sale of investment (BNBROH)	(189)	189	–
Operating (loss)/profit before interest and taxation	(2,349)	2,796	447

Source: Historical Financial Information set out in Part III of this document and management information

1 adjustments to administrative expenses shown are the Directors' estimate of non-recurring costs incurred by the NB Companies in the year

The adjustments relate to three areas:

- (a) the effect on revenues and administrative expenses resulting from the closure of certain practice areas during 2007;

- (b) the removal of the exceptional costs in BNBRC during 2007, which principally relate to a re-organisation of certain elements of BNBRC that was carried out during the year; and
- (c) the removal of certain exceptional costs in BNBROH.

The Directors believe that, as mentioned above, through the elimination of any duplication of central overheads that may arise on the integration of the NB Companies into the Group there may be further cost savings amounting to an annualised total of approximately £0.5 million across the Enlarged Group.

The Enlarged Group

Pro forma financial information on the net assets of the Enlarged Group is set out in Part IV of this document.

The Enlarged Group's year end will continue to be 31 December and the accounts for the year ended 31 December 2008 are expected to be announced in Spring 2009.

10. Current Trading and Future Prospects

The recent developments in the global financial industry and the accompanying volatile movements in global stock markets have raised concerns among economic commentators as to the impact on the global economy. The IMF has recently reduced its growth forecasts for a number of countries and predicted a recession for the UK. Whilst the Directors consider that the executive search industry is not immune to the adverse impact of an economic downturn, there is a continuing need for clients to appoint suitable individuals to senior positions. In addition, the Directors believe that the increase in the number of corporate restructurings which may occur as a consequence of difficult economic trading conditions may provide new opportunities for executive search consultants.

As I reported in my statement on 30 September 2008 accompanying the Company's interim report and accounts, trading conditions during 2008 have been challenging and revenues for the Group were lower in the first half than the corresponding period in the previous year. Despite this, the Group remained profitable in the first half. The third quarter of 2008 has delivered strong performance and revenues are ahead of the same period last year, albeit marginally. We anticipate that revenues for the Group for the whole of the second half of the year will be ahead of the first, which is the opposite of last year.

The NB Businesses have experienced similar trading conditions to those of Garner. Despite this, and despite the reduction in consultant numbers, revenues for the six months to 30 June 2008 were in line with the previous year. Since 30 June 2008, revenues for the NB Businesses have been in line with expectations. Overall, with the disruption caused by this transaction, the Directors consider that revenues for the year are unlikely to exceed those of 2007.

11. New Articles

The Directors believe that it is in the best interests of the Company to take advantage of recent changes in English company law and propose to adopt the New Articles at the General Meeting. The New Articles reflect, *inter alia*, the conversion of the Preference Shares and the rights attaching to the Deferred B Shares created pursuant to the Re-organisation and certain amendments to the Existing Articles in order to ensure the Company complies with and benefits from the provisions of the 2006 Act and the DTR and, in particular, those provisions relating to electronic communications with shareholders, notifiable interests in shares and the authorisation of directors' conflicts of interests.

Copies of the Existing Articles and the New Articles are available for inspection during normal business hours at the registered office of the Company until the date of the General Meeting and are available upon request from the Company Secretary. Copies will also be available at the General Meeting until its conclusion.

The material provisions of the New Articles and material differences between the Existing Articles and the New Articles are summarised in paragraph 4 of Part V of this document.

12. Principal Terms of, and Reasons for the Placing

The Company is seeking to raise £0.73 million (before expenses of approximately £0.5 million), through the issue of 24,354,335 new Ordinary Shares at the Placing Price to Placecs, representing approximately 34.4 per cent. of the Enlarged Share Capital. The Placing, which is conditional on certain of the Resolutions, has not been underwritten. The funds raised consist of cash subscriptions of approximately £472,500 with the remainder relating to the release of certain liabilities.

Andrew Garner, Sue O'Brien, John Bartle and Richard Robinson and Bruce Lakefield have each agreed to participate in the Placing. As part of the Placing, Andrew Garner, John Bartle and Bruce Lakefield are being issued in aggregate 6,216,673 Placing Shares as consideration for the release of certain loans and deposits owed by the Company, further details of which are set out in paragraph 20 below.

In aggregate, approximately 1,506,686 Placing Shares are being issued to employees of the Enlarged Group in respect of £45,200 of accrued bonuses.

The Placing Shares will, upon Admission, rank *pari passu* in all respects and will rank in full for any dividends and other distributions thereafter declared, paid or made in respect of the Ordinary Shares in issue following Admission.

It is expected that, assuming completion of the Proposals, Admission will be effective and commencement of dealings on AIM of the Enlarged Share Capital will occur on 3 December 2008.

The funds raised through the Placing will help cover the expenses incurred by the Company in relation to the Proposals. In addition, the Placing will enable the Company to satisfy certain loans and deposits as referred to above.

13. Warrants

In consideration of services provided in connection with the Proposals, the Company has granted, conditional on Admission, a total of 3,350,001 Warrants. The Warrants entitle the holder to subscribe for Ordinary Shares at a price of 3 pence per share until 31 December 2011. A summary of the terms of the Warrants is set out in paragraph 11 of Part V of this document.

Of the 3,350,001 Warrants granted, 850,000 have been granted to Dowgate, 1,666,667 have been granted to Sue O'Brien and 833,334 have been granted to Anderson Barrowcliff LLP, of which Richard Robinson is a member.

14. Dividend policy

The objective of the Board is to generate capital appreciation in the Enlarged Group's business and any income generated by the Enlarged Group will be applied to cover costs or will be added to the funds available to implement the strategy of the Enlarged Group as set out in paragraph 5 above. In view of this, it is unlikely that the Directors will recommend a dividend in the early years following Admission. However, they may recommend or declare dividends at some future date depending on the financial position of the Enlarged Group.

15. Admission, CREST, Settlement and Dealings

Application will be made to the London Stock Exchange for the Enlarged Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Enlarged Share Capital will commence on 3 December 2008.

CREST is a computerised paperless share transfer and settlement system enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument in accordance with the CREST Regulations. The Articles permit the Company to issue shares in uncertificated form in accordance with the CREST Regulations. The Ordinary Shares are currently admitted to CREST. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if relevant Shareholders so wish.

CREST is a voluntary system and Ordinary Shareholders who wish to receive and retain share certificates will be able to do so. Definitive share certificates in respect of the Placing Shares to be held in certificated form will be despatched on or before 4 December 2008 and in respect of the Conversion Shares on or before 10 December 2008. CREST accounts in respect of those Ordinary Shareholders who have requested that their New Ordinary Shares are dealt with inside CREST will be credited on 3 December 2008.

The Ordinary Shares will be in registered form and the Registrars will be responsible for the maintenance of the register of members.

16. Orderly market agreements

Each of the Directors and their associates, has undertaken to the Company, Dowgate and St Helen's Capital that for a period of 12 months following Admission, subject to certain exceptions, they will only dispose of an interest in Ordinary Shares following consultation with the Company's nominated adviser and broker (from time to time) and provided that such disposal is effected through such broker with a view to the maintenance of an orderly market in the Ordinary Shares.

Details of these arrangements are set out in paragraph 11 of Part V of this document.

17. Corporate Governance

As an AIM-quoted company, the Company is not obliged to, and does not, currently comply fully with the corporate governance regime in the UK, as set out in the Combined Code. The Directors support the principles of the Combined Code and confirm that the Company seeks to comply with the Combined Code as far as is appropriate and practicable, having regard to the size and nature of the Group and its stage of development.

The Board believes that the appointment of Andrew Garner as Executive Chairman, which is contrary to the Combined Code, is in the best interests of Shareholders due to his role in increasing the profile of the Group and developing the Group's brands while the day to day running of the Group will be handled by Sue O'Brien as Group Managing Director.

The Company currently has three non-executive Directors. In addition, the Board has established an Audit Committee, a Remuneration Committee and an AIM Compliance Committee with formally delegated duties and responsibilities.

The Audit Committee consists of Richard Robinson as chairman and Bruce Lakefield and John Bartle. The Audit Committee has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Enlarged Group is properly measured and reported on and for reviewing reports from the Company's auditors relating to the Company's accounting and internal controls, in all cases having due regard to the interests of Shareholders.

The Remuneration Committee consists of John Bartle as chairman, Bruce Lakefield and Richard Robinson, and determines the terms and conditions of service of the executive Directors, including their remuneration and the grant of options.

The AIM Compliance Committee consists of Richard Robinson as chairman, Bruce Lakefield and John Bartle and will meet twice a year and will be responsible for ensuring that the Company's obligations under the AIM Rules are discharged by the Board.

18. Share Dealing

The Company has adopted a share dealing code for Directors and certain employees (as applicable) in order to ensure compliance with AIM Rule 21 on share dealing. The Directors will take all reasonable steps to ensure compliance by the Directors and such employees with the share dealing code.

19. Share Options

The Directors believe that the recruitment and retention of key personnel will be an important driver to the success of the Enlarged Group. Consequently, the Board has adopted the Share Option Scheme, the main provisions of which are summarised in paragraph 10 of Part V of this document.

As at the date of this document there are Options in respect of 1,758,437 Ordinary Shares granted pursuant to the Share Option Scheme. Further details of Options granted to the Directors are set out in paragraph 6 of Part V of this document.

On 7 November 2008 the Company granted to St. Helen's Capital an option to subscribe for 798,762 Ordinary Shares at a price of 5.625p per Ordinary Share. The option may be exercised in whole, but not in part, at any time up to 31 March 2011. Further details of this option agreement are set out in paragraph 11 of Part V of this document.

20. Conversion of Directors' Loans and Deposits

As at the date of this document, there was a loan outstanding from Andrew Garner to Garner International of £87,636.48 and a further loan outstanding from Andrew Garner to the Company of £66,413.72. In addition, Mr Garner deferred a bonus due to him from Garner International in 2006, which remains unpaid as at the date of this document. The accrued unpaid bonus amounts to £32,450. It is proposed that this unpaid accrued bonus together with an amount equal to £54,050.20 of the loan from Andrew Garner to Garner International will be satisfied by the issue of 2,883,340 Placing Shares through the Placing, representing a subscription by Mr Garner of £86,500.20, leaving in aggregate the sum of £100,000 owed to Mr Garner by the Group.

John Bartle and Bruce Lakefield each currently provide cash deposits of £50,000 as security for £100,000 of overdraft facility that the Company has with its bankers. Mr Bartle and Mr Lakefield have each agreed to utilise the cash deposits to subscribe through the Placing for 1,666,667 Placing Shares respectively, with the proceeds being used to repay the overdraft of £100,000.

21. Related Party Transactions

The participation by certain parties in the Placing and the issue of New Ordinary Shares to certain parties as set out in this document each constitutes a related party transaction as follows:

- (i) the issue of Placing Shares to John Bartle, Andrew Garner and Richard Robinson, being Directors, as set out in paragraphs 12 and 20 of this Part I;
- (ii) the issue of Warrants to Sue O'Brien, a Director, and to Anderson Barrowcliff LLP of which firm Richard Robinson, also a Director, is a member;
- (iii) the interest bearing loan facility of up to £0.5 million which will be provided by Andrew Garner, a Director, to provide additional working capital in the event that other facilities are not agreed on or prior to, Admission; and
- (iv) the issue of Conversion Shares to John Sharma being a substantial shareholder under the AIM Rules.

Where a company whose shares are traded on AIM enters into a related party transaction, the directors independent to the transaction are required to consider, having consulted with the Company's nominated adviser, that the terms of the transaction are fair and reasonable insofar as its shareholders are concerned.

The Independent Director, having consulted with Dowgate, the Company's nominated adviser, considers that the terms of each of the related party transactions listed above are fair and reasonable insofar as Shareholders are concerned.

22. Taxation

Information regarding taxation is set out in paragraph 15 of Part V of this document. This is intended as a general guide to the current position under United Kingdom law and HM Revenue and Customs practice and

may not apply to certain classes of person (such as dealers in securities). Any person who is in any doubt as to his tax position, or who is subject to tax in a jurisdiction outside the United Kingdom, should consult his professional advisers.

23. Further information

Additional information on the Group and the NB Companies is set out in Parts II to V of this document.

24. General Meeting

At the end of this document, you will find a notice convening an extraordinary general meeting of the Company to be held at the offices of Field Fisher Waterhouse LLP, 35 Vine Street, London EC3N 2AA at 10.15 a.m. on 2 December 2008 (or, if later, immediately following the Class Meeting) for the purpose of considering, and if thought fit, passing the following resolutions:

1. to approve the Acquisition;
2. to grant authority to the Directors to allot shares as follows:
 - (a) to grant the Directors the authority to issue and allot new Ordinary Shares up to a nominal value of £513,230 under section 80 of the 1985 Act;
 - (b) to grant the Directors the authority pursuant to section 95 of the 1985 Act to allot equity shares for cash without the application of section 89 of the 1985 Act requiring the Company to offer shares to existing shareholders on a pre-emptive basis in respect of:
 - (i) the issue of the Placing Shares;
 - (ii) the grant of up to 3,350,001 Warrants;
 - (iii) offers of Ordinary Shares to existing Ordinary Shareholders where such offer is made in proportion to existing holdings; and
 - (iv) the issue of new Ordinary Shares up to a nominal value of £177,138.85 other than in accordance with paragraphs (i) to (iii) above, which represents approximately 25 per cent. of the Enlarged Share Capital.
3. to approve the Re-organisation; and
4. to adopt the New Articles.

To be passed, Resolution 1 requires a majority of not less than 50 per cent. of the Shareholders voting in person or by proxy in favour of the Resolution.

Resolutions 2 to 4 are proposed as special resolutions and will therefore require 75 per cent. or more of Shareholders voting in person or by proxy in favour of those Resolutions.

25. Action to be taken by Shareholders in respect of the General Meeting

Shareholders will find included with this document a white Form of Proxy for use by in relation to the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete and return the white Form of Proxy in accordance with the instructions printed thereon. To be valid, completed white Forms of Proxy must be received by the Registrars, Capita IRG at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and in any event not later than 10.15 a.m. on 30 November 2008, being 48 hours before the time appointed for holding the General Meeting. Completion of a white Form of Proxy will not preclude you from attending the General Meeting and speaking and voting in person if you so choose.

26. Class Meeting

At the end of this document, you will find a notice convening a Class Meeting of Preference Shareholders to be held at the offices of Field Fisher Waterhouse LLP, 35 Vine Street, London EC3N 2AA at 10.00 a.m.

on 2 December 2008 for the purpose of considering, and if thought fit, passing resolutions to approve the variation of the rights of the Preference Shareholders pursuant to the Re-organisation and the adoption of the New Articles. The Class Meeting Resolutions are proposed as extraordinary resolutions and will therefore require 75 per cent. or more of Preference Shareholders voting in person or by proxy in favour of the Class Meeting Resolutions.

The approval of the Resolutions will mean that the Preference Shares will be converted into Ordinary Shares and Deferred B Shares and the Preference Shares will cease to be admitted to trading on AIM.

27. Action to be taken by the Preference Shareholders in respect of the Class Meeting

Preference Shareholders will find included with this document a blue Form of Proxy for use by them in relation to the Class Meeting. Whether or not you intend to be present at the Class Meeting, you are requested to complete and return the blue Form of Proxy in accordance with the instructions printed thereon. To be valid, completed blue Forms of Proxy must be received by the Registrars, Capita IRG at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and in any event not later than 10.00 a.m. on 30 November 2008, being 48 hours before the time appointed for holding the Class Meeting. Completion of a blue Form of Proxy will not preclude you from attending the Class Meeting and speaking and voting in person if you so choose.

28. Irrevocable Undertakings relating to the Resolutions

Save in relation to the authority to issue Ordinary Shares, the Resolutions are all effectively interdependent, so that all must be approved for each of them to take effect. In addition, it is a pre-condition to completion of the Acquisition that the Resolutions are approved.

The Directors have irrevocably undertaken to vote in favour of the General Meeting Resolutions in respect of their own shareholdings, which in aggregate amount to 43.47 per cent. of the Issued Share Capital.

In addition to these undertakings, a number of the Company's other Shareholders have also given irrevocable undertakings to vote in favour of the General Meeting Resolutions. In aggregate the undertakings held by the Company as at the date of this document (including the undertakings received from the Directors referred to above) amount to 61.82 per cent. of the Issued Share Capital.

The Company has received irrevocable undertakings to vote in favour of the Class Meeting Resolutions from a number of the Preference Shareholders. In aggregate the undertakings held by the Company as at the date of this document amount to 63.87 per cent. of the Preference Shares.

Further details of the undertakings referred to above can be found in paragraph 7 of Part V of this document.

29. Recommendation by the Directors

The Directors believe that the Acquisition represents an excellent opportunity for Garner to increase its profile and capabilities in the executive search industry and position the Company for future growth.

It should be emphasised that, save in relation to the authority to issue shares, the Resolutions are interdependent and, as a result, if all the Resolutions are not approved, the Acquisition will not proceed.

All of the Directors unanimously recommend that Shareholders vote in favour of the Resolutions, as they have undertaken to do in respect of their own beneficial holdings amounting in aggregate to 16,583,777 Ordinary Shares representing approximately 43.47 per cent. of the Issued Share Capital.

All of the Directors also unanimously recommend that Preference Shareholders vote in favour of the Class Meeting Resolutions.

Yours faithfully

John Bartle
Chairman

PART II

RISK FACTORS

The attention of prospective investors is drawn to the fact that ownership of shares in the Company will involve a variety of risks which, if they occur, may have a materially adverse effect on the Enlarged Group's business or financial condition, results or future operations. In such case, the market price of the Ordinary Shares could decline and an investor might lose all or part of his or her investment.

All potential investors should consider carefully whether an investment in the Company is suitable for them, in the light of the matters referred to in this document, their personal circumstances and the financial resources available to them and, if they are in any doubt, should consult with an independent financial adviser authorised under the FSMA who specialises in advising on the acquisition of shares and other securities. An investment in the Company should be regarded as speculative and should be considered long term in nature and suitable only for sophisticated investors who understand the risks involved, including the risk of a total loss of capital.

In addition to the information set out in this document, the following risk factors should be considered carefully in evaluating whether to make an investment in the Company. The following factors do not purport to be an exhaustive list or explanation of all the risk factors involved in investing in the Company and they are not set out in any order of priority. There may be additional risks of which the Directors are not aware.

INVESTMENT RISK

AIM

Shareholders should be aware that the Ordinary Shares of the Company are traded only on AIM. AIM is a market designated for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority.

AIM has been in existence since June 1995 but its future success and the future market for the Ordinary Shares cannot be guaranteed.

Potential investors should be aware that an investment in a share that is to be traded on AIM may be less realisable and may carry a higher degree of risk than an investment in a share quoted on the Official List.

Liquidity

The market for shares in smaller public companies, including the Company's, is less liquid than for larger public companies. Consequently, the share price may be subject to greater fluctuation on small volumes of shares, and thus the Ordinary Shares may be difficult to sell at a particular price.

The Company, following Admission, can give no assurance that an active market for the Ordinary Shares will develop or, if developed, be sustained. If an active market is not developed, the liquidity and trading price of the Ordinary Shares could be adversely affected.

Marketability

The value of the Company's shares may go down as well as up. Investors may, therefore, realise less than their original investment.

It may be difficult for an investor to sell his or her Ordinary Shares and he or she may receive less than the amount paid by him or her for them.

The market price of the Ordinary Shares may not reflect the underlying value of the Company's net assets or operations.

The Company is aiming to achieve capital growth and, therefore, Ordinary Shares may not be suitable for a short-term investment.

Volatility

The price at which investors may realise their holding of Ordinary Shares, and when they are able to do so, may be influenced by a large number of factors, some of which are specific to the Company and others of which are extraneous.

The share price for publicly traded securities can be highly volatile.

The Company's shares may experience significant price and volume fluctuations that may be unrelated to the operational performance of the Enlarged Group.

General economic, political and market conditions may materially adversely affect the Company's share price.

The Enlarged Group's operating results and prospects may from time to time be below the expectations of management, market analysts and investors. Any of these events could result in a material decline in the price of Ordinary Shares.

Lock-in Arrangements

The market price of Ordinary Shares may decline significantly as a result of sales of Ordinary Shares following expiry of the lock-in period as detailed in paragraph headed "Orderly Market Agreements" in Part I of this document.

RISKS ASSOCIATED WITH THE ACQUISITION

Acquisition Agreement

The Company has entered into an agreement with the vendors of the NB Companies, which includes, *inter alia*, certain warranties and indemnities given by the vendors. There can be no guarantee that the Company will be able to recover any losses that may occur as a result of a breach of such warranties or pursuant to such indemnities or that the future business of the Enlarged Group will not be adversely affected as a result.

Payment of Consideration

The Acquisition Agreement includes two, potentially significant, payments to be made in month 30 and month 60 (as set out in paragraph 11 of Part V of this document) regardless of the performance of the Enlarged Group. The Directors expect to be able to meet the consideration for the Acquisition out of the cash flows generated by the Enlarged Group. If these cash flows are insufficient to meet these payments then the Group will need to secure alternative sources of finance to meet these commitments. There can be no guarantee that, should they be required, alternative financing arrangements will be available in the future. If the Company is unable to meet the payment due in month 30 then BNB will have the option to acquire intellectual property rights relating to the Norman Broadbent brand for a nominal sum.

Historic Losses

Historically, the NB Companies have made losses. The Directors believe that this is due to significant non-recurring costs arising out of the structure of the group of which the NB Companies were part. The success of the Enlarged Group is dependent on stripping out such non-recurring costs whilst maintaining or growing the revenues.

Integrating the NB Companies into the Enlarged Group

The success of the Acquisition is dependent, in part, on the Directors' ability to manage a successful integration of the Garner and the Norman Broadbent businesses. Failure to do so could result in the departure of key employees and clients leading to a possible reduction operating capabilities and revenues.

RISKS ASSOCIATED WITH THE ENLARGED GROUP'S BUSINESS

Projected Growth

The Company's plans for the business of the Enlarged Group incorporate substantial growth in the coming years. Such plans bring certain risks, including the ability to hire suitably qualified people. Failure to overcome these risks may have an adverse affect on the results and prospects of the Enlarged Group.

The Enlarged Group's business depends on the demand for senior executives across a broad number of industry sectors and the level of their remuneration packages. There can be no guarantee that such demand will not decline or that the level of remuneration packages will not reduce as a consequence of poor economic conditions with a detrimental impact on the projected growth of the Enlarged Group.

Risk of Damage to Reputation and Negative Publicity

The Enlarged Group's ability to retain existing clients and to attract new business is dependent on the maintenance of its reputation. The Enlarged Group is vulnerable to adverse market perception as it operates in an industry where a high level of integrity and client trust is paramount. Any perceived, actual or alleged mismanagement, fraud or failure to satisfy the Enlarged Group's responsibilities to its clients, or the negative publicity resulting from such activities or the allegation by a third party of such activities (whether well founded or not) associated with the Enlarged Group, could have a material adverse effect on the financial condition, results or operations of the Enlarged Group.

Dependence on Key Personnel

The Enlarged Group's business and future success is substantially dependent on the expertise and continued services and continuing contributions of its Directors and senior employees. The loss of the services of any of the Directors or other key employees could have a material adverse effect on the Enlarged Group's business. The Company cannot guarantee the retention of the Directors and senior employees. Such key employees could leave the Enlarged Group for a variety of reasons including to work for one of the Enlarged Group's competitors.

The Enlarged Group's future success and growth will also depend on its ability to attract and retain additional suitably qualified and experienced employees. There can be no guarantee that the Enlarged Group will be able to continue to attract and retain such employees, and failure to do so could have a material adverse effect on the financial condition, results or operations of the Enlarged Group. In addition, the future success and growth of the Enlarged Group may be dependent on the Enlarged Group's ability to integrate new teams of professionals. There can be no guarantee that the Enlarged Group will be able to recruit such teams or effect such integration. Failure to do so could have a material adverse effect on the financial condition, results or operations of the Enlarged Group.

Credit Risks

Third parties that owe the Enlarged Group money, securities or other assets may not perform their obligations to the Enlarged Group, due to operational failure, lack of liquidity, bankruptcy or otherwise. Garner performs regular reviews on credit exposure to specific counterparties and clients whom it believes may present credit concerns. However, risk of default may arise from circumstances or events that are difficult to detect, e.g. fraud. The Company has credit insurance in relation to sums owing by clients but in the future such insurance may not cover all sums owing by clients to the Enlarged Group. In addition such insurance may be terminated or cancelled and renewal may be declined by insurers, or may be offered upon terms which reduce the extent to which cover may be obtained for sums owing by clients to the Enlarged Group.

Employee Misconduct

The Enlarged Group runs the risk that employee misconduct could occur from time to time. Misconduct by employees could involve, without limitation, improper use of confidential information, which could result in substantial reputational harm. It is not always possible to prevent or detect employee misconduct and the precautions that the Enlarged Group takes to prevent this activity may not be effective in all cases. In addition, as the Enlarged Group grows, such precautions may need to be updated and/or expanded to increase

their effectiveness. Failure to do so, or to do so in a timely fashion, may lead to such precautions becoming ineffective, or less effective, against the risks against which it is intended they mitigate.

Additional Requirements for Capital

The Enlarged Group's business is dependent upon the availability of adequate funding including a debtor finance facility, particularly in respect of the commitments made under the Acquisition Agreement. Although the Company expects the Enlarged Group to have sufficient capital to satisfy all of its capital requirements, there can be no assurance that any, or sufficient, funding will continue to be available to the Enlarged Group in the future on terms that are acceptable to it.

The Enlarged Group's capital requirements will depend on numerous factors, including its ability to maintain and expand its existing business and it is difficult for the Directors to predict the timing and amount of the Enlarged Group's capital requirements with accuracy. If the Enlarged Group's capital requirements vary materially from its plans, the Company may require further income in addition to the amounts raised in the Placing. Any additional equity financing may be dilutive to Shareholders and debt financing, if available, may place restrictions on the Enlarged Group's financing and operating activities. If the Enlarged Group is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion. There is no guarantee that the then prevailing market conditions will allow for such fundraising or that new investors will be prepared to subscribe for Ordinary Shares at the same price as the Placing Price or higher.

Inadequacy of Systems and Controls

The Enlarged Group's ability to maintain operational and financial controls and provide high quality service to clients depends, in part, on the efficient and uninterrupted operation of its management information systems, including its computer systems. There can be no assurance that these systems will function as required. Furthermore, there can be no guarantee that if the Enlarged Group increases in size, its systems, including its information technology systems, will be able to be upgraded appropriately or in a timely manner, so as to function as and when required by the greater demands of a larger business. Any damage to, failure of or inability to upgrade its management information systems appropriately, could result in interruptions to the Enlarged Group's financial controls and client services. Such interruption could have a material adverse effect on the financial condition, results or operations of the Enlarged Group.

Dependence on Third Party Service Providers

The Enlarged Group is reliant upon third party service providers for certain aspects of its businesses. Any interruption or deterioration in the performance of these third party service providers could impair the timing and quality of the Enlarged Group's services. In addition, if the contracts with any of these third party service providers are terminated, the Enlarged Group may not find replacement outsource providers on a timely basis or on equivalent terms. The occurrence of any of these events could impact upon the Enlarged Group's reputation and have a material adverse effect on the financial condition, results or operations of the Enlarged Group.

Risk of Loss of Business Continuity

The Enlarged Group's business operations, information systems and processes are vulnerable to damage or interruption from fires, power loss, telecommunication failures, bomb threats, explosions or other forms of terrorist activity and other natural and man-made disasters. These systems may also be subject to sabotage, vandalism, theft and other similar misconduct. The same is true of third party service providers on which the Enlarged Group depends. The Company has in place business continuity plans covering current business requirements, which have been tested and are considered by the Board to be adequate. However, the disaster recovery plans do not guarantee that the Enlarged Group's operations will continue uninterrupted or the continuity of operations of third parties with which the Enlarged Group has dealings from time to time. Loss of continuity of the Enlarged Group's or third party operations could have an adverse impact on the Enlarged Group's financial condition, results or operations.

CONSIDERATIONS RELATING TO FUTURE PROSPECTS

Political, Economic and Exchange Risks

The Enlarged Group may be adversely affected by changes in local and global economic, political, judicial, administrative, taxation or other regulatory matters in any jurisdiction that it operates, as well as other unforeseen matters. The general economic climate is volatile and is affected by numerous factors which are beyond the Enlarged Group's control and which may affect its operations, business and profitability. These factors include the supply and demand of capital, growth in gross domestic product, employment trends and industrial disruption, international economic trends, currency exchange rate fluctuations, the level of interest rates and the rate of inflation, global or regional political events and international events, as well as a range of other market forces, all of which have an impact on business costs and the demand for senior executives.

Uncertainty of future revenues

None of the companies in the Enlarged Group has any long-term contracts with clients. Accordingly future revenues will depend upon the number of existing clients who retain a member of the Enlarged Group to carry out additional services and the number of new clients who may be obtained. The number of repeat instructions and new client wins are difficult to predict. There can be no assurance that the Enlarged Group's proposed operations will be profitable or produce a reasonable return, if any, on investment.

Strategic Risks

Certain statements within this document constitute statements of the current intention of the Directors based on their assessment of the opportunities available to the Enlarged Group. It is possible that those opportunities do not present themselves or no longer become appropriate and that the strategy of the Enlarged Group will therefore need to be adjusted or changed in due course to take account of changing circumstances and new opportunities as they arise.

Competition

The Enlarged Group operates in a highly competitive market. Some of the Enlarged Group's competitors have greater financial and other resources than the Enlarged Group and, as a result, may be in a better position to compete for future business opportunities and market share.

The Enlarged Group's competitors may be able to respond more quickly to new or changing technologies and changing client demands and/or to devote greater resources to the development, promotion and sales of their products and services than the Enlarged Group.

It is possible that new competitors or alliances among competitors could emerge and rapidly acquire significant market share. Larger competitors with greater financial or other resources may be able to advertise their services on a regional or national basis.

Some of the Enlarged Group's competitors compete directly with the Enlarged Group for both clients and employees. In addition, the Enlarged Group cannot predict the pricing or promotional activities of its competitors or their effect on its ability to market and sell its services. This competition could have a material adverse effect on the Enlarged Group's financial condition, results or operations as well as the Enlarged Group's ability to attract and retain highly skilled individuals. There can be no assurance that the Enlarged Group can, or will be able to, compete effectively.

Future payment of dividends

There can be no assurance as to the level of future dividends. The declaration, payment and amount of any future dividends of the Company are subject to the discretion of the directors and shareholders of the Company and will depend upon, *inter alia*, the Company's earnings, financial position, cash requirements, availability of profits, as well as the provisions of relevant laws and/or generally accepted accounting principles from time to time. The Company has no plans to pay a dividend in the immediate future.

Internal Controls

Future growth and prospects for the Enlarged Group will depend on its ability to manage the current business and to continue to expand and improve operational, financial and management information and other control systems on a timely basis, whilst at the same time maintaining effective cost controls. Any failure to expand and improve operational, financial and management information and other control systems in line with the Enlarged Group's growth could have a material adverse effect on the Enlarged Group's business, financial condition and results of operations.

Uninsured Risks

The Company's insurance will not cover all potential risks associated with the Enlarged Group's business. In addition, the Company may elect not to have insurance for certain risks, due to the high premia associated with insuring those risks or for various other reasons, including an assessment that the risks are remote. The occurrence of events for which the Company is not insured, or for which its insurance is inadequate, may affect its cash flows and overall profitability.

Litigation

The Company may be subject to substantial liabilities for omissions or misstatements in admission documents, circulars and other communications with respect to equity offerings and may be exposed to litigation or claims arising from such offerings, from negligent advice or from omissions in general.

Legal proceedings, with or without merit, may arise from time to time in the course of the Enlarged Group's business. The Directors cannot preclude that litigation may be brought against the Enlarged Group and that such litigation could have a material adverse effect on the financial condition, results or operations of the Enlarged Group. The Enlarged Group's business may be materially adversely affected if the Enlarged Group and/or its employees or agents are found not to have met the appropriate standard of care or exercised their discretion or authority in a prudent or appropriate manner in accordance with accepted standards. Although the Company maintains professional indemnity insurance in respect of such risks, there is no guarantee that any insurance in place will cover all, or any part, of any liability incurred by the Enlarged Group in any such circumstances.

While the Enlarged Group currently has no material outstanding litigation, there can be no guarantee that the current or future actions of the Enlarged Group will not result in litigation. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material adverse effect on the Enlarged Group's financial position or results of operations.

Share Options

As set out in paragraph 10 in Part V of this document, the Company has adopted the Share Option Scheme and granted an option to St. Helen's Capital. The Company may in the future issue options to subscribe for new Ordinary Shares to certain employees, directors and senior management of the Company or any member of the Enlarged Group. The exercise of such options would result in a dilution of the shareholdings of other investors.

Taxation

This document has been prepared in accordance with current UK tax legislation, practice and concession and interpretation thereof. Any change in the Company's tax status or in taxation legislation could affect the Company's ability to provide returns to Shareholders or alter post tax returns to Shareholders. Statements in this document concerning the taxation of investors in Ordinary Shares are based on current tax law and practice which is subject to change. The taxation of an investment in the Company depends on the individual circumstances of investors.

It should be noted that the information contained in paragraph 15 of Part V of this document relating to taxation may be subject to legislative change.

Forward-looking Statements

Forward-looking statements in this document are no guarantee of future performance and only reflect the views and assumptions as at the date of this document and are subject to risks, uncertainties, market conditions and other factors, some of which are beyond the control of the Company and difficult to predict.

It should be noted that the factors listed above are not intended to be exhaustive and do not necessarily comprise all of the risks to which the Enlarged Group is or may be exposed or all those associated with an investment in the Company. In particular, the Enlarged Group's performance is likely to be affected by changes in market and/or economic conditions, political, judicial and administrative factors and changes in legal, accounting, regulatory and tax requirements in the areas in which it operates and holds its major assets. There may be additional risks that the Directors do not currently consider to be material or of which they are currently unaware which may also have an adverse effect upon the Enlarged Group.

If any or all of the above risks actually occur, the Enlarged Group's business, financial conditions, results or future operations could be adversely affected. In such a case, the price of the Ordinary Shares could decline and investors may lose all or part of their investment. Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect upon the Enlarged Group.

The investment opportunity offered in this document may not be suitable for all recipients of this document. Before making an investment decision, prospective investors are strongly recommended to consult an investment adviser authorised under FSMA who specialises in investments of the kind described in this document.

PART III (i)

(A) ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION FOR BNB RECRUITMENT CONSULTANCY LIMITED FOR THE YEARS TO 31 DECEMBER 2005, 2006 AND 2007



Grant Thornton UK LLP
Enterprise House
115 Edmund Street
Birmingham B3 2HJ

The Directors
Garner Plc
6 Derby Street
Mayfair
London W1J 7AD

7 November 2008

Dear Sirs

BNB Recruitment Consultancy Limited

We report on the financial information set out in Part III(i)(B) of the Admission document of which this report forms Part III(i)(A) (the "Financial Information"). This Financial Information has been prepared for inclusion in the admission document (the "Document") of Garner plc dated 7 November 2008 on the basis of the accounting policies set out in note 4.1 of the Financial Information.

This report is required by Paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that regulation and for no other purpose.

I. RESPONSIBILITIES

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Paragraph (a) of Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Document.

The Directors of Garner Plc are responsible for preparing the Financial Information on the basis of preparation set out in note 4.1 of the Financial Information and in accordance with International Financial Reporting Standards.

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

2. BASIS OF OPINION

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the

Chartered Accountants

Member firm within Grant Thornton International Ltd
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A list of members is available from our registered office.
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amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of 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.

3. OPINION

In our opinion, the financial information gives, for the purposes of the Document, a true and fair view of the state of affairs of BNB Recruitment Consultancy Limited as at the dates stated and of its profits and cash flows for the periods then ended in accordance with the basis of preparation set out in note 4.1 of the Financial Information and in accordance with International Financial Reporting Standards as described in note 4.1 of the Financial Information and has been prepared in a form that is consistent with the accounting policies adopted in Garner Plc's latest annual accounts.

4. DECLARATION

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

Yours faithfully

GRANT THORNTON UK LLP

PART III (i)

(B) HISTORICAL FINANCIAL INFORMATION FOR BNB RECRUITMENT CONSULTANCY LIMITED FOR THE YEARS TO 31 DECEMBER 2005, 2006 AND 2007

The Directors have prepared the following financial information on BNB Recruitment Consultancy Limited for the three years ended 31 December 2007 from the audited financial statements of BNB Recruitment Consultancy Limited which were prepared under UK GAAP.

The financial information on BNB Recruitment Consultancy Limited, which has been prepared solely for the purpose of the Document, has been prepared in accordance with applicable IFRS. It does not constitute audited statutory accounts within the meaning of Section 240 of the Companies Act 1985.

1. Income Statement

For the three years ended 31 December 2007

	Note	2007 £'000	2006 £'000	2005 £'000
Continuing operations				
Revenue	4.1	7,880	9,320	10,092
Cost of sales		(1,474)	(1,482)	(2,215)
Gross profit		<u>6,406</u>	<u>7,838</u>	<u>7,877</u>
Administrative expenses:				
Other administrative expenses		(7,233)	(7,711)	(7,062)
Exceptional items	4.4	(661)	(1,276)	(287)
Total administrative expenses		<u>(7,894)</u>	<u>(8,987)</u>	<u>(7,349)</u>
Operating (loss)/profit				
Operating (loss)/profit before exceptional items		(827)	127	815
Exceptional items	4.4	(661)	(1,276)	(287)
Operating (loss)/profit		<u>(1,488)</u>	<u>(1,149)</u>	<u>528</u>
Finance income	4.6	40	38	–
Finance costs	4.6	(84)	(66)	(114)
(Loss)/profit before taxation	4.4	<u>(1,532)</u>	<u>(1,177)</u>	<u>414</u>
Taxation	4.7	10	–	(31)
(Loss)/profit for the financial year		<u>(1,522)</u>	<u>(1,177)</u>	<u>383</u>

There was no recognised income or expense for the years other than the results reported above.

2. Balance Sheets

As at 31 December

	Note	2007 £'000	2006 £'000	2005 £'000
Non current assets				
Investments	4.9	197	197	197
Property, plant and equipment	4.8	181	352	312
		<u>378</u>	<u>549</u>	<u>509</u>
Current assets				
Trade and other receivables	4.10	5,965	6,410	7,958
Cash and cash equivalents		2	898	13
		<u>5,967</u>	<u>7,308</u>	<u>7,971</u>
Total assets		<u>6,345</u>	<u>7,857</u>	<u>8,480</u>
Current liabilities				
Trade and other payables	4.11	(4,231)	(5,503)	(4,884)
Borrowings	4.12	(1,323)	—	(116)
Corporation tax		—	(10)	—
		<u>(5,554)</u>	<u>(5,513)</u>	<u>(5,000)</u>
Non current liabilities				
Provisions	4.13	(131)	(162)	(168)
Total liabilities		<u>(5,685)</u>	<u>(5,675)</u>	<u>(5,168)</u>
Net assets		<u>660</u>	<u>2,182</u>	<u>3,312</u>
Equity				
Share capital	4.15	1	1	1
Share premium	4.16	9,860	9,860	9,860
Share based payments reserve	4.16	138	138	91
Profit and loss account	4.16	(9,339)	(7,817)	(6,640)
Total equity	4.16	<u>660</u>	<u>2,182</u>	<u>3,312</u>

3. Cash Flow Statement

For the three years ended 31 December 2007

	2007	2006	2005
	£'000	£'000	£'000
(Loss)/profit for the year	(1,522)	(1,177)	383
Depreciation and amortisation	98	107	104
Interest expense	44	28	114
Income tax	(10)	—	31
Provision for impairment of investments	—	—	165
Loss on disposal of property, plant and equipment	83	—	—
Operating cash flow before working capital movements	(1,307)	(1,042)	797
Decrease in trade and other receivables	445	1,548	23
Decrease in other provisions	(31)	(6)	(8)
(Decrease)/increase in trade and other payables	(1,222)	665	21
Cash flow from operations	(2,115)	1,165	833
Income taxes received	—	10	10
Interest paid	(84)	(66)	(114)
Interest received	40	38	—
Net cash from operating activities	(2,159)	1,147	729
Investing activities			
Proceeds on disposal of property, plant & equipment	50	—	1
Purchases of property, plant & equipment	(110)	(146)	(116)
Net cash used in investing activities	(60)	(146)	(115)
Financing activities			
Repayment of borrowings	—	(5)	(22)
Net cash used in financing activities	—	(5)	(22)
(Decrease)/increase in cash and cash equivalents	(2,219)	996	592
Cash and cash equivalents at the beginning of the year	898	(98)	(690)
Cash and cash equivalents at the end of the year	(1,321)	898	(98)
Analysis			
Cash at bank and in hand	2	898	13
Bank overdraft	(1,323)	—	(111)
	(1,321)	898	(98)

4.1 ACCOUNTING POLICIES

Reporting entity

BNB Recruitment Consultancy Limited is a company incorporated in the United Kingdom. The address of the company's registered office is 30 Farringdon Street, London, EC4A 4EA. The nature of the company's operations and its principal activities are recruitment consultants.

Basis of preparation

The accounting policies applied in the preparation of this historical financial information are set out below: These policies have been applied consistently to all years presented, unless stated otherwise.

The historical financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") adopted for use in the European Union and IFRIC interpretations and those parts of the Companies Act 1985 applicable for companies reporting under IFRS for the first time.

IFRS as adopted by the EU do not provide for the specific accounting treatment set out below, and accordingly in preparing this financial information, certain accounting conventions commonly used for the preparation of historical financial information for inclusion in investment circulars, as described by the Annexure to SIR 2000 (Investment Reporting Standard applicable to public reporting engagements on historical financial information) issued by the UK Auditing Practices Board, have been applied.

For the purposes of this document and in order to show three years of historical information on a consistent basis, the date of transition to IFRS as adopted by the EU has been set at 1 January 2005. The adoption of International Financial Reporting Standards has resulted in no adjustments between UK GAAP and IFRS, other than presentation and disclosure amendments, which has resulted in the restatement of the comparative disclosures to provide a like for like comparison.

Standards that have been issued in the year, but are not yet effective for the company's financial year ended 31 December 2007 include:

- IFRS 8 "Segmental Reporting" effective for years commencing 1 January 2009 and not expected to have any impact on the disclosure for the company.
- IFRIC 14 "The limit of defined benefit asset, minimum funding requirements and their interaction" effective for periods commencing on 1 January 2008 and has no impact on the company.
- Other standards issued, but not yet effective that will have no impact on the company includes IAS 1 (Revised 2007) "Presentation of financial statements", IFRS 3 (Revised 2008) "Business combinations", IAS 27 (Revised 2008) "Consolidated and separate financial statements", which will require a statement of changes in Equity as a primary statement, IAS 23 "Amendments to borrowing costs", IFRIC 12 "Service concession arrangements", IFRIC 13 "Customer loyalty programmes". IFRIC 15 "Agreements for the construction of real estates" and IFRIC 16 "Hedges of a net investment in a foreign operation."

First time adoption of IFRS

Application of IFRS 1

The historical financial information for the year ended 31 December 2007 and the comparatives are the first financial information required to comply with IFRS. In preparing this financial information in accordance with IFRS 1, the company has applied the mandatory exceptions and certain optional exemptions from full retrospective application of IFRS.

- *Business combinations exemption* – The company has elected to take exemption from fair value accounting for any business combinations prior to the date of transition, being 1 January 2005.

4.1 ACCOUNTING POLICIES (Continued)

- *Share based payments exemption* – the company has elected to apply the share based payments exemption and applied IFRS 2 for share options that were granted after 7 November 2002, but had not vested by 1 January 2005.

A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The historical financial information has been prepared under the historical cost convention. The company is exempt from preparing consolidated accounts under s 228 of the Companies Act 1985, as a wholly owned subsidiary of BNB Recruitment Solutions PLC.

Segmental reporting

A business segment is where a group of assets and operations are engaged in providing services that are subject to risks and returns that are different from other business segments. The company has only one class of business and holds a trade investment in a foreign operation in one geographical location.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and value-added tax. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Property, plant and equipment

Property, plant and equipment are shown at historical cost, less any accumulated depreciation and provision for impairment in value. Depreciation is provided at rates calculated to write off the cost less residual value of each asset on a straight-line basis over its expected useful life. The rates used are as follows:

Leasehold improvements	shorter of 10 years or over the lease term
General refurbishment costs	written off in the year the expenditure is incurred
Website and computer equipment	20%
Fixtures and fittings	10%
Office equipment	20%
Motor vehicles	20%

Impairment of non-current assets

All non current assets are assessed annually for indications of impairment. Where such indicators exist, the recoverable amount is measured and any impairment loss is charged to the income statement.

Leased assets

Leasing arrangements that transfer substantially all the risks and rewards of ownership to the company are classified as finance leases. Assets financed by a finance lease are accounted for as if they had been purchased outright, with the corresponding liability to the leasing company included as an obligation. The rentals payable are apportioned between interest, which is charged to the Income Statement, and capital, which reduces the outstanding obligation. All other leases are classified as Operating Leases and lease rentals are charged to the Income Statement on a straight-line basis over the term of the lease.

4.1 ACCOUNTING POLICIES (Continued)

Foreign exchange

Transactions denominated in foreign currency are translated into the functional currency at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates ruling at that date. These translation differences are dealt with in the income statement.

Onerous lease provisions

Where a leased property is vacant or sub-leased to a third party at below the unavoidable costs of meeting the obligations under the lease, a provision is recognised to the extent that rental payments are not recoverable from sub-leasing the property. The provision is based on the present value of the best estimate of the expenditure required to settle the rental obligation at the balance sheet date, and is based upon market conditions at that date.

Taxation

(i) Current taxation

The tax currently payable is based on the taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

(ii) Deferred taxation

Deferred taxation is provided in full, using the balance sheet liability method, on temporary differences arising between the carrying amounts of assets and liabilities used for financial reporting purposes and the amounts used for taxation purposes. Deferred taxation is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. This requires judgment to be made in respect of the forecast of future taxable income.

Deferred taxation is provided on temporary differences arising on investments in subsidiaries and associates, except where the company controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Current and deferred tax charges or credits are recognised in the Income Statement except where they relate to items recognised directly in equity, in which case the charge or credit is also recognised directly in equity.

4.1 ACCOUNTING POLICIES (Continued)

Investments

(i) *Interests in subsidiary undertakings*

Investments in subsidiaries are shown at cost, less a provision for impairment.

(ii) *Interests in associates*

An associate is an entity over which the Group is in a position to exercise significant influence, but not control or joint control, through participation in the financial and operating policy decisions of the investee. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but does not have the control or joint control over those policies.

Investments in associates are carried in the company's balance sheet at cost less any impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, deposits and bank overdrafts for the purposes of the cash flow statements. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Employee benefits

(i) *Defined contribution plans*

Obligations for contributions to defined contribution plans are recognised as an expense in the Income Statement as incurred.

(ii) *Share-based payment transactions*

The Ultimate Parent Company, BNB Recruitment Solutions plc, issues equity-settled share-based payments to certain employees and accounts for these in accordance with the requirements of IFRS 2, 'Share-Based Payments'. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest. The credits are shown as a separate share based compensation reserve in the balance sheet.

The fair value of awards made with market performance conditions has been measured by use of a Stochastic model. A Stochastic model has also been used for awards with earnings per share performance conditions, where an exercise profile has been assumed.

For other awards where there are no market performance conditions, a simple Black-Scholes model has been used to determine fair values.

Exceptional items

Exceptional items are material items which individually or, if of a similar type, in aggregate, need to be disclosed by virtue of their size or incidence because of the relevance to understanding the entity's financial performance.

Financial instruments

Financial assets and liabilities are recognised on the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

4.1 ACCOUNTING POLICIES (Continued)

Other receivables and payables – Financial assets such as other receivables are measured initially at fair value plus any transaction cost and are carried subsequently at amortised cost under the effective interest method, less any impairment. Financial liabilities includes other payables and are measured initially at fair value and thereafter at amortised cost.

Derivative financial instruments – The company does not use derivative financial instruments to hedge its exposure to interest or currency risk.

4.2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATES OF UNCERTAINTY

The company makes estimates and assumptions about the future. The resulting projections seldom equal the actual results achieved. The estimates that would have a material risk to the balance sheet in the next financial year is:

Impairment of investments – Determining whether the cost of investment should be impaired requires an estimate of future cash flows expected to arise and a suitable discount rate to calculate net present values.

Recoverability of trade receivables – requires management's judgement based on current circumstances, prior experience and their assessment of the current economic environment.

4.3. SEGMENTAL ANALYSIS

The company is considered to have only one segment of business class, that of executive search. All of the business relates to the UK and therefore no segmental reporting analysis is given.

4.4. (LOSS) /PROFIT FOR THE YEAR

(Loss)/ profit for the year has been arrived at after charging:

	2007 £'000	2006 £'000	2005 £'000
Depreciation of property, plant and equipment			
– owned	98	107	99
– leased	–	–	5
Operating lease rentals			
– plant and machinery	11	18	16
– other	230	229	427
Loss on disposal of plant, property and equipment	83	–	–
Staff costs (note 4.5)	6,573	8,159	7,039
Management charges	36	26	–
Exchange losses	107	–	–
Fees payable to the Company's auditor for the audit of the annual financial statements	14	14	13
Fees payable to the Company's auditor for non-audit services	–	–	3
	<u> </u>	<u> </u>	<u> </u>

The operating exceptional items for the year comprise the following;

	2007 £'000	2006 £'000	2005 £'000
Provision against inter-company debtors	9	1,276	91
Provision against fixed asset investments	–	–	164
Termination payments	143	–	–
Office relocation costs	256	–	–
Other operating exceptional costs	120	–	32
Loss on disposal of fixed assets	133	–	–
	<u>661</u>	<u>1,276</u>	<u>287</u>

4.5. STAFF COSTS

Average weekly number of employees, including executive directors:

2007 No.	2006 No.	2005 No.
<u>85</u>	<u>116</u>	<u>96</u>

Staff costs, including directors:

	2007 £'000	2006 £'000	2005 £'000
Wages and salaries	5,922	7,397	6,132
Social security costs	515	560	671
Pension costs	136	155	145
Share based payments	–	47	91
	<u>6,573</u>	<u>8,159</u>	<u>7,039</u>

4.5. STAFF COSTS (Continued)

Key management compensation

The remuneration of the Directors, who are the key management personnel of the Company, is set out below in aggregate. The remuneration of P G Turner, S H Grinstead and P Gueissaz is borne by other BNB Recruitment Solution group companies and is disclosed in the financial statements of BNB Recruitment Solutions PLC.

	2007 £'000	2006 £'000	2005 £'000
Emoluments	200	242	145
Termination benefits	19	–	–
Company contributions to money purchase pension schemes	13	2	–
	<u>232</u>	<u>244</u>	<u>145</u>
No of directors contributing to a money purchase pension scheme	<u>2</u>	<u>1</u>	<u>–</u>

4.6. NET FINANCE COSTS

	2007 £'000	2006 £'000	2005 £'000
Interest receivable on financial assets	40	38	–
Interest payable on bank overdrafts	(34)	(55)	(81)
Interest payable on finance lease arrangements	–	(1)	(2)
Unwinding of discount on onerous lease	(11)	(10)	(31)
Exchange loss on foreign currency borrowings	(39)	–	–
Net finance costs for financial liabilities	<u>(44)</u>	<u>(28)</u>	<u>(114)</u>

The above financial assets and financial liabilities are measured at amortised cost and comprise interest and interest related expenses on the entity's borrowings.

4.7. TAXATION

	2007 £'000	2006 £'000	2005 £'000
(a) The taxation credit s analysed below:			
Current taxation			
UK corporation tax	–	–	–
Adjustment in respect of prior years	(10)	–	31
	<u>(10)</u>	<u>–</u>	<u>31</u>
(b) Factors affecting the tax (credit)/charge			
The effective rate of tax for each period differs from the standard rate of tax in the United Kingdom. The differences are set out in the tax reconciliation below:			
	2007 £'000	2006 £'000	2005 £'000
(Loss)/profit on ordinary activities before taxation	(1,532)	(1,177)	414
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006: 30%) (2005: 30%)	(459)	(353)	124
Effects of:			
Expenses not deductible for tax purposes	20	418	135
Accelerated capital allowances	(110)	27	33
Short term temporary differences	66	12	–
Increase in losses carried forward	56	3	(192)
Transfer pricing adjustments	(54)	(271)	(239)
Group relief	–	164	139
Prior year adjustment	(10)	–	31
Deferred tax rate change	361	–	–
Deferred tax asset transferred out	120	–	–
	<u>(10)</u>	<u>–</u>	<u>31</u>

The company has tax losses carried forward of approximately £10.6m (2006: £9.8m, 2005: £9.6m) that can be utilised against future trading profits.

4.8. PROPERTY, PLANT AND EQUIPMENT

	<i>Short leasehold property £'000</i>	<i>Office and computer equipment £'000</i>	<i>Fixtures and fittings £'000</i>	<i>Total £'000</i>
Cost				
At 1 January 2005	353	485	108	946
Additions	–	102	14	116
Disposals	–	(1)	–	(1)
At 1 January 2006	353	586	122	1,061
Additions	1	98	48	147
At 1 January 2007	354	684	170	1,208
Additions	–	99	11	110
Disposals	(351)	(389)	(80)	(820)
Inter-group transfers	–	(154)	(11)	(165)
At 31 December 2007	3	240	90	333
Depreciation				
At 1 January 2005	248	323	74	645
Charged in the year	20	74	10	104
At 1 January 2006	268	397	84	749
Charged in year	21	74	12	107
At 1 January 2007	289	471	96	856
Charged in year	20	67	11	98
Disposals	(308)	(332)	(47)	(687)
Inter-group transfers	–	(107)	(8)	(115)
At 31 December 2007	1	99	52	152
Carrying amount				
At 31 December 2007	2	141	38	181
At 31 December 2006	65	213	74	352
At 31 December 2005	85	189	38	312

The net book value of assets held under finance leases amounted to £Nil (2006: £Nil; 2005: £10,000) at the balance sheet date.

4.9. INVESTMENTS

	<i>Shares in subsidiary undertakings £'000</i>
Cost	
At 1 January 2005 and 31 December 2005, 2006 and 2007	362
Provision for impairment	
At 1 January 2005	–
Charged in the year	165
At 31 December 2005, 2006 and 2007	165
Carrying amount	
At 31 December 2005, 2006 and 2007	197

Shares held in subsidiary undertakings (all incorporated in the United Kingdom):

	<i>Class</i>	<i>Percentage</i>	<i>Business</i>
Interim Management Practice Limited	Ordinary	100%	Dormant
Norman Broadbent International Limited	Ordinary	100%	Dormant
NB Selection Limited	Ordinary	100%	Dormant
Goodman Graham & Associates Limited	Ordinary	100%	Dormant
Norman Broadbent (Scotland) Limited	Ordinary	100%	Dormant

In the directors' opinion, the carrying value of the investments in subsidiary undertakings does not exceed the underlying net assets of the subsidiary undertakings.

4.10. TRADE AND OTHER RECEIVABLES

	<i>2007 £'000</i>	<i>2006 £'000</i>	<i>2005 £'000</i>
Trade receivables	1,431	1,900	1,922
Amounts owed by group undertakings	4,362	4,449	5,836
Other amounts receivable	131	33	97
Prepayments	41	28	103
	<u>5,965</u>	<u>6,410</u>	<u>7,958</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value.

The average credit period taken on sales of goods is 42 days (2006: 41 days), (2005: 51 days). No interest is charged on the trade receivables.

The Company provides fully against trade receivables based on estimated recoverable amounts, determined by reference to past default experience.

4.10. TRADE AND OTHER RECEIVABLES (continued)

Ageing of past due but not impaired receivables.

	2007	2006	2005
	£'000	£'000	£'000
0 – 60 days	353	367	418
60 – 90 days	48	4	9
90 – 120 days	29	23	33
Greater than 120 days	19	16	22
Total	<u>449</u>	<u>410</u>	<u>482</u>
	2007	2006	2005
	£'000	£'000	£'000
Movement in doubtful debts			
Balance brought forward at 1 January	195	56	24
Impairment loss recognised in year	44	200	50
Amounts written off uncollectible	(1)	(35)	(10)
Amounts recovered	(60)	(26)	(8)
Balance carried forward	<u>178</u>	<u>195</u>	<u>56</u>

The directors believe that there is no further provision required in excess of the allowance for doubtful debts.

Included in the allowance for doubtful debts are individually impaired receivables. The ageing of impaired trade receivables is as follows:

	2007	2006	2005
	£'000	£'000	£'000
60 – 90 days	3	–	–
90 – 120 days	33	–	–
120+ days	142	195	56
	<u>178</u>	<u>195</u>	<u>56</u>

The directors consider the carrying amount of trade and other receivables approximates their fair value.

4.11. TRADE AND OTHER PAYABLES

	2007	2006	2005
	£'000	£'000	£'000
Trade payables	491	762	555
Amounts owed to group undertakings	1,550	2,152	1,968
Taxes and social security	354	669	666
Other payables	1,836	1,920	1,695
Current trade and other payables	<u>4,231</u>	<u>5,503</u>	<u>4,884</u>

The payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs.

4.12. BORROWINGS

	2007	2006	2005
	£'000	£'000	£'000
Bank overdrafts – due on demand	1,323	–	111
Finance leases – due in one year or less	–	–	5
	<u>1,323</u>	<u>–</u>	<u>116</u>

The bank overdraft is due on demand and is secured by a fixed and floating charge over the assets of the company. Obligations under finance leases are secured on the assets concerned.

4.13. PROVISIONS

	2007	2006	2005
	£'000	£'000	£'000
Provision at 1 January	162	168	176
Utilised during the year	(31)	(6)	(8)
Provision at 31 December	<u>131</u>	<u>162</u>	<u>168</u>

The provision relates to onerous lease provisions on leased property that is vacant or sub-leased to a third party at below the unavoidable costs of meeting the obligations of the lease.

4.14 FINANCIAL INSTRUMENTS

IFRS 7 categories of financial assets included in the balance sheet and the headings in which they are included are as follows:

Financial assets by category

	2007	2006	2005
	£'000	£'000	£'000
Current assets			
Trade and other receivables:			
– Loans and receivables	5,965	6,410	6,807
Cash and cash equivalents			
– Loans and receivables	2	898	13
	<u>5,967</u>	<u>7,308</u>	<u>6,820</u>

Financial liabilities by category

	2007	2006	2005
	£'000	£'000	£'000
Current liabilities			
Borrowings:			
– Financial liabilities measured at amortised cost	1,323	–	116
Trade and other payables:			
– Financial liabilities measured at amortised cost	4,231	5,503	4,884
	<u>5,554</u>	<u>5,503</u>	<u>5,000</u>

4.14. FINANCIAL INSTRUMENTS (Continued)

There are no financial assets classed as assets held to maturity or as assets available for sale.

There is no material difference between the book values and the fair values of the Company's financial assets and financial liabilities because of the relative short-term nature of the respective instruments or because of uncertainty regarding their future amount. All material financial assets and liabilities are in Sterling.

Capital risk management

The company manages its capital to ensure that the company will be able to continue as a going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the company consists of debt, cash and cash equivalents and equity attributable to equity holders of the company, comprising issued capital, reserves and retained earnings.

Financial risk management objectives

The company's operations expose it to a variety of financial risks including the effects of changes in interest rates on debt, foreign currency exchange rates, credit risk and liquidity risk. The company does not have material exposures in any of the areas identified above and, consequently does not use derivative instruments to manage these exposures.

Interest rate risk

Interest bearing assets comprise cash and bank deposits, all of which earn interest at a fixed rate. The interest rate on the bank overdraft is at market rate and the company's policy is to keep the overdraft within defined limits such that the risk that could arise from a significant change in interest rates would not have a material impact on cash flows. The company's policy is to maintain other borrowings at fixed rates to fix the amount of future interest cash flows. The directors monitor the overall level of borrowings and interest costs to limit any adverse effects on the financial performance of the company. A one percentage point rise in interest rates would increase the annual interest rate on the bank overdraft by approximately £7k.

Credit risk

Credit risk is managed by monitoring the aggregate amount and duration of exposure to any one customer depending upon their credit rating. The amounts presented in the balance sheet are net of allowances for doubtful debts, estimated by the Company's management based on current circumstances, prior experience and their assessment of the current economic environment. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The Company has no significant concentration of credit risk, with its exposure spread over a large number of counterparties and customers.

The company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the balance sheet date. At 31 December 2005, 2006 and 2007, credit risk is limited to the Company trade and other receivables.

The company's management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

None of the company's financial assets are secured by collateral or other credit enhancements. In respect of trade and other receivables, The company is not exposed to any significant credit risk exposure to any single counterparty or any company of counterparties having similar characteristics. The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

4.14. FINANCIAL INSTRUMENTS (Continued)

Foreign exchange risk

The company is exposed in its trading operations to the risk of changes in foreign currency exchange rates. The main foreign currencies in which the company operates are the Euro and the US dollar.

4.15. SHARE CAPITAL

	2007 £'000	2006 £'000	2005 £'000
Authorised			
100,000 (2006: 100,000) (2005: 100,000) ordinary shares of 10p each	10	10	10
Allotted called up and fully paid			
10,000 (2006: 10,000) (2005: 10,000) ordinary shares of 10p each	1	1	1

The company has one class of ordinary share which carries no right to fixed income.

4.16. STATEMENT OF CHANGES IN TOTAL EQUITY

	Share capital £'000	Share premium £'000	Share based payments reserve £'000	Profit and loss account £'000
At 1 January 2005	1	1,860	–	(7,023)
Profit for the year	–	–	–	383
Share based payments	–	–	91	–
Arising on share issue	–	8,000	–	–
At 1 January 2006	1	9,860	91	(6,640)
Loss for the year	–	–	–	(1,177)
Share based payments	–	–	47	–
At 1 January 2007	1	9,860	138	(7,817)
Loss for the year	–	–	–	(1,522)
At 31 December 2007	1	9,860	138	(9,339)

4.17. CONTRACTUAL COMMITMENTS

As at 31 December 2007 the company had £nil (2006: £nil) (2005: £nil) commitments to purchase property plant or equipment.

4.18 OPERATING LEASE ARRANGEMENTS

The company had the following outstanding lease commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2007 £'000	2006 £'000	2005 £'000
Land and buildings			
Leases which expire			
Within one year	210	210	210
More than one year, but less than five years	129	307	307
Beyond five years	121	121	300
	<u>460</u>	<u>638</u>	<u>817</u>
Other			
Leases which expire			
More than one year, but less than five years	–	19	–
In two to five years	–	–	38
	<u>–</u>	<u>19</u>	<u>38</u>

4.19. TRANSITION TO IFRS

There have been no changes to the numbers disclosed on transition to IFRS and therefore there is no requirement to show a reconciliation between UK GAAP and the IFRS historical financial information. There are additional disclosure requirements and presentation changes under IFRS, which have been reflected within the historical financial information.

PART III (i)

(C) ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION FOR BANCOMM LIMITED FOR THE YEARS TO 31 DECEMBER 2005, 2006 AND 2007



Grant Thornton UK LLP
Enterprise House
115 Edmund Street
Birmingham B3 2HJ

The Directors
Garner Plc
6 Derby Street
Mayfair
London W1J 7AD

7 November 2008

Dear Sirs

Bancomm Limited

We report on the financial information set out in Part III(i)(D) of the Admission document of which this report forms Part III(i)(C) (the "Financial Information"). This financial information has been prepared for inclusion in the admission document (the "Document") of Garner plc dated 7 November 2008 on the basis of the accounting policies set out in note 4.1 of the Financial Information.

This report is required by Paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that regulation and for no other purpose.

1. RESPONSIBILITIES

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Paragraph (a) of Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Document.

The Directors of Garner Plc are responsible for preparing the Financial Information on the basis of preparation set out in note 4.1 of the Financial Information and in accordance with International Financial Reporting Standards.

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

2. BASIS OF OPINION

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the

Chartered Accountants

Member firm within Grant Thornton International Ltd

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amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of 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.

3. OPINION

In our opinion, the financial information gives, for the purposes of the Document, a true and fair view of the state of affairs of Bancomm Limited as at the dates stated and of its profits and cash flows for the periods then ended in accordance with the basis of preparation set out in note 4.1 of the Financial Information and in accordance with International Financial Reporting Standards as described in note 4.1 of the Financial Information and has been prepared in a form that is consistent with the accounting policies adopted in Garner Plc's latest annual accounts.

4. DECLARATION

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

Yours faithfully

GRANT THORNTON UK LLP

PART III (i)

(D) HISTORICAL FINANCIAL INFORMATION FOR BANCOMM LIMITED FOR THE YEARS TO 31 DECEMBER 2005, 2006 AND 2007

The Directors have prepared the following financial information on Bancomm Limited for the three years ended 31 December 2007 from the audited financial statements of Bancomm Limited which were prepared under UK GAAP.

The financial information on Bancomm Limited, which has been prepared solely for the purpose of the Document, has been prepared in accordance with applicable IFRS. It does not constitute audited statutory accounts within the meaning of Section 240 of the Companies Act 1985.

1. Income Statement

For the three years ended 31 December 2007

	Note	2007 £'000	2006 £'000	2005 £'000
Continuing operations				
Revenue	4.1	1,710	768	344
Cost of sales		—	—	—
Gross profit		1,710	768	344
Administrative expenses		(1,082)	(620)	(259)
Operating profit				
Operating profit before exceptional items		297	148	85
Exceptional items	4.4	331	—	—
Operating profit		628	148	85
Finance income	4.6	12	1	—
Finance costs	4.6	—	(2)	(5)
Profit before taxation	4.4	640	147	80
Taxation	4.7	—	—	4
Profit for the financial year		640	147	84

There was no recognised income or expense for the years other than the results reported above.

2. Balance Sheets

As at 31 December

	Note	2007 £'000	2006 £'000	2005 £'000
Non current assets				
Property, plant and equipment	4.8	—	—	31
		<u>—</u>	<u>—</u>	<u>31</u>
Current assets				
Trade and other receivables	4.9	626	474	338
Current tax assets		—	—	4
Cash and cash equivalents		725	86	—
		<u>1,351</u>	<u>560</u>	<u>342</u>
Total assets		<u>1,351</u>	<u>560</u>	<u>373</u>
Current liabilities				
Trade and other payables	4.10	(457)	(306)	(165)
Borrowings	4.11	—	—	(86)
		<u>(457)</u>	<u>(306)</u>	<u>(251)</u>
Non current liabilities				
Borrowings	4.11	—	—	(15)
		<u>(457)</u>	<u>(306)</u>	<u>(265)</u>
Total liabilities		<u>(457)</u>	<u>(306)</u>	<u>(265)</u>
Net assets		<u>894</u>	<u>254</u>	<u>107</u>
Equity				
Share capital	4.13	—	—	—
Retained earnings	4.14	894	254	107
		<u>894</u>	<u>254</u>	<u>107</u>
Total equity	4.14	<u>894</u>	<u>254</u>	<u>107</u>

3. Cash Flow Statement

For the three years ended 31 December 2007

	2007 £'000	2006 £'000	2005 £'000
Profit before taxation	640	147	80
Depreciation	—	2	9
Interest (income)/ expense	(12)	1	5
Operating cash flow before working capital movements	628	150	94
(Increase)/decrease in trade and other receivables	(152)	(136)	194
Increase/(decrease) in trade and other payables	151	141	(283)
Cash generated by operations	627	155	5
Interest received	12	1	—
Interest paid	—	(2)	(5)
Taxation paid	—	4	(4)
Net cash from operating activities	639	158	4
Investing activities			
Proceeds on disposal of property, plant & equipment	—	29	14
Purchases of property, plant & equipment	—	—	(37)
Net cash used in investing activities	—	29	(23)
Financing activities			
Repayment of finance leases	—	(25)	(17)
Net cash used in financing activities	—	(25)	(17)
Increase/(decrease) in cash and cash equivalents	639	162	(44)
Cash and cash equivalents at the beginning of the year	86	(76)	(32)
Cash and cash equivalents at the end of the year	725	86	(76)
Analysis			
Cash at bank and in hand	725	86	—
Bank overdraft	—	—	(76)
	725	86	(76)

4.1 ACCOUNTING POLICIES

Reporting entity

Bancomm Limited is a company incorporated in the United Kingdom. The address of the company's registered office is 30 Farringdon Street, London, EC4A 4EA. The nature of the company's operations and its principal activities are recruitment consultants.

Basis of preparation

The accounting policies applied in the preparation of this historical financial information are set out below. These policies have been applied consistently to all years presented, unless stated otherwise.

The historical financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") adopted for use in the European Union and IFRIC interpretations and those parts of the Companies Act 1985 applicable for companies reporting under IFRS for the first time.

IFRS as adopted by the EU do not provide for the specific accounting treatment set out below, and accordingly in preparing this financial information, certain accounting conventions commonly used for the preparation of historical financial information for inclusion in investment circulars, as described by the Annexure to SIR 2000 (Investment Reporting Standard applicable to public reporting engagements on historical financial information) issued by the UK Auditing Practices Board, have been applied.

For the purposes of this document and in order to show three years of historical financial information on a consistent basis, the date of transition to IFRS as adopted by the EU has been set at 1 January 2005. The adoption of International Financial Reporting Standards has resulted in no adjustments between UK GAAP and IFRS, other than presentation and disclosure amendments, which has resulted in the restatement of the comparative disclosures to provide a like for like comparison.

Standards that were issued during 2007, but were not yet effective for the company's financial year ended 31 December 2007 include:

- IFRS 8 "Segmental Reporting" effective for years commencing 1 January 2009 and not expected to have any impact on the disclosure for the company.
- IFRIC 14 "The limit of defined benefit asset, minimum funding requirements and their interaction" effective for periods commencing on 1 January 2008 and has no impact on the company.
- Other standards issued, but not yet effective that will have no impact on the company includes IAS 1 (Revised 2007) "Presentation of financial statements", IFRS 3 (Revised 2008) "Business combinations", IAS 27 (Revised 2008) "Consolidated and separate financial statements", IAS 23 "Amendments to borrowing costs", IFRIC 12 "Service concession arrangements", IFRIC 13 "Customer loyalty programmes", IFRIC 15 "Agreements for the construction of real estates" and IFRIC 16 "Hedges of a net investment in a foreign operation."

First time adoption of IFRS

Application of IFRS 1

The historical financial information for the year ended 31 December 2007 and the comparatives are the first financial information required to comply with IFRS. No application for optional exemptions was required, as set out in IFRS 1 for exemption from retrospective application of IFRS.

A summary of the more important accounting policies, which have been applied consistently, is set out below.

4.1 ACCOUNTING POLICIES (Continued)

Basis of accounting

The historical financial information has been prepared under the historical cost convention.

Segmental reporting

A business segment is where a group of assets and operations are engaged in providing services that are subject to risks and returns that are different from other business segments. The company has only one class of business.

Exceptional items

Exceptional items are material items which individually or, if of a similar type, in aggregate, need to be disclosed by virtue of their size or incidence because of the relevance to understanding the entity's financial performance.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and value-added tax. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Property, plant and equipment

Property, plant and equipment are shown at historical cost, less any accumulated depreciation and provision for impairment in value. Depreciation is provided at rates calculated to write off the cost less residual value of each asset on a straight-line basis over its expected useful life. The rates used are as follows:

Motor vehicles 25%

Impairment of non-current assets

All non current assets are assessed annually for indications of impairment. Where such indicators exist, the recoverable amount is measured and any impairment loss is charged to the income statement.

Taxation

(i) Current taxation

The tax currently payable is based on the taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

(ii) Deferred taxation

Deferred taxation is provided in full, using the balance sheet liability method, on temporary differences arising between the carrying amounts of assets and liabilities used for financial reporting purposes and the amounts used for taxation purposes. Deferred taxation is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

4.1 ACCOUNTING POLICIES (Continued)

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. This requires judgment to be made in respect of the forecast of future taxable income.

Current and deferred tax charges or credits are recognised in the Income Statement except where they relate to items recognised directly in equity, in which case the charge or credit is also recognised directly in equity.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, deposits and bank overdrafts for the purposes of the cash flow statements. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Financial instruments

Financial assets and liabilities are recognised on the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Other receivables and payables – these do not carry any interest and are stated at nominal value and are reduced for estimated irrecoverable amounts. Financial assets such as other receivables are measured initially at fair value plus any transaction cost and are carried subsequently at amortised cost under the effective interest method, less any impairment. Financial liabilities includes other payables and are measured initially at fair value and thereafter at amortised cost.

Derivative financial instruments – The company does not use derivative financial instruments to hedge its exposure to interest or currency risk.

4.2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATES OF UNCERTAINTY

The company makes estimates and assumptions about the future. The resulting projections seldom equal the actual results achieved. The significant estimates or judgements that would have a material risk to the balance sheet in the next financial year include:

Revenue recognition – The recognition of revenue requires management to make a reasonable estimate of the amount of accrued income and work in progress at the year-end, based on a candidate's acceptance of a recruitment position, before they physically commence that position. Adjustments between the actual and estimates at the year end are made in the next financial accounting period.

4.3. SEGMENTAL ANALYSIS

The company is considered to have only one segment of business class, that of executive search. All of the business relates to the UK and therefore no segmental reporting analysis is given.

4.4. PROFIT FOR THE YEAR

Profit has been arrived at after charging:

	2007 £'000	2006 £'000	2005 £'000
Depreciation of property, plant and equipment			
– under finance lease	–	2	9
Loss on disposal of property, plant and equipment	–	4	–
Staff costs (note 4.5)	729	434	114
Fees payable to the Company's auditor for the audit of the annual financial statements	2	2	2

Exceptional items

During 2007, the company placed a single candidate for a total fee of £500,000. The direct costs of this transaction were £169,200; the transaction generated an operating profit of £330,800.

Given the size of this transaction relative to the Company's average transaction value and the impact that this individual item has on the results of Bancomm Limited for the year ended 31 December 2007 (accounting for 50.5 per cent. of operating profit in 2007), the transaction has been disclosed as an operating exceptional item to more accurately reflect the underlying position of the business.

4.5. STAFF COSTS

Average weekly number of employees, including executive directors:

	2007 No.	2006 No.	2005 No.
Office and management	8	5	2

Staff costs, including directors:

	2007 £'000	2006 £'000	2005 £'000
Wages and salaries	643	399	101
Social security costs	86	35	13
	729	434	114

Key management compensation

The remuneration of the Directors, who are the key management personnel of the Company, is set out below: the remuneration of MGM Shead, K Taylor, M Jonckers and P G Turner is borne by other BNB Recruitment Solutions group companies and disclosed in the accounts of BNB Recruitment Solutions PLC.

	2007 £'000	2006 £'000	2005 £'000
Emoluments for services as directors	145	92	84

4.6. NET FINANCE COSTS

	2007 £'000	2006 £'000	2005 £'000
Interest receivable on financial assets	12	1	–
Interest payable on bank loans and overdrafts	–	(1)	(3)
Interest payable on finance lease and hire purchase agreements	–	(1)	(1)
Net finance costs for financial liabilities	<u>12</u>	<u>(1)</u>	<u>(4)</u>

The above financial assets and financial liabilities are measured at amortised cost and comprise interest and interest related expenses on the entity's borrowings.

4.7. TAXATION

(a) The taxation credit for the year is analysed below:

	2007 £'000	2006 £'000	2005 £'000
Current taxation			
UK corporation tax	–	–	–
Over provision in prior years	–	–	(4)
Taxation credit for the year	<u>–</u>	<u>–</u>	<u>(4)</u>

(b) Factors affecting the tax credit

The effective rate of tax for each period differs from the standard rate of tax in the United Kingdom. The differences are set out in the tax reconciliation below:

	2007 £'000	2006 £'000	2005 £'000
Profit on ordinary activities before taxation	640	147	80
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006: 30%) (2005: 30%)	<u>192</u>	<u>44</u>	<u>24</u>
Effects of:			
Expenses not deductible for tax purposes	–	–	1
Capital allowances in excess of depreciation	–	(1)	(3)
Transfer pricing	3	–	–
Prior year adjustment – corporation tax	–	–	(4)
Group relief	<u>(195)</u>	<u>(43)</u>	<u>(22)</u>
	<u>–</u>	<u>–</u>	<u>(4)</u>

4.8. PROPERTY, PLANT AND EQUIPMENT

	<i>Motor Vehicles</i> £'000
Cost	
At 1 January 2005	39
Additions	37
Disposals	(39)
At 1 January 2006	37
Disposals	(37)
At 1 January 2007 and 31 December 2007	—
Depreciation	
At 1 January 2005	22
Charged in the year	9
Disposals	(25)
At 1 January 2006	6
Charged in year	2
Disposals	(8)
At 1 January 2007 and 31 December 2007	—
Carrying amount	
At 31 December 2006 and 2007	—
At 31 December 2005	31

4.9. TRADE AND OTHER RECEIVABLES

	2007 £'000	2006 £'000	2005 £'000
Trade receivables	413	310	211
Amounts due from group undertakings	57	137	127
Prepayments	156	27	—
	<u>626</u>	<u>474</u>	<u>338</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value. The average credit period taken on sales of goods is 88 days (2006: 147 days), (2005: 223 days). No interest is charged on the trade receivables.

The Company provides fully against trade receivables based on estimated recoverable amounts, determined by reference to past default experience.

Ageing of past due but not impaired receivables.

	2007 £'000	2006 £'000	2005 £'000
0 – 60 days	402	273	102
60 – 90 days	—	14	73
90 – 120 days	11	4	—
Greater than 120 days	—	—	27
Total	<u>413</u>	<u>291</u>	<u>202</u>

4.9. TRADE AND OTHER RECEIVABLES (Continued)

	2007	2006	2005
	£'000	£'000	£'000
Movement in doubtful debts			
Balance brought forward at 1 January	19	9	9
Impairment loss recognised in year	–	19	9
Amounts written off uncollectible	(19)	(9)	(9)
Balance carried forward	<u>–</u>	<u>19</u>	<u>9</u>

Included in the allowance for doubtful debts are individually impaired receivables. The ageing of impaired trade receivables is as follows:

	2007	2006	2005
	£'000	£'000	£'000
60 – 90 days	–	13	–
120+ days	–	6	9
	<u>–</u>	<u>19</u>	<u>9</u>

The directors consider the carrying amount of trade and other receivables approximates their fair value.

4.10. TRADE AND OTHER PAYABLES

	2007	2006	2005
	£'000	£'000	£'000
Trade payables	7	5	5
Taxes and social security	81	66	53
Other payables	267	83	5
Amounts owed to other group undertakings	102	152	102
Current trade and other payables	<u>457</u>	<u>306</u>	<u>165</u>

4.11. BORROWINGS

	2007	2006	2005
	£'000	£'000	£'000
Bank overdrafts	–	–	76
Finance lease obligations	–	–	10
All due within one year	–	–	86
Finance leases – due 2 – 5 years	–	–	15
Total borrowings	<u>–</u>	<u>–</u>	<u>101</u>

4.12. FINANCIAL INSTRUMENTS

IFRS 7 categories of financial assets included in the balance sheet and the headings in which they are included are as follows:

Financial assets by category

	2007 £'000	2006 £'000	2005 £'000
Current assets			
Trade and other receivables:			
– Loans and receivables	626	474	338
Cash and cash equivalents	725	86	–
– Loans and receivables	<u>1,351</u>	<u>560</u>	<u>338</u>

Financial liabilities by category

	2007 £'000	2006 £'000	2005 £'000
Current liabilities			
Borrowings:			
– Financial liabilities measured at amortised cost	–	–	101
Trade and other payables:			
– Financial liabilities measured at amortised cost	457	306	165
	<u>457</u>	<u>306</u>	<u>266</u>

There are no financial assets classed as assets held for maturity or as assets held for sale.

There is no material difference between the book values and the fair values of the Company's financial assets and financial liabilities because of the relative short-term nature of the respective instruments or because of uncertainty regarding their future amount. All material financial assets and liabilities are in Sterling.

Financial risk management objectives

The company's operations expose it to a variety of financial risks including the effects of changes in interest rates on debt, foreign currency exchange rates, credit risk and liquidity risk. The company does not have material exposures in any of the areas identified above and, consequently does not use derivative instruments to manage these exposures.

Interest rate risk

Interest bearing assets comprise cash and bank deposits, all of which earn interest at a fixed rate. The interest rate on the bank overdraft is at market rate and the company's policy is to keep the overdraft within defined limits such that the risk that could arise from a significant change in interest rates would not have a material impact on cash flows. The company's policy is to maintain other borrowings at fixed rates to fix the amount of future interest cash flows. The directors monitor the overall level of borrowings and interest costs to limit any adverse effects on the financial performance of the company.

Credit risk

The Company's credit risk is primarily attributable to its trade receivables. Credit risk is managed by monitoring the aggregate amount and duration of exposure to any one customer depending upon their credit rating. The amounts presented in the balance sheet are net of allowances for doubtful debts, estimated by the Company's management based on current circumstances, prior experience and their assessment of the current economic environment.

4.12. FINANCIAL INSTRUMENTS (Continued)

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The Company has no significant concentration of credit risk, with its exposure spread over a large number of counterparties and customers.

The company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the balance sheet date. At 31 December 2005, 2006 and 2007, credit risk is limited to the Company trade and other receivables.

The company's management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

None of the company's financial assets are secured by collateral or other credit enhancements. In respect of trade and other receivables, the company is not exposed to any significant credit risk exposure to any single counterparty or any company of counterparties having similar characteristics. The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Foreign exchange risk

The company is exposed in its trading operations to the risk of changes in foreign currency exchange rates. The main foreign currencies in which the company operates are the Euro and the US dollar.

4.13. SHARE CAPITAL

	2007 £	2006 £	2005 £
Authorised			
100 (2006: 100) (2005: 100) ordinary shares of £1 each	100	100	100
Allotted called up and fully paid			
100 (2006: 100) (2005: 100) ordinary shares of £1 each	100	100	100

The company has one class of ordinary share, which carries no right to fixed income.

4.14 STATEMENT OF CHANGES IN TOTAL EQUITY

	Share capital £'000	Profit and Loss £'000
At 1 January 2005	—	23
Profit for the year	—	84
At 1 January 2006	—	107
Profit for the year	—	147
At 1 January 2007	—	254
Profit for the year	—	640
At 31 December 2007	—	894

4.15 CONTRACTUAL COMMITMENTS

As at 31 December 2007 the Company had £nil (2006: £nil, 2005: £nil) commitments to purchase property plant or equipment.

4.16 TRANSITION TO IFRS

There have been no changes to the numbers disclosed on transition to IFRS and therefore there is no requirement to show a reconciliation between UK GAAP and the IFRS historical financial information. There are additional disclosure requirements and presentation changes under IFRS, which have been reflected within the historical financial information.

PART III (i)

(E) ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION FOR BNB RECRUITMENT OVERSEAS HOLDINGS LIMITED FOR THE YEARS TO 31 DECEMBER 2005, 2006 AND 2007



Grant Thornton UK LLP
Enterprise House
115 Edmund Street
Birmingham B3 2HJ

The Directors
Garner Plc
6 Derby Street
Mayfair
London W1J 7AD

7 November 2008

Dear Sirs

BNB Recruitment Overseas Holdings Limited

We report on the financial information set out in Part III(i)(F) of the Admission document of which this report forms Part III(i)(E) (the "Financial Information"). The Financial Information has been prepared for inclusion in the admission document (the "Document") of Garner plc dated 7 November 2008 on the basis of the accounting policies set out in note 4.1 of the Financial Information.

This report is required by Paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that regulation and for no other purpose.

1. RESPONSIBILITIES

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Paragraph (a) of Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Document.

The Directors of Garner Plc are responsible for preparing the Financial Information on the basis of preparation set out in note 4.1 of the Financial Information and in accordance with International Financial Reporting Standards.

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

2. BASIS OF OPINION

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the

Chartered Accountants

Member firm within Grant Thornton International Ltd

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amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of 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.

3. OPINION

In our opinion, the financial information gives, for the purposes of the Document, a true and fair view of the state of affairs of BNB Recruitment Overseas Holdings Limited as at the dates stated and of its profits, cash flows and changes in equity for the periods then ended in accordance with the basis of preparation set out in note 4.1 of the Financial Information and in accordance with International Financial Reporting Standards as described in note 4.1 of the Financial Information and has been prepared in a form that is consistent with the accounting policies adopted in Garner Plc's latest annual accounts.

4. DECLARATION

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

Yours faithfully

GRANT THORNTON UK LLP

PART III (i)

(F) HISTORICAL FINANCIAL INFORMATION FOR BNB RECRUITMENT OVERSEAS HOLDINGS LIMITED FOR THE YEARS TO 31 DECEMBER 2005, 2006 AND 2007

The Directors have prepared the following financial information on BNB Recruitment Overseas Holdings Limited for the three years ended 31 December 2007 from the audited financial statements of BNB Recruitment Overseas Holdings Limited which were prepared under UK GAAP.

The financial information on BNB Recruitment Overseas Holdings Limited, which has been prepared solely for the purpose of the Document, has been prepared in accordance with applicable IFRS. It does not constitute audited statutory accounts within the meaning of Section 240 of the Companies Act 1985.

1. Income Statement

For the three years ended 31 December 2007

	Note	2007 £'000	2006 £'000	2005 £'000
Continuing operations				
Revenue	4.2	100	—	—
Cost of sales		—	—	—
		<u>100</u>	<u>—</u>	<u>—</u>
Gross profit				
Administrative expenses:				
Impairment of investment in subsidiaries	4.3	(1,400)	—	—
		<u>(1,300)</u>	<u>—</u>	<u>—</u>
Operating loss				
Loss on sale of investments	4.6	(189)	—	—
Dividends received		1,255	—	—
Finance income	4.4	38	—	—
		<u>(196)</u>	<u>—</u>	<u>—</u>
Loss before taxation				
Taxation	4.5	(2)	—	—
		<u>(198)</u>	<u>—</u>	<u>—</u>
Loss for the year				

There have been no other recognised income and expense for the years, other than the results reported above.

2. Balance Sheets

As at 31 December

	<i>Note</i>	<i>2007 £'000</i>	<i>2006 £'000</i>	<i>2005 £'000</i>
Non current assets				
Investments	4.6	125	2,027	2,027
Trade and other receivables	4.7	541	—	—
		<u>666</u>	<u>2,027</u>	<u>2,027</u>
Current assets				
Trade and other receivables	4.7	211	2,505	2,526
		<u>211</u>	<u>2,505</u>	<u>2,526</u>
Total assets		<u>877</u>	<u>4,532</u>	<u>4,553</u>
Current liabilities				
Trade and other payables	4.8	(392)	(3,849)	(3,870)
Total liabilities		<u>(392)</u>	<u>(3,849)</u>	<u>(3,870)</u>
Net assets		<u>485</u>	<u>683</u>	<u>683</u>
Equity				
Share capital	4.10	1,255	1,255	1,255
Profit and loss account	4.11	(770)	(572)	(572)
Total equity	4.11	<u>485</u>	<u>683</u>	<u>683</u>

3. Cash Flow Statement

For the three years ended 31 December 2007

	Note	2007 £'000	2006 £'000	2005 £'000
Loss before taxation		(196)	—	—
Impairment of investments	4.6	1,400	—	—
Loss on sale of investment	4.6	189	—	—
Interest received and other finance income		(38)	—	—
Operating cash inflow before working capital movements		1,355	—	—
Decrease in other receivables		1,753	—	—
Decrease in other payables		(3,457)	—	—
Cash outflow from working capital movements		(1,702)	—	—
Finance income received		38	—	—
Taxation paid		(2)	—	—
Net cash outflow from operating activities		(313)	—	—
Investing activities				
Proceeds on disposal of investment	4.6	313	—	—
Net cash inflow from investing activities		313	—	—
Movement in cash and cash equivalents		—	—	—
Cash and cash equivalents at the beginning of the year		—	—	—
Cash and cash equivalents at the end of the year		—	—	—

4.1 ACCOUNTING POLICIES

Reporting entity

BNB Recruitment Overseas Limited is a company incorporated in the United Kingdom. The address of the company's registered office is 30 Farringdon Street, London, EC4A 4EA. The nature of the company's operations and its principal activities are recruitment consultants.

Basis of preparation

The accounting policies applied in the preparation of this historical financial information are set out below: These policies have been applied consistently to all years presented, unless stated otherwise.

The historical financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") adopted for use in the European Union and IFRIC interpretations and those parts of the Companies Act 1985 applicable for companies reporting under IFRS for the first time.

IFRS as adopted by the EU do not provide for the specific accounting treatment set out below, and accordingly in preparing this financial information, certain accounting conventions commonly used for the preparation of historical financial information for inclusion in investment circulars, as described by the Annexure to SIR 2000 (Investment Reporting Standard applicable to public reporting engagements on historical financial information) issued by the UK Auditing Practices Board, have been applied.

For the purposes of this document and in order to show three years of historical information on a consistent basis, the date of transition to IFRS as adopted by the EU has been set at 1 January 2005. The adoption of International Financial Reporting Standards has resulted in no adjustments between UK GAAP and IFRS, other than presentation and disclosure amendments, which has resulted in the restatement of the comparative disclosures to provide a like for like comparison.

Standards that have been issued in the year, but are not yet effective for the company's financial year ended 31 December 2007 include:

- IFRS 8 "segmental reporting" effective for years commencing 1 January 2009 and not expected to have any impact on the disclosure for the company.
- IFRIC 14 "The limit of defined benefit asset, minimum funding requirements and their interaction" effective for periods commencing on 1 January 2008 and has no impact on the company.
- Other standards issued, but not yet effective that will have no impact on the company includes IAS 1 (Revised 2007) "Presentation of financial statements", IFRS 3 (Revised 2008) "Business combinations", IAS 27 (Revised 2008) "Consolidated and separate financial statements", IAS 23 "Amendments to borrowing costs", IFRIC 12 "Service concession arrangements", IFRIC 13 "Customer loyalty programmes", IFRIC 15 "Agreements for the construction of real estates" and IFRIC 16 "Hedges of a net investment in a foreign operation."

First time adoption of IFRS

Application of IFRS 1

The historical financial information for the year ended 31 December 2007 and the comparatives are the first financial information required to comply with IFRS. No application for optional exemptions was required, as set out in IFRS 1 for exemption from retrospective application of IFRS.

A summary of the more important accounting policies, which have been applied consistently, is set out below.

4.1 ACCOUNTING POLICIES (Continued)

Basis of accounting

The historical financial information has been prepared under the historical cost convention. The company is exempt from preparing consolidated accounts under s 228 of the Companies Act 1985 as it is a wholly owned subsidiary of BNB Recruitment Solutions PLC.

Segmental reporting

A business segment is where a group of assets and operations are engaged in providing services that are subject to risks and returns that are different from other business segments. The company has only one class of business and holds a trade investment in a foreign operation in one geographical location.

Foreign exchange

Transactions denominated in foreign currency are translated into the functional currency at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates ruling at that date. These translation differences are dealt with in the income statement account.

Deferred taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallize based on current rates and laws.

Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different to those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no binding contract to dispose of those assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Revenue Recognition

Revenue comprises the fair value of the royalties receivable from trademarks, invoiced net of value-added tax. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Investments

The investments are stated at cost less any provision for impairment in value.

Impairment of non-current assets

All non current assets are assessed annually for indications of impairment. Where such indicators exist, the recoverable amount is measured and any impairment loss is charged to the income statement.

Financial instruments

Financial assets and liabilities are recognised on the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

4.1 ACCOUNTING POLICIES (Continued)

Other receivables and payables – Financial assets such as other receivables are measured initially at fair value plus any transaction cost and are carried subsequently at amortised cost under the effective interest method, less any impairment. Financial liabilities includes other payables and are measured initially at fair value and thereafter at amortised cost.

Derivative financial instruments – The company does not use derivative financial instruments to hedge its exposure to interest or currency risk.

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATES OF UNCERTAINTY

The company makes estimates and assumptions about the future. The resulting projections seldom equal the actual results achieved. The estimates that would have a material risk to the balance sheet in the next financial year is:

Impairment of investments – Determining whether the cost of investment should be impaired requires an estimate of future cash flows expected to arise and a suitable discount rate to calculate net present values.

4.2. SEGMENTAL ANALYSIS

The company is considered to have one business class and only one geographical segment.

4.3. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

	2007 £'000	2006 £'000	2005 £'000
Impairment loss on investments (see 4.6)	1,400	–	–

The auditors' remuneration is borne by other group companies.

4.4. FINANCE INCOME

	2007 £'000	2006 £'000	2005 £'000
Interest receivable on loans	7	–	–
Total interest income for financial assets	7	–	–
Exchange rate gains on translation of foreign currency loans	31	–	–
Total finance income for financial assets	38	–	–

4.5 TAXATION

Taxation charge for the year

(a) The taxation charge for the year is analysed below:

	2007 £'000	2006 £'000	2005 £'000
Current taxation			
UK corporation tax @ 30%	378	—	—
Double tax relief	(376)	—	—
Taxation charge for the year	<u>2</u>	<u>—</u>	<u>—</u>

(b) Factors affecting the tax charge

The effective rate of tax for each year differs from the standard rate of tax in the United Kingdom. The differences are set out in the tax reconciliation below:

	2007 £'000	2006 £'000	2005 £'000
Loss on ordinary activities before taxation	<u>(196)</u>	<u>—</u>	<u>—</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006: 30%) (2005: 30%)	(59)	—	—
Effects of:			
Permanently disallowable expenses	476	—	—
Double tax relief	(376)	—	—
Group relief	(39)	—	—
	<u>2</u>	<u>—</u>	<u>—</u>

4.6. INVESTMENTS

	<i>Subsidiary undertakings £'000</i>	<i>Other investments £'000</i>	<i>Total £'000</i>
Cost			
At 1 January 2005	5,207	–	5,207
At 1 January 2006	5,207	–	5,207
At 1 January 2007	5,207	–	5,207
Disposal	(593)	–	(593)
Reclassification	(125)	125	–
At 31 December 2007	4,489	125	4,614
Provision for impairment			
At 1 January 2005 and 1 January 2006	3,180	–	3,180
Charge for the year	1,400	–	1,400
Disposal	(91)	–	(91)
At 31 December 2007	4,489	–	4,489
Carrying amount			
At 31 December 2007	–	125	125
At 31 December 2006	2,027	–	2,027
At 31 December 2005	2,027	–	2,027

At 1 January 2007, the company owned 100 per cent. of the issued share capital of NBS Norman Broadbent S.A. a recruitment consultancy business incorporated in Spain. On 4 October 2007, the company sold 80 per cent. of its holding for €449,000 (£313,000) creating a loss on disposal of £189,000. The remaining 20 per cent. investment in this company has been reclassified to other investments.

Where the investment value of non-trading companies is greater than the company's share of the net assets of the investment an impairment provision is made to write down the value of the investment.

The remaining investments in wholly owned subsidiary undertakings relate to non trading companies:

	<i>Country of incorporation</i>
Norman Broadbent (Hong Kong) Ltd	Hong Kong
NBI Holdings Inc	USA
Cleartaste Ltd	England

4.7. TRADE AND OTHER RECEIVABLES

	<i>2007 £'000</i>	<i>2006 £'000</i>	<i>2005 £'000</i>
Amounts owed by group undertakings	–	2,505	2,526
Other receivables	752	–	–
	752	2,505	2,526

Included in 2007 is £541,000 of other receivables due after more than one year (2006 and 2005: £nil).

The carrying value of trade receivables is considered a reasonable approximation of fair value.

4.8. TRADE AND OTHER PAYABLES

	2007 £'000	2006 £'000	2005 £'000
Amounts owed to group undertakings	392	3,849	3,870
	<u>392</u>	<u>3,849</u>	<u>3,870</u>

4.9. FINANCIAL INSTRUMENTS

The IFRS 7 categories of financial asset included in the balance sheet and the headings in which they are included are as follows:

Financial assets

	2007 £'000	2006 £'000	2005 £'000
Current assets			
Other receivables:			
– Loans and receivables	752	2,505	2,526
	<u>752</u>	<u>2,505</u>	<u>2,526</u>

Financial liabilities

	2007 £'000	2006 £'000	2005 £'000
Current liabilities			
Other payables:			
– Financial liabilities measured at amortised cost	392	3,849	3,870
	<u>392</u>	<u>3,849</u>	<u>3,870</u>

The company does not hold any assets held for sale, nor assets held to maturity.

Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the inter-group debt and equity balance.

Financial risk management objectives

Management monitor and manage the financial risks relating to the operations of the Company through its internal management reports

Credit risk

The Company's principal financial assets are other receivables relating to royalties on trademarks.

Management consider that there are no impairment issues with regard to the financial assets and there are no balances considered unprovided or past overdue.

None of the financial assets are secured by collateral or other credit enhancements.

4.10. SHARE CAPITAL

	2007 £'000	2006 £'000	2005 £'000
Authorised, Allotted called up and fully paid			
1,254,658 (2006: 1,254,658) (2005: 1,254,658) ordinary shares of £1 each	<u>1,255</u>	<u>1,255</u>	<u>1,255</u>

The company has one class of ordinary share which carries no right to fixed income.

4.11. STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

	<i>Share capital</i> £'000	<i>Retained earnings</i> £'000
At 1 January 2005 and 2006	<u>1,255</u>	<u>(572)</u>
At 1 January 2007	1,255	(572)
Loss for the year	<u>-</u>	<u>(198)</u>
At 31 December 2007	<u>1,255</u>	<u>(770)</u>

4.12. CONTRACTUAL COMMITMENTS

As at 31 December 2007 the Company had £nil (2006: £nil) (2005: £nil) commitments to purchase property, plant or equipment.

4.13. TRANSITION TO IFRS

There have been no changes to the numbers disclosed on transition to IFRS and therefore there is no requirement to show a reconciliation between UK GAAP and the IFRS historical financial information. There are additional disclosure requirements and presentation changes under IFRS, which have been reflected within the historical financial information.

PART III (ii)

(A) UNAUDITED INTERIM RESULTS FOR BNB RECRUITMENT CONSULTANCY LIMITED FOR THE SIX MONTHS TO 30 JUNE 2008

1. INCOME STATEMENT

For the period ended 30 June 2008

		<i>Unaudited 6 months ended 30 June 2008 £'000</i>	<i>Unaudited 6 months ended 30 June 2007 £'000</i>	<i>Audited Year ended 31 December 2007 £'000</i>
	<i>Note</i>			
Continuing operations				
Revenue		3,987	3,888	7,880
Cost of sales		(478)	(716)	(1,474)
Gross profit		3,509	3,172	6,406
Administrative expenses				
Other administrative expenses		(3,101)	(3,454)	(7,233)
Exceptional items	5	–	–	(661)
Total administrative expenses		(3,101)	(3,454)	(7,894)
Operating profit/(loss) before exceptional items		408	(282)	(827)
Exceptional items	5	–	–	(661)
Operating profit/(loss)		408	(282)	(1,488)
Net finance (costs)/income		(53)	39	(44)
Profit/(loss) before taxation		355	(243)	(1,532)
Taxation	7	–	–	10
Profit/(loss) for the period		355	(243)	(1,522)

There was no recognised income or expense for the periods other than the results reported above.

2. BALANCE SHEET

At 30 June 2008

	<i>Unaudited At 30 June 2008 £'000</i>	<i>Unaudited At 30 June 2007 £'000</i>	<i>Audited At 31 December 2007 £'000</i>
<i>Note</i>			
Non current assets			
Property plant and equipment	228	285	181
Investments in subsidiary undertakings	197	197	197
	<u>425</u>	<u>482</u>	<u>378</u>
Current assets			
Trade and other receivables	6,046	5,701	5,965
Cash and cash equivalents	—	160	2
	<u>6,046</u>	<u>5,861</u>	<u>5,967</u>
Total assets	<u>6,471</u>	<u>6,343</u>	<u>6,345</u>
Current liabilities			
Borrowings	(1,701)	(965)	(1,323)
Trade and other payables	(3,652)	(3,300)	(4,231)
	<u>(5,353)</u>	<u>(4,265)</u>	<u>(5,554)</u>
Non current liabilities			
Provisions	(103)	(139)	(131)
Total liabilities	<u>(5,456)</u>	<u>(4,404)</u>	<u>(5,685)</u>
Net assets	<u>1,015</u>	<u>1,939</u>	<u>660</u>
Equity			
Share capital	1	1	1
Share premium	9,860	9,860	9,860
Shared based payments reserve	138	138	138
Profit and loss account	(8,984)	(8,060)	(9,339)
Total equity	<u>6 1,015</u>	<u>1,939</u>	<u>660</u>

3. CASH FLOW STATEMENT

For the period ended 30 June 2008

	<i>Unaudited 6 months ended 30 June 2008 £'000</i>	<i>Unaudited 6 months ended 30 June 2007 £'000</i>	<i>Audited Year ended 31 December 2007 £'000</i>
Profit/(loss) for the period	355	(243)	(1,522)
Tax	–	–	(10)
Loss on sale of property, plant and equipment	–	83	83
Depreciation of property, plant and equipment	26	50	98
Interest expense / (income)	53	(39)	44
Operating cash flow before working capital movements	434	(149)	(1,307)
(Increase)/ decrease in trade and other receivables	(81)	709	445
Increase/(decrease) in trade and other payables	(579)	(2,279)	(1,222)
Increase/(decrease) in provisions	(28)	(23)	(31)
Cash flows from operations	(254)	(1,742)	(2,115)
Net interest (paid)/income	(53)	39	(44)
Net cash outflow from operating activities	(307)	(1,703)	(2,159)
Investing activities			
Proceeds on sale of property, plant and equipment	–	50	50
Purchase of property, plant and equipment	(73)	(50)	(110)
Net cash used in investing activities	(73)	–	(60)
Decrease in cash and cash equivalents	(380)	(1,703)	(2,219)
Cash and cash equivalents at the beginning of the period	(1,321)	898	898
Cash and cash equivalents at the end of the period	(1,701)	(805)	(1,321)
Analysis			
Cash at bank and in hand	–	160	2
Bank overdraft	(1,701)	(965)	(1,323)
	(1,701)	(805)	(1,321)

4. BASIS OF PREPARATION

The results for the six months ended 30 June 2008 which are unaudited have been prepared under the historical cost convention.

The financial information contained in this interim report has been prepared by the Directors in accordance with the accounting policies set out in the historical financial information for BNB Recruitment Consultancy Limited included in Part III(i)A of this Circular and utilises accounting policies consistent with International Financial Reporting Standards adopted for use in the European Union (IFRS). The interim financial statements have not been prepared under IAS 34.

The financial information set out above does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985. The statutory accounts for the year ended 31 December 2007, which have been prepared under UK GAAP and have been delivered to the Registrar of Companies, carry an unqualified report by the auditors and do not contain a statement under Section 237 (2) or section 237 (3) of the Companies Act 1985.

5. EXCEPTIONAL ITEMS

	<i>6 months ended 30 June 2008 £'000</i>	<i>6 months ended 30 June 2007 £'000</i>	<i>Year ended 31 December 2007 £'000</i>
Provision against inter-company debtors	—	—	9
Termination payments	—	—	143
Office relocation payments	—	—	256
Other operating exceptional items	—	—	120
Loss on disposal of property, plant and equipment	—	—	133
	<u>—</u>	<u>—</u>	<u>661</u>

6. STATEMENT OF CHANGES IN TOTAL EQUITY

	<i>6 months ended 30 June 2008 £'000</i>	<i>6 months ended 30 June 2007 £'000</i>	<i>Year ended 31 December 2007 £'000</i>
At start of period	660	2,182	2,182
Profit/ (loss) for period	355	(243)	(1,522)
At end of the period	<u>1,015</u>	<u>1,939</u>	<u>660</u>

7. TAXATION

The taxation charge is based on the estimated effective rate of tax for the full year.

PART III (ii)

(B) UNAUDITED INTERIM RESULTS FOR BANCOMM LIMITED FOR THE SIX MONTHS TO 30 JUNE 2008

1. INCOME STATEMENT

For the period ended 30 June 2008

		<i>Unaudited 6 months ended 30 June 2008 £'000</i>	<i>Unaudited 6 months ended 30 June 2007 £'000</i>	<i>Audited Year ended 31 December 2007 £'000</i>
	<i>Note</i>			
Continuing operations				
Revenue		255	483	1,710
Cost of sales		—	—	—
Gross profit		255	483	1,710
Administrative expenses		(564)	(292)	(1,082)
Operating (loss)/profit				
Operating (loss)/profit before exceptional items		(192)	191	297
Exceptional items	5	(117)	—	331
Operating (loss)/profit		(309)	191	628
Finance income		10	2	12
(Loss)/profit before taxation		(299)	193	640
Taxation	7	—	—	—
(Loss)/profit for the period		(299)	193	640

There was no recognised income or expense for the periods, other than the results reported above.

2. BALANCE SHEET

At 30 June 2008

	Unaudited At 30 June 2008 £'000	Unaudited At 30 June 2007 £'000	Audited At 31 December 2007 £'000
<i>Note</i>			
Current assets			
Trade and other receivables	773	405	626
Cash and cash equivalents	4	244	725
	<u>777</u>	<u>649</u>	<u>1,351</u>
Total assets	<u>777</u>	<u>649</u>	<u>1,351</u>
Current liabilities			
Trade and other payables	(182)	(202)	(457)
Total liabilities	<u>(182)</u>	<u>(202)</u>	<u>(457)</u>
Net assets	<u>595</u>	<u>447</u>	<u>894</u>
Equity			
Share capital	—	—	—
Profit and loss account	595	447	894
Total equity	<u>595</u>	<u>447</u>	<u>894</u>
6			

3. CASH FLOW STATEMENT

For the period ended 30 June 2008

	<i>Unaudited 6 months ended 30 June 2008 £'000</i>	<i>Unaudited 6 months ended 30 June 2007 £'000</i>	<i>Audited Year ended 31 December 2007 £'000</i>
(Loss)/profit for the period	(299)	193	640
Interest receivable	(10)	(2)	(12)
Operating cash flow before working capital movements	(309)	191	628
(Increase)/decrease in trade and other receivables	(264)	69	(152)
(Decrease)/increase in trade and other payables	(158)	(104)	151
Cash flow from operations	(731)	156	627
Finance income	10	2	12
Net cash from operating activities	(721)	158	639
(Decrease)/increase in cash and cash equivalents	(721)	158	639
Cash and cash equivalents at the beginning of the period	725	86	86
Cash and cash equivalents at the end of the period	4	244	725

4. BASIS OF PREPARATION

The results for the six months ended 30 June 2008 which are unaudited have been prepared under the historical cost convention.

The financial information contained in this interim report has been prepared by the Directors in accordance with the accounting policies set out in the historical financial information for Bancomm Limited included in Part III(i)B of this Circular and utilises accounting policies consistent with International Financial Reporting Standards adopted for use in the European Union (IFRS). The interim financial statements have not been prepared under IAS 34.

The financial information set out above does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985. The statutory accounts for the year ended 31 December 2007, which have been prepared under UK GAAP and have been delivered to the Registrar of Companies, carry an unqualified report by the auditors and do not contain a statement under Section 237 (2) or section 237 (3) of the Companies Act 1985.

5. EXCEPTIONAL ITEMS

The exceptional operating charge of £117,000 recognised in the Income Statement for the period ended six months to 30 June 2008 represents a change to management's expectations regarding the recoverability of accrued income. The exceptional operating credit of £331,000 in the year ended 31 December 2007 represents a one off transaction entered into by the company, the value of which far exceeds the company's average transaction value. The transaction has been separately disclosed to more accurately reflect the underlying performance of the business.

6. STATEMENT OF CHANGES IN TOTAL EQUITY

	<i>6 months ended 30 June 2008 £'000</i>	<i>6 months ended 30 June 2007 £'000</i>	<i>Year ended 31 December 2007 £'000</i>
At 1 January	894	254	254
(Loss)/profit for the period	(299)	193	640
At end of period	<u>595</u>	<u>447</u>	<u>894</u>

7. TAXATION

The taxation charge is based on the estimated effective rate of tax for the full year.

PART III (ii)

(C) UNAUDITED INTERIM RESULTS FOR BNB RECRUITMENT OVERSEAS HOLDINGS LIMITED FOR THE SIX MONTHS TO 30 JUNE 2008

1. INCOME STATEMENT

For the period ended 30 June 2008

	<i>Unaudited 6 months ended 30 June 2008 £'000</i>	<i>Unaudited 6 months ended 30 June 2007 £'000</i>	<i>Audited Year ended 31 December 2007 £'000</i>
<i>Note</i>			
Continuing operations			
Revenue	197	–	100
Cost of sales	–	–	–
	<u>197</u>	<u>–</u>	<u>100</u>
Gross profit			
Administrative expenses:			
Impairment of investment in subsidiaries	–	–	(1,400)
	<u>197</u>	<u>–</u>	<u>(1,300)</u>
Operating profit/(loss)			
Loss on sale of investments	–	–	(189)
Dividends received	–	–	1,255
Finance income	15	–	38
	<u>212</u>	<u>–</u>	<u>(196)</u>
Profit/(loss) before taxation			
Taxation	6 (28)	–	(2)
	<u>184</u>	<u>–</u>	<u>(198)</u>
Profit/(loss) for the period			

There was no recognised income and expense for the years other than the results reported above.

2. BALANCE SHEET

At 30 June 2008

	<i>Unaudited At 30 June 2008 £'000</i>	<i>Unaudited At 30 June 2007 £'000</i>	<i>Audited At 31 December 2007 £'000</i>
<i>Note</i>			
Non current assets			
Investments in subsidiary undertaking	–	2,027	–
Investments in associate undertaking	125	–	125
Trade and other receivables	–	–	541
	<u>125</u>	<u>2,027</u>	<u>666</u>
Current assets			
Trade and other receivables	647	2,505	211
	<u>647</u>	<u>2,505</u>	<u>211</u>
Total assets	<u>772</u>	<u>4,532</u>	<u>877</u>
Current liabilities			
Other payables	(103)	(3,849)	(392)
Total liabilities	<u>(103)</u>	<u>(3,849)</u>	<u>(392)</u>
Net assets	<u>669</u>	<u>683</u>	<u>485</u>
Equity			
Share capital	1,255	1,255	1,255
Profit and loss account	(586)	(572)	(770)
Total equity	<u>669</u>	<u>683</u>	<u>485</u>
5			

3. CASH FLOW STATEMENT

For the period ended 30 June 2008

	<i>Unaudited 6 months ended 30 June 2008 £'000</i>	<i>Unaudited 6 months ended 30 June 2007 £'000</i>	<i>Audited Year ended 31 December 2007 £'000</i>
Profit/(loss) for the period	184	–	(198)
Impairment of investments	–	–	1,400
Loss on sale of investment	–	–	189
Interest and other finance income	(15)	–	(38)
Operating cash flow before working capital movements	169	–	1,353
Decrease in trade and other receivables	105	–	1,753
Decrease in trade and other payables	(289)	–	(3,457)
Cash flows from operations	(15)	–	(351)
Finance income received	15	–	38
Net cash from operating activities	–	–	(313)
Investing activities			
Proceeds on disposal of investments	–	–	313
Net cash used in investing activities	–	–	313
(Decrease)/increase in cash and cash equivalents	–	–	–
Cash and cash equivalents at the beginning of the period	–	–	–
Cash and cash equivalents at the end of the period	–	–	–

4. BASIS OF PREPARATION

The results for the six months ended 30 June 2008 which are unaudited have been prepared under the historical cost convention.

The financial information contained in this interim report has been prepared by the Directors in accordance with the accounting policies set out in the historical financial information for BNB Recruitment Overseas Holdings Limited included in Part III(i)C of this Circular and utilises accounting policies consistent with International Financial Reporting Standards adopted for use in the European Union (IFRS). The interim financial statements have not been prepared under IAS 34.

The financial information set out above does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985. The statutory accounts for the year ended 31 December 2007, which have been prepared under UK GAAP and have been delivered to the Registrar of Companies, carry an unqualified report by the auditors and do not contain a statement under Section 237 (2) or section 237 (3) of the Companies Act 1985.

5. STATEMENT OF CHANGES IN TOTAL EQUITY

	<i>6 months ended 30 June 2008 £'000</i>	<i>6 months ended 30 June 2007 £'000</i>	<i>Year ended 31 December 2007 £'000</i>
At start of period	485	683	683
Profit/(loss) for the period	184	—	(198)
At end of period	<u>669</u>	<u>683</u>	<u>485</u>

6. TAXATION

The taxation charge is based on the estimated effective rate of tax for the full year.

PART IV

PRO FORMA STATEMENT OF NET ASSETS FOR THE ENLARGED GROUP

Set out below is the unaudited pro forma statement of net assets of the Enlarged Group, prepared on the basis of the notes set out below, to illustrate how the acquisition of BNB Recruitment Consultancy Limited, Bancomm Limited and BNB Recruitment Overseas Holdings Limited, and Admission might have affected the net assets of the Group as at 30 June 2008. This statement has been prepared for illustrative purposes only, and because of its nature, may not give a true and fair picture of the financial position of the Enlarged Group.

	A	B	C	D	E	F	G	H	I
	BNB Recruitment Consultancy Limited	Bancomm Limited	BNB Recruitment Overseas Holdings Limited	Pre-Acquisition Adjustments	BNB Companies Pre-Acquisition	Garner plc	Acquisition of NB Companies	Placing and Re-Organisation	Enlarged Group
	At 30 June 2008	At 30 June 2008	At 30 June 2008	At 30 June 2008	Note (5)	Note (6)	Note (7)	Note (9)	Note (10)
	Note (1)	Note (2)	Note (3)	Note (4)					
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Intangibles and goodwill	–	–	–	–	–	959	5,500	–	6,459
Investments	197	–	125	(322)	–	–	–	–	–
Property, plant and equipment	228	–	–	(28)	200	14	–	–	214
Total non-current assets	425	–	125	(350)	200	973	5,500	–	6,673
Trade and other receivables	6,046	773	647	(6,466)	1,000	1,069	–	–	2,069
Cash and cash equivalents	–	4	–	(4)	–	–	(200)	472	272
Total current assets	6,046	777	647	(6,470)	1,000	1,069	(200)	472	2,341
Non current assets	–	–	–	–	–	–	–	–	–
Total assets	6,471	777	772	(6,820)	1,200	2,042	5,300	472	9,014
Total current liabilities	(5,353)	(182)	(103)	4,438	(1,200)	(2,990)	(500)	1,472	(3,218)
Non-current liabilities	(103)	–	–	103	–	(323)	(5,300)	–	(5,623)
Total assets less total liabilities	1,015	595	669	(2,279)	–	(1,271)	(500)	1,944	173

Notes

- As set out in Part III (ii) A
- As set out in Part III (ii) B
- As set out in Part III (ii) C
- Estimated effect of permitted intra-group restructuring transactions to reduce the total assets and total liabilities of the NB Companies to £nil at completion as referred to in Section 11(a) of Part V of this document
- E=A+B+C+D
- Extracted from the Garner Interim for the six months ended 30 June 2008 (available on the Company's website)
- Initial consideration of £200,000, deferred consideration of £5,300,000 (no guaranteed payment in first 12 months) and costs estimated at £500,000
- No provision for deferred tax on the fair value of intangibles has been included on the basis that this has no overall impact on total assets less total liabilities
- Paying to raise approximately £472,000 in cash, issue of new shares against accrued bonuses and debts of £259,000, and replacement of debt of £1,213,000 with equity following the reorganisation set out in Section 7 of Part I of this document
- I=E+F+G+H
- The pro-forma financial information does not constitute statutory accounts within the meaning of section 240 of the 1985 Act. Other than the matters set out in notes 4, 7 and 9 above, no adjustments have been made to take account of current trading, changes in capital and indebtedness or other movements in relation to the Group and the NB Companies subsequent to 30 June 2008.

PART V

ADDITIONAL INFORMATION

1 Incorporation and status of the Company

- (a) The Company was incorporated and registered in England and Wales on 7 September 1936 as a company limited by shares under the Companies Act 1929 with registered number 318267 with the name E. Upton & Sons Limited. The Company was re-registered as a public company on 11 February 1982 under the Companies Act 1980. The Company changed its name to Upton & Southern Holdings plc on 15 August 1989, to Constellation Corporation plc on 6 November 2000 and to Garner plc on 3 July 2006.
- (b) The principal legislation under which the Company operates is the 1985 Act, the 2006 Act and the regulations made thereunder.
- (c) The liability of the members of the Company is limited.
- (d) The Company is domiciled in the United Kingdom and its registered office and principal place of business is located at 6 Derby Street, London, W1J 7AD. The Company's telephone number is 020 7629 8822.

2 Subsidiaries

- (a) The Company is the parent company of the Group and following Admission it will be the parent company of the Enlarged Group.
- (b) On Admission, the Company will be the direct or indirect holding company of the following material operating subsidiary undertakings, all of which are 100 per cent. owned (unless otherwise stated):
 - (i) Garner International Limited which was incorporated in England and Wales on 3 March 1997 with registered number 03326763;
 - (ii) Bancomm Limited which was incorporated in England and Wales on 18 September 2001 with registered number 04289307;
 - (iii) BNB Recruitment Consultancy Limited which was incorporated in England and Wales on 1 June 1987 with registered number 02136204; and
 - (iv) BNB Recruitment Overseas Holdings Limited which was incorporated in England and Wales on 5 March 1992 with registered number 02694164.

In addition, on Admission the Company will be the direct holding company of Constellation Consulting Limited, a company incorporated and registered in England and Wales on 19 April 1988 with registered number 224589, of which company the Company owns 100 per cent. of the issued share capital.

On completion of the Acquisition BNBRC will have a number of dormant subsidiaries in the UK and overseas. These companies have no assets or liabilities and are in the process of being transferred to BNB or are being or will be dissolved or removed from the relevant corporate registers.

- (c) On Admission, the Company will be the indirect owner of an interest amounting to 20 per cent. of the issued share capital of NBS Norman Broadbent SA, a company incorporated and registered in Spain.

3 Share capital of the Company

(a) In the financial years ended 31 December 2005, 31 December 2006 and 31 December 2007 and in the interim financial period ended 30 June 2008, the changes in the share capital of the Company were as follows:

- (i) As at 1 January 2005 there were in issue 1,167,118,360 ordinary shares of 0.1p each; 907,118,360 Deferred Shares; and 1,046,283 Preference Shares.
- (ii) On 3 July 2006, 1,640 ordinary shares of 0.1p each in the capital of the Company were issued at 0.1 pence per share.
- (iii) On 3 July 2006, following the issue of shares referred to in the preceding sub-paragraph, the shareholders of the Company resolved that every 5,000 ordinary shares of 0.1p each be consolidated into 1 ordinary share of 500p. Each ordinary share of 500p was then sub-divided into 100 ordinary shares of 5p each. The share capital was then further reorganised by sub-dividing each ordinary share of 5p each into one Ordinary Share and one Deferred A Share. Finally, all of the authorised but unissued ordinary shares of 0.1p each were consolidated and divided into Ordinary Shares on the basis of 1 Ordinary Share for every 10 authorised but unissued ordinary shares of 0.1p each.
- (iv) On 3 July 2006, 3,785,714 Ordinary Shares were issued pursuant to a placing at a price of 3.5 pence per Ordinary Share.
- (v) On 3 July 2006, 9,983,680 Ordinary Shares were issued pursuant to a debt capitalisation issue at a price of 3.5 pence per Ordinary Share.
- (vi) On 3 July 2006, 357,143 Ordinary Shares were issued in satisfaction of a loan of £12,500.
- (vii) On 6 September 2006, 500,000 Ordinary Shares were issued in conversion of a debt at a price of 3.5 pence per Ordinary Share.
- (viii) On 20 February 2008, 183,741 Ordinary Shares were issued in a conversion of a debt at a price of 5.25 pence per Ordinary Share.

(b) The number of ordinary shares of 0.1 p each in issue at the beginning of each such period and the end of each such period was as follows:

	<i>Shares in issue at beginning of the period</i>	<i>Shares issued during the period</i>	<i>Shares cancelled during the period</i>	<i>Shares in issue at end of the period</i>
Year to 31 December 2005	1,167,118,360	—	—	1,167,118,360
Year to 31 December 2006	1,167,118,360	1,640	1,167,120,000	—
Year to 31 December 2007	—	—	—	—
Period to 30 June 2008	—	—	—	—

(c) The number of Ordinary Shares in issue at the beginning of each such period and the end of each such period was as follows:

	<i>Shares in issue at beginning of the period</i>	<i>Shares issued during the period</i>	<i>Shares cancelled during the period</i>	<i>Shares in issue at end of the period</i>
Year to 31 December 2005	—	—	—	—
Year to 31 December 2006	—	37,968,937	—	37,968,937
Year to 31 December 2007	37,968,937	—	—	37,968,937
Period to 30 June 2008	37,968,937	183,741	—	38,152,678

- (d) The number of Deferred Shares in issue at the beginning of each such period and the end of each such period was as follows:

	<i>Shares in issue at beginning of the period</i>	<i>Shares issued during the period</i>	<i>Shares cancelled during the period</i>	<i>Shares in issue at end of the period</i>
Year to 31 December 2005	907,118,360	–	–	907,118,360
Year to 31 December 2006	907,118,360	–	–	907,118,360
Year to 31 December 2007	907,118,360	–	–	907,118,360
Period to 30 June 2008	907,118,360	–	–	907,118,360

- (e) The number of Deferred A Shares in issue at the beginning of each such period and the end of each such period was as follows:

	<i>Shares in issue at beginning of the period</i>	<i>Shares issued during the period</i>	<i>Shares cancelled during the period</i>	<i>Shares in issue at end of the period</i>
Year to 31 December 2005	–	–	–	–
Year to 31 December 2006	–	23,342,400	–	23,342,400
Year to 31 December 2007	23,342,400	–	–	23,342,400
Period to 30 June 2008	23,342,400	–	–	23,342,400

- (f) The number of Preference Shares in issue at the beginning of each such period and the end of each such period was as follows:

	<i>Shares in issue at beginning of the period</i>	<i>Shares issued during the period</i>	<i>Shares cancelled during the period</i>	<i>Shares in issue at end of the period</i>
Year to 31 December 2005	1,043,566	–	–	1,043,566
Year to 31 December 2006	1,043,566	–	–	1,043,566
Year to 31 December 2007	1,043,566	–	–	1,043,566
Period to 30 June 2008	1,043,566	–	–	1,043,566

- (g) The authorised and issued fully paid up share capital of the Company at the date of this document and as it is expected to be immediately following Admission will be as follows:

At the date of this document

	<i>Amount</i>	<i>Number of Ordinary Shares</i>	<i>Number of Deferred Shares</i>	<i>Number of Deferred A Shares</i>	<i>Number of Preference Shares</i>
Authorised	£8,372,613	293,783,056	907,118,360	23,342,400	1,745,226
Issued and fully paid	£5,465,479.22	38,152,678	907,118,360	23,342,400	1,043,566

Immediately following Admission

	<i>Amount</i>	<i>Number of Ordinary Shares</i>	<i>Number of Deferred Shares</i>	<i>Number of Deferred A Shares</i>	<i>Number of Deferred B Shares</i>
Authorised	£8,372,613	307,744,864	907,118,360	23,342,400	1,745,226
Issued and fully paid	£5,709,022.57	70,855,541	907,118,360	23,342,400	1,043,566

- (h) The provisions of section 89 of the 1985 Act (which confer on shareholders rights of pre-emption in respect of the allotment of equity securities which are paid up in cash) will apply to the authorised but unissued share capital of the Company except to the extent disapplied by the EGM Resolutions.
- (i) On 21 May 2008, resolutions in the following terms were passed by the members of the Company:
 - (i) that the directors be generally and unconditionally authorised in accordance with section 80 of the 1985 Act to allot relevant securities (as defined in that section) up to a maximum aggregate nominal amount of £125,298, such authority to expire at the conclusion of the next annual general meeting of the Company save that the Company may at any time before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement as if the authority had not expired; and
 - (ii) that the directors be empowered pursuant to section 95 of the 1985 Act to allot equity securities (within the meaning of section 94 of the 1985 Act) for cash pursuant to the authority conferred by the above resolution as if section 89 (1) of the 1985 Act did not apply to any such allotment provided that the power be limited to:
 - (a) the allotment of equity securities in connection with an issue in favour of the holders of Ordinary Shares in proportion (as nearly as may be) to their respective holdings of Ordinary Shares, subject only to exclusions or other arrangements which the directors may deem necessary or expedient to deal with fractional entitlements, legal or practical problems arising in any overseas territory or the requirements of any regulatory body or exchange in any territory; and
 - (b) the allotment (otherwise pursuant to the above paragraph) of equity securities up to a maximum aggregate nominal amount of £75,180, such power to expire at the conclusion of the next annual general meeting of the Company save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry but otherwise in accordance with the foregoing provisions of this power in which case the directors may allot equity securities in pursuance of such offer or agreement as if the power had not expired.
- (j) The New Ordinary Shares in issue following Admission will rank *pari passu* in all respects with the Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after Admission on the ordinary share capital.
- (k) Pursuant to an agreement dated 7 November 2008 the Company has granted an option to St Helen's Capital to subscribe for 798,762 Ordinary Shares at a price of 5.625p per Ordinary Share. The option may be exercised in whole, but not in part, on or before 31 March 2011. Further details of the option agreement are set out in paragraph 11 below.
- (l) Save for the Warrants, the Options and as disclosed in this paragraph 3:
 - (i) no share or loan capital in the Company is under option or is the subject of an agreement, conditional or unconditional, to be put under option and there is no current intention to issue any of the authorised and unissued Ordinary Shares; and
 - (ii) no share or loan capital of the Company has been issued for cash or other consideration within the period covered by the historical financial information in this document and no such issue is proposed.
- (m) The Articles permit the Company to issue shares in uncertificated form. The Ordinary Shares are in registered form and may be held in either certificated form or in uncertificated form through CREST.
- (n) The Ordinary Shares have been created under the 1985 Act.
- (o) The International Security Identification Number for the Ordinary Shares is GB00B16NPJ35.

4 Memorandum and Articles of Association

(a) *Memorandum of Association*

The Memorandum of Association of the Company provides that the Company's objects include carrying on the business of a holding company and for that purpose to acquire and hold any such shares, stocks, debentures and similar instruments and to carry on, acquire, undertake and execute any business, undertaking, transaction or operation whether manufacturing, financial, mercantile, agricultural, extractive or otherwise. The Company's objects are set out in full in clause 4 of the Memorandum of Association.

(b) *Existing Articles*

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

(i) *Ordinary Shares*

The rights attached to the Ordinary Shares, as provided in the Existing Articles, are as follows:

Income

Subject to the Companies Acts, the holders of Ordinary Shares are entitled to the profits of the Company available for dividend and resolved to be distributed but no dividend shall be payable in excess of the amount recommended by the directors. Dividends shall be paid subject to the rights or privileges for the time being attached to any shares having preferential, deferred or other special rights in regard to dividends and shall be paid in proportion to the amounts paid upon the relevant shares.

Insofar as in the opinion of the directors the profits of the Company available for distribution justify such payments, the directors may pay interim dividends of such amounts and on such dates as they think fit.

Any dividend unclaimed after a period of 12 years from the date of declaration of such dividend shall be forfeited and shall revert to the Company.

Subject to the provisions of the Companies Acts, any general meeting declaring a dividend may, upon the recommendation of the directors, direct payments of such dividend wholly or partly to be by the distribution of specific assets. In giving effect to a such resolution, the directors may make arrangements for fractional entitlements as they think fit.

Capital

On a winding-up, the liquidator may, with the sanction of an extraordinary resolution of the Company, vest in trustees upon trust for the members, or divide among the members *in specie*, any part of the Company's assets. Such vesting or division may be otherwise than in accordance with the members' existing rights but in such a case the members shall have the same right of dissent and consequential rights as if such a resolution were a special resolution pursuant to the Companies Acts.

Voting

On a show of hands every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative shall have one vote and on a poll every member present in person or by proxy or (being a corporation) by a duly authorised representative shall have one vote for every Ordinary Share held by him. In the case of joint holders, the vote of the member whose name appears first in the register of members who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

No member shall, unless the directors otherwise determine, be entitled to vote at a general meeting either personally or by proxy unless and until all calls or other sums presently payable by him in respect of all shares held by him have been paid.

Variation of rights

Subject to the provisions of the Companies Acts and unless otherwise expressly provided by the terms on which shares of the class are held, the rights attached to a class of shares may be varied, suspended or abrogated with the written consent of the holders of not less than three-quarters in nominal value of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of shares of the class. The rights attached to any share or class of shares shall not be deemed to be varied by the creation or issue of further shares ranking *pari passu* with it.

(ii) Deferred Shares

The rights attached to the Deferred Shares, as provided in the Existing Articles, are as follows:

Income

The Deferred Shares shall not entitle their holders to receive any dividends or other distribution.

Capital

On a return of assets on a winding up, holders of Deferred Shares are entitled only to the repayment of the amount paid up on such shares after payment of the capital paid up on the Ordinary Shares plus the payment of £10,000 per Ordinary Share.

Voting

A holder of Deferred Shares shall not have the right to receive notice of any general meeting of the Company nor the right to attend, speak or vote at any such general meeting.

Transfer

The Company shall have the irrevocable authority to appoint any person to execute on behalf of the holders of the Deferred Shares a transfer thereof and/or an agreement to transfer the same, without making any payment to the holders thereof, to such person as the Company may determine as custodian and/or cancel the same, without making payment to the holders and pending such transfer/cancellation/purchase to retain the certificate of such shares.

Variation of rights

A variation of rights shall not include the passing by the Company of any resolution for a reduction of capital involving cancellation of the Deferred Shares without repayment of capital, reduction of the share premium account or a reduction of capital or share premium account by court order.

(iii) Deferred A Shares

The rights attached to the Deferred A Shares, as provided in the Existing Articles, are as follows:

Income

The Deferred A Shares shall not entitle their holders to receive any dividends or other distribution.

Capital

On a return of assets on a winding up, holders of Deferred A Shares are entitled only to the repayment of the amount paid up on such shares after the holders of the Ordinary Shares have received the sum of £10,000,000 for each Ordinary Share held by them and shall have no other right to participate in the assets of the Company. The Deferred A Shares are liable to be cancelled without payment of any consideration to the holders thereof.

Voting

A holder of Deferred Shares shall not have the right to receive notice of any general meeting of the Company nor the right to attend, speak or vote at any such general meeting.

Transfer

The Company shall have the irrevocable authority to appoint any person to execute on behalf of the holders of the Deferred Shares a transfer thereof and/or an agreement to transfer the same, without making any payment to the holders thereof, to such person as the Company may determine as holders, and pending such transfer not to issue certificates for such shares.

Variation of rights

A variation of rights shall not include the passing by the Company of any resolution for a reduction of capital involving cancellation of the Deferred A Shares without repayment of capital, reduction of the share premium account or a reduction of capital or share premium account by court order.

(iv) *Preference Shares*

The Company should have redeemed any unconverted Preference Shares on 30 June 2003. The amount payable on redemption would have been the sum of 100 pence per Preference Share plus any arrears or accruals of the fixed dividend thereon. The Company had insufficient distributable reserves at this time and so the redemption was not possible.

Income

The Preference Shares are those Convertible Preference Shares which were not converted into Ordinary Shares at the option of the holder within the specified time limit. The period for conversion of these shares has now passed and so they are no longer convertible. The Preference Shares carry the right to a fixed cumulative preferential dividend of 5p (gross) per annum payable half yearly in respect of the previous half year. The dividend ceased to accrue on 30 June 2003.

The Preference Shares shall rank for dividends in priority to any other shares in the capital of the Company, but, except in relation to the capital and conversion rights set out below, shall not be entitled to any further right of participation in the profits of the Company.

Capital

On a return of capital on a winding-up, the holders of the Preference Shares will have a preferential right to repayment of 100 pence per share and all arrears of fixed cumulative dividend but will have no right to participate in any surplus.

Voting

The holders of Preference Shares have the right to receive notice and attend general meetings of the Company. As the fixed cumulative preferential dividend payable in respect of the Preference Shares is more than six months in arrears, holders of Preference Shares are also entitled to vote at general meetings of the Company. On a show of hands every holder of Preference Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative shall have one vote and on a poll every member present in person or by proxy or (being a corporation) by a duly authorised representative shall have one vote for every Preference Share held by him.

Variation of rights

The rights of the Preference Shares may be varied either with the consent in writing of the holders of not less than three-fourths of the issued Preference Shares or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the Preference Shares.

(v) *Transfer of shares*

The instrument of transfer of a share may be in any usual form or in any other form approved by the directors and shall be signed by or on behalf of the transferor and (in the case of a partly paid share) the transferee.

The directors may in their absolute discretion and without assigning any reason therefor refuse to register any transfer of a share which is not fully paid and any transfer of a share on which the Company has a lien. They may also refuse to register a transfer unless it is in respect of one class of share only, it is duly stamped (if so required), it is lodged at the place where the register of members is held with the relevant share certificate and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer and is in favour of not more than four joint transferees.

(vi) *Alteration of share capital*

The Company may by ordinary resolution:

- (i) increase its share capital by new shares of such amount as the resolution prescribes;
- (ii) consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares;
- (iii) cancel any shares which at the date of the passing of the resolution to cancel them have not been taken or agreed to be taken by any person and diminish the amounts of its share capital by the amount of shares so cancelled; and
- (iv) subject to the provisions of the Companies Acts, sub-divide its shares or any of them into shares of smaller amount and so that as between the shares resulting from the sub-division, any of them may have any preference or advantage as compared with the others.

Subject to the provisions of the Companies Acts the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any manner.

(vii) *Meetings of members*

Under the 2006 Act, every public company must hold a general meeting as its annual general meeting in each period of six months beginning with the day following its accounting reference date. The Directors convene each annual general meeting and may convene other general meetings whenever they think fit.

An annual general meeting and a general meeting convened by the passing of a special resolution shall be convened by at least 21 clear days' written notice. Any other general meeting shall be convened by at least 14 days' written notice but a general meeting may be called by shorter notice if it is so agreed (i) in the case of an annual general meeting, by all members entitled to vote and attend; and (ii) in the case of any other general meeting, by a majority in number of the members having the right to attend and vote being a majority holding not less than 95 per cent. in nominal value of the shares giving that right.

All business shall be deemed special except the following transacted at an annual general meeting: declaring dividends; receiving and/or adopting accounts/reports of the directors and auditors; appointing or reappointing any person to act as a director; reappointing the retiring auditors; and fixing the remuneration of the auditors.

No business shall be transacted unless a quorum of two persons entitled to vote upon the business transacted is present.

A resolution put to the vote shall be decided on a show of hands unless before or on the declaration of the result of the show of hands a poll is duly demanded. Subject to the Acts, a

poll may be demanded by the Chairman; or by at least five members being entitled to vote at the meeting; or by a member or members entitled to vote at the meeting and holding not less than one-tenth of the total voting rights of all the members entitled to vote at the meeting; or by a member or members holding shares conferring a right to vote at the meeting on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right. A demand may be made by a member in person or his proxy.

(viii) *Disclosure of interests in shares*

The provisions of rule 5 of the DTR govern the circumstances in which a person may be required to disclose his interests in the share capital of the Company. Inter alia, this requires a person who is interested in 3 per cent. or more of the voting rights in respect of the Company's issued ordinary share capital to notify his interest to the Company (and above that level, any change in such interest equal to 1 per cent. or more).

No member shall, unless the directors otherwise determine, be entitled in respect of shares held by him to vote at a general meeting either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company if he or any person appearing to be interested in such shares has been duly served with a notice under Section 793 of the 2006 Act and is in default in supplying to the Company the information thereby required within the period of 28 days from the date of such notice. A person shall be treated as appearing to be interested in any shares if the member holding such shares has given to the Company a notification under the said Section 793 which fails to establish the identities of those interested in the shares and if (after taking into account the said notification and any other relevant Section 793 notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares.

(ix) *Directors*

Unless otherwise determined by ordinary resolution, the number of directors shall be not less than three. There is no shareholding qualification.

The remuneration of the directors shall be a sum not exceeding £50,000 per annum (or such other sum as the Company in general meeting may determine) in aggregate to be apportioned amongst the directors as they shall determine.

At every annual general meeting of the Company as near as possible one third of the directors for the time being shall retire by rotation and be eligible for re-election provided that no director holding office as Chairman or Managing Director or Joint Managing Director shall be subject to retirement by rotation or be taken into account in determining the number of directors to retire. The directors to retire will be those who have been longest in office or, in the case of those who became or who are re-elected directors on the same day, shall, unless they otherwise agree, be determined by lot.

(x) *Borrowing powers*

The directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property, assets and uncalled capital and to issue debentures and other securities. The directors shall restrict the borrowings of the Company and exercise all rights exercisable by the Company in relation to subsidiaries so as to secure that save with the previous sanction of the Company in general meeting no money shall be borrowed if the aggregate principal amount outstanding of all moneys borrowed by the Company then exceeds or would as a result of such borrowing exceed £9,000,000.

(c) *New Articles of Association*

The Directors believe that it is in the best interests of the Company to take advantage of recent changes in English company law and propose to adopt the New Articles. The New Articles reflect,

inter alia, the conversion of the Preference Shares and the rights attaching to the Deferred B Shares created pursuant to the Re-organisation, and certain new provisions in order to ensure the Company complies with and benefits from the provisions of the 2006 Act and the DTR and in particular, those provisions relating to electronic communications with shareholders and notifiable interests in shares.

Copies of the Existing Articles and the New Articles will be available for inspection during normal business hours at the registered office of the Company until the date of the General Meeting or upon request of the Company Secretary. Copies will also be available at the General Meeting until its conclusion.

The material provisions of the New Articles and material differences between the Existing Articles and the New Articles are summarised below. Changes of a minor, conforming or purely technical nature have not been mentioned specifically.

(i) *Share Capital*

Ordinary Shares

The rights attached to the Ordinary Shares are as summarised under paragraph 4(b)(i) above.

Deferred Shares

The rights attached to the Deferred Shares are as summarised under paragraph 4(b)(ii) above.

Deferred A Shares

The rights attached to the Deferred A Shares are as summarised under paragraph 4(b)(iii) above.

Deferred B Shares

The rights attached to the Deferred B Shares are as summarised above in relation to the Deferred A Shares and under paragraph 4(b)(iii) above.

(ii) *Meetings of Members*

Subject to the requirement to convene and hold annual general meetings in accordance with the Acts, the Board may call general meetings whenever and at such times and places as it shall determine and, on the requisition of members pursuant to the provisions of the Acts, shall forthwith proceed to convene a general meeting in accordance with the requirements of the Acts.

An annual general meeting shall be called by at least 21 clear days' notice. All other general meetings shall be called by at least the minimum number of days' notice permissible under the Acts (i.e. 14 clear days' notice). This differs from the notice period provided for under the Existing Articles (as a result of provisions introduced by the 2006 Act) whereby annual general meeting and extraordinary general meetings called for the passing of a special resolution were to be called by at least 21 clear days' notice with all other general meetings being called by at least 14 clear days' notice.

Subject to the provisions of the New Articles and to any restrictions imposed on any shares, the notice shall be given to all the members, to each of the directors (previously not required under the Existing Articles of Association) and the auditors for the time being of the Company. The notice shall specify the time and place of the meeting and, in the case of special business, the general nature of such business.

The accidental omission to give notice of a meeting, or to send a form of proxy with a notice where required by the New Articles, to any person entitled to receive the same, or the non-receipt of a notice of meeting or form of proxy by any person, shall not invalidate the proceedings of that meeting. This differs from the Existing Articles whereby only accidental omission to give notice of a meeting to, or the non-receipt of a notice of meeting by any person entitled to receive notice, would not invalidate the proceedings of that meeting.

In contrast to the Existing Articles, the New Articles contain provisions in relation to the ability of the Company to send notice of a meeting by electronic communication or on a website, in addition to hard copy form, provided that such notice complies with all applicable regulatory requirements. In addition, the person to whom notice of a meeting is sent in electronic form must have agreed that notice can be sent to him in that way, or in the case of a company, be deemed to have agreed to receive notice in that way. Should the Company choose to supply notice on a website, it must comply with the website communication provisions (see paragraph (4(c)(xii)) below), notify those entitled to receive notice that notice of the meeting has been published on the website and ensure that the notice is available on the website throughout the period from the date of notification to conclusion of the meeting.

Unlike under the Existing Articles, the directors may from time to time make such arrangements for the purpose of controlling the level of attendance, as they shall in their absolute discretion consider appropriate. In addition, the chairman no longer has a casting vote in the case of equality of votes on a show of hands or a poll.

The appointment of a proxy shall be executed by or on behalf of the appointer and the New Articles contain more prescriptive provisions in relation to the appointment and form of proxy and allows proxy forms to be deposited by electronic communication. Unlike under the Existing Articles, delivery of a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned and a member may appoint more than one proxy to attend on the same occasion.

A corporation or corporation sole which is a member of the Company may authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any separate meeting of the holders of any class of shares.

(iii) *Voting Rights*

At general meetings of the Company, on a show of hands, every member who (being an individual) is present in person or by proxy shall have one vote and on a poll every member present in person or by proxy shall have one vote for every share held by him. This differs from the Existing Articles whereby proxies were only authorised to vote on a poll.

(iv) *Alteration of Capital*

The Company may from time to time by ordinary resolution:

- (i) increase its capital as the resolution shall prescribe;
- (ii) consolidate and divide all or any of its shares into shares of larger amount;
- (iii) sub-divide all or any of its shares into shares of smaller amount and attach varying rights to the shares resulting from such sub-division; and
- (iv) 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 amount of the shares so cancelled.

The Company may by special resolution reduce its share capital, any capital redemption reserve fund and any share premium account subject to the provisions of the Companies Acts.

(v) *Variation of Rights*

Subject to the variation rights attached to the Deferred A Shares and the Deferred B Shares, all or any of the special rights for the time being attached to any class of shares for the time being issued may be varied or abrogated with the consent in writing of the holders of three-quarters in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of such holders (but not otherwise). At every

such separate general meeting the necessary quorum shall be not less than two persons holding or representing by proxy not less than one third in nominal amount of the issued shares of the class or, at any adjourned meeting of such holders, one holder who is present in person or by proxy, whatever the amount of his holding, shall be deemed to constitute a meeting.

(vi) *Purchase of Own Shares*

Subject to the provisions of the Companies Acts and to the sanction by a special resolution passed at a separate class meeting of the holders of any convertible shares, the Company may purchase any of its own shares of any class (including redeemable shares) at any price.

(vii) *Transfer of Shares*

Subject to the transfer rights attached to the Deferred Shares, Deferred A Shares and the Deferred B Shares, any member may transfer all or any of his shares. Save where any rules or regulations made under the Companies Acts permit otherwise, the instrument of transfer of a share shall be in any usual form or in any other form which the directors may approve and shall be executed by or on behalf of the transferor and (in the case of a share which is not fully paid) by the transferee. The directors may in their absolute discretion and without giving any reason decline to register any transfer of shares which are not fully paid or on which the Company has a lien.

(viii) *Dividends and other distributions*

The Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the directors. The directors may pay interim dividends if it appears that they are justified by the financial position of the Company.

All dividends shall be apportioned and paid *pro rata* to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid.

Any dividend unclaimed after a period of twelve years from the date when it became due for payment shall, if the directors so resolve, be forfeited and cease to remain owing by the Company.

In contrast to the Existing Articles, the New Articles give the directors authority, if authorised by an ordinary resolution of the Company, to offer members the right to elect to receive shares credited as fully paid in whole or in part, instead of cash, in respect of the dividend specified by the ordinary resolution.

The Company may cease to send any cheque or dividend warrant through the post if such instruments have been returned undelivered or remain uncashed by a member on at least two consecutive occasions. The Company shall recommence sending cheques or dividend warrants if the member claims the dividend or cashes a dividend warrant or cheque.

In a winding up, the liquidator may, with the sanction of a special resolution and subject to the Insolvency Act 1986, divide among the members *in specie* the whole or any part of the assets of the Company and/or vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as the liquidator determines.

(ix) *Restrictions on Shares*

If the directors are satisfied that a member or any person appearing to be interested in shares in the Company has been duly served with a notice under Section 793 of the 2006 Act and is in default in supplying to the Company the information thereby required within a prescribed period after the service of such notice the directors of the Company may serve on such member or on any such person a notice ("a direction notice") in respect of the shares in relation to which the default occurred ("default shares") directing that a member shall not be entitled to

vote at any general meeting or class meeting of the Company. In contrast to the provisions under the Existing Articles, where default shares represent at least 0.25 per cent. of the class of shares concerned the direction notice may in addition direct that no payment shall be made of any sums due on the default share without liability to pay interest, no other distribution shall be made on the default shares and no transfer of any of the shares held by the member shall be registered unless the member himself is not in default as regards supplying the information requested and the transfer is an approved transfer. The prescribed period referred to above means 14 days from the date of service of the notice under Section 793 of the 2006 Act where the default shares represent at least 0.25 per cent. of the class of shares concerned and 28 days in all other cases, which is in contrast to the period prescribed under the Existing Articles is 28 days in all cases. The New Articles also contained a revised definition of those "persons interested in shares" and "interest in shares" in accordance with Section 793 of the 2006 Act.

(x) *Directors*

At every annual general meeting of the Company as near as possible (but greater than) one third of the directors for the time being shall retire by rotation and be eligible for re-election. The directors to retire will be those who have been longest in office or, in the case of those who became or who are re-elected directors on the same day, shall, unless they otherwise agree, be determined by lot. As with the Existing Articles, the New Articles carve out the office of chairman and managing director or joint managing director from being subject to the retirement by rotation provision.

Save as provided in the sub-paragraph immediately below, a director shall not vote at a meeting of the board of directors or any committee of the board on any resolution of the directors concerning a matter in which he has an interest which together with any interest of any person connected with him is to his knowledge a material interest. The Company may by ordinary resolution suspend or relax such provisions to any extent or ratify any transaction not duly authorised by reason of a contravention of such provisions.

The prohibition in the previous paragraph shall not apply to a director in relation to any of the following matters, namely: (i) the giving of any guarantee, security or indemnity to him in respect of money lent or obligations incurred by him for the benefit of the Company or any of its subsidiaries; (ii) the giving of any guarantee, security or indemnity to a third party in respect of an obligation of the Company or any of its subsidiaries for which he has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by giving of security; (iii) the subscription for or underwriting or sub-underwriting of any shares, debentures or other securities of the Company or any of its subsidiaries by him; (iv) any proposal concerning any other company in which he and any persons connected with him do not to his knowledge hold an interest in shares representing one per cent. or more of either any class of the equity share capital or the voting rights in such company); (v) any resolution relating to an arrangement for the benefit of employees of the Company or any of its subsidiaries and which does not provide in respect of any director as such any privilege or benefit not accorded to the employees to whom the arrangement relates; and (vi) any proposal concerning the purchase and/or maintenance of any insurance policy against liability for negligence, default, breach of duty or breach of trust in relation to the Company under which he may benefit (which was not previously provided for under the Existing Articles).

Pursuant to the 2006 Act, the New Articles contain provisions in relation to the Board having the power to authorise any matter that would or might constitute a conflict of interest between the Company and a director. A director to whom the conflict of interest relates may not count in the quorum of the relevant board meeting and the board of directors may impose such terms and conditions on the authorisation which it determines in its absolute discretion including the period of time for which the authorisation is valid, particular matters or consequences which will not be authorised and the exclusion of access to certain information connected to the conflict and

of a relevant director from discussions connected to the matter. The board of directors may revoke the authorisation at any time, although this will not affect any act previously done by a director in accordance with the terms of the authorisation. Save as may be otherwise agreed or provided for under the terms and conditions of the authorisation, a relevant director will not be liable to account for any profit or benefit he obtains from the conflict of interest.

The ordinary remuneration of the directors who do not hold executive office for their services (excluding amounts payable under any other provision of the New Articles) shall not exceed in aggregate £250,000 per annum or such higher amount as the Company may from time to time by ordinary resolution determine. Subject thereto, each such director shall be paid a fee (which shall be deemed to accrue from day to day) at such rate as may from time to time be determined by the board of directors. In contrast to the provisions under the Existing Articles, the directors shall be entitled to all such reasonable expenses as they may properly incur in attending meetings of the board or in the discharge of their duties as directors. Any director who by request of the board performs special services may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the board may determine. The directors may pay pensions and other benefits to, *inter alia*, present and past employees and directors and may set up and maintain schemes for the purpose. In contrast to the Existing Articles, the New Articles provide for the provision of insurance by the Company for the benefit of any present and past employees, officers or directors and state that no present or past director is accountable to the Company for any benefit provided for under the New Articles and such benefit shall not disqualify any person from becoming a director of the Company.

In accordance with the 2006 Act, the New Articles do not contain provisions in relation to retirement of a director upon attaining any retiring age that were previously contained in the Existing Articles.

Unless otherwise determined by ordinary resolution of the Company, the number of directors shall not be less than three. There is no maximum number of directors. A director shall not be required to hold any shares of the Company by way of qualification.

(xi) *Borrowing Powers*

The directors may exercise all the powers of the Company to borrow money, to guarantee, to indemnify and to mortgage or charge its undertaking, property, assets (present and future) and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. The New Articles incorporate more extensive provisions on the limit of borrowing applicable to the Company, whereby the directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries so as to secure (so far as regards subsidiaries as by such exercise they can secure) that the aggregate principal amount (including any premium payable on final payment) for the time being outstanding of all monies borrowed by the Company and its subsidiaries and for the time being owing to third parties shall not at any time, without the previous sanction of an ordinary resolution of the Company, exceed an amount equal to £2,000,000 or four times the Adjusted Capital and Reserves (as defined in the New Articles), whichever is the greater.

(xii) *Communications*

Pursuant to the 2006 Act and in contrast to the Existing Articles, the New Articles allow for communications between the Company and its members by way of electronic and website communication. Anything sent to a member or director must be sent to the member or director's address registered in the registers of the Company unless he has agreed otherwise and has supplied an alternative means of communication. Documents or information supplied by post, service or delivery shall be deemed to be effected 24 hours after posting. Where documents or information supplied by electronic means, service or delivery shall be deemed to be effected on the same day. Where documents or information supplied by means or a website,

service or delivery shall be deemed to be effected on the later of the time when first made available of the website or when the recipient received notification of the same.

The Company may send documents or notices to its members by means of a website provided that the member has expressly agreed to receive documents and notices in this manner or request for agreement has been sent to the member and no response has been received within 28 days, the documents are documents to which the agreement or request for agreement relates and the member was notified of the presence of the documents on the website, the website address, the place on the website where the documents may be accessed and how they may be accessed. Documents must be available on the website for a period of not less than 28 days from the date of notification, unless otherwise provided by the Companies Acts.

Where the Companies Acts permit documents to be sent to the Company, only such documents as are specified by the Company may be sent to the Company in electronic form.

(xiii) *Other material differences between the Existing Articles and the New Articles*

Uncertificated shares

Provisions relating to shares in uncertificated form contained in the Existing Articles of Association have been replaced with provisions which are more appropriate to the Company's current share capital.

Share certificates

The New Articles provide that share certificates be sent to shareholders at their own risk.

Share warrants

The New Articles no longer provide for the issue of a warrant over shares and the payment of future dividends on the shares over which a warrant is issued.

Lien

To give effect to the enforcement of a lien by sale, the board may authorise some person to execute an instrument of transfer of the shares sold to, or in accordance with the directions of, the purchaser.

Forfeiture

The forfeiture of a share shall involve the extinction at the time of forfeiture of all interest in and all claims and demands against the Company in respect of that share.

Untraced shareholders

The Company is entitled to sell the shares of an untraceable member if, (1) after a period of 12 years the Company has circulated advertisements giving notice of its intention to sell; (2) during the said period of 12 years at least three dividends in respect of the shares in question have been declared and all dividends, warrants and cheques in respect of the shares have remained uncashed; and (3) the Company has not received any indication of the whereabouts of the member.

Additionally, if during the 12 year period during which shareholders are untraceable further shares are issued to them, the Company may sell those further shares.

Conversion of shares into stock

The New Articles no longer specifically permit the conversion of shares into stock by ordinary resolution.

Resolutions

In accordance with the 2006 Act, the New Articles remove all references to extraordinary resolutions and replace this, where appropriate, with the requirement to pass a special resolution.

In addition, if an amendment is proposed to any resolution under consideration but has in good faith been ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by an error in such ruling.

Directors

The New Articles state that alternate directors are responsible for their own acts but shall be indemnified to the same extent as directors and include more extensive provisions in relation to appointment and termination of executive directors and their emoluments to be determined by the board.

In addition, more extensive provisions have been included in the New Articles in relation to written resolutions of directors, delegation of powers of the board and indemnification of officers.

Destruction of documents

In addition to the Company being entitled to destroy instruments of transfer, dividend mandates, notifications of changes of address and share certificates after a prescribed time period, under the New Articles, it may also destroy all paid dividend cheques and warrants after one year of payment, all instruments of proxy used for a poll after one year of use and all instruments of proxy not used for a poll one month after the end of the meeting to which the proxy relates.

Accounts and auditors

The New Articles do not include provisions which are imposed by the Acts in relation to keeping accounting records, appointing auditors and laying profit and loss accounts and balance sheets of the Company.

5 Mandatory bids, squeeze-out and sell-out rules relating to Ordinary Shares

(a) *Mandatory bid*

The City Code on Takeovers and Mergers applies to the Company. Under the City Code, if an acquisition of Ordinary Shares were to increase the aggregate holding of the acquiror and its concert parties to shares carrying 30 per cent. or more of the voting rights in the Company, the acquiror and, depending on the circumstances, its concert parties, would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for the Ordinary Shares by the acquiror or its concert parties during the previous 12 months. This requirement would also be triggered by any acquisition of shares by a person holding (together with its concert parties) shares carrying between 30 and 50 per cent. of the voting rights in the Company if the effect of such acquisition were to increase that person's percentage of the voting rights.

(b) *Squeeze-out*

Under the 2006 Act, if an offeror has, by virtue of acceptances of the offer, acquired or unconditionally contracted to acquire not less than 90 per cent. of the Ordinary Shares, the offeror is entitled to compulsorily acquire the remaining 10 per cent. It would do so by sending a notice to outstanding shareholders telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for outstanding shareholders. The consideration offered to the shareholders whose shares are compulsorily acquired under the 2006 Act must, in general, be the same as the consideration that was available under the takeover offer.

(c) *Sell-out*

The 2006 Act also gives minority shareholders in the Company a right to be bought out in certain circumstances by an offeror who had made a takeover offer. If a takeover offer related to all the Ordinary Shares and at any time before the end of the period within which the offer could be accepted

the offeror held or had agreed to acquire not less than 90 per cent. of the Ordinary Shares, any holder of shares to which the offer relates who has not accepted the offer can by a written communication to the offeror require it to acquire those shares. The offeror would be required to give any shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a shareholder exercises its rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

6 Interests of the Directors and others

- (a) The voting rights held (within the meaning of rule 5 of the DTR), directly or indirectly, by the Directors in the Issued Share Capital as at the date of this document and as they are expected to be prior to and immediately following Admission are/will be as follows:

<i>Name of Director</i>	<i>Number of Ordinary Shares (as at the date of this document)</i>	<i>% of voting rights</i>	<i>Number of Ordinary Shares (as at the date of Admission)</i>	<i>% of voting rights</i>
A C Garner	11,021,700	28.89	15,571,707	21.98
R G Robinson ¹	3,386,352	8.88	5,053,019	7.13
S O'Brien	928,571	2.43	1,295,238	1.83
B R Lakefield ²	770,000	2.02	2,436,667	3.44
J Bartle ³	477,153	1.25	8,810,487	12.43

1 Of the Ordinary Shares listed of which Mr. Robinson is the legal owner, the beneficial interest in 284,604 of them are held for the benefit of other members of Anderson Barrowcliff LLP, a firm in which Mr. Robinson is a member, excluding Mr Robinson himself.

2 Mr Lakefield's shares are held in the name of Hanover Nominees Limited.

3 Mr Bartle's shares are held in the name of Rathbone Nominees Limited.

- (b) The following Directors have been granted Options pursuant to the Share Option Scheme on the following terms:

<i>Name</i>	<i>Number of Ordinary Shares subject to option</i>	<i>Exercise Price (p)</i>	<i>Expiry date</i>
S O'Brien	888,099	5.63p	19 December 2017

- (c) Options over a total of 1,758,437 Ordinary Shares have been issued under the Share Option Scheme and are outstanding as at the date of this document, with exercise prices of 5.63p per Ordinary Share. These options expire on 19 December 2017.

- (d) The following Directors have been granted Warrants on the following terms:

<i>Name</i>	<i>Number of Warrants</i>	<i>Exercise Price (p)</i>	<i>Expiry date</i>
R. G. Robinson ⁴	833,334	3	31 December 2011
S O'Brien	1,666,667	3	31 December 2011

4 Mr Robinson's Warrants are held by Anderson Barrowcliff LLP, a firm in which Mr Robinson is a member.

- (e) Save as disclosed in sub-paragraph (a) above and this sub-paragraph, so far as the Directors are aware there are no persons who, immediately following Admission, will, directly or indirectly, be interested in 3 per cent. or more of the voting rights (within the meaning of rule 5 of the DTR) of the issue capital of the Company or who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.

<i>Name</i>	<i>Number of Ordinary Shares (as at the date of this document)</i>	<i>% of voting rights</i>	<i>Number of Ordinary Shares (as at the date of Admission)</i>	<i>% of voting rights</i>
C Auld	–	–	5,000,000	7.06
R Stanley	4,300,000	11.27	4,300,000	6.07
T D Waterhouse Nominees (Europe) Limited	1,563,503	4.10	1,563,603	2.21
Barclayshare Nominees Limited	1,477,653	3.87	1,477,653	2.09
Share Nominees Limited	1,536,343	4.03	1,536,343	2.17
HSDL Nominees Limited	1,284,002	3.37	1,284,002	1.81

7 Irrevocable Undertakings

Irrevocable undertakings to vote in favour of the General Meeting Resolutions and the Class Meeting Resolutions have been given by the following Shareholders in respect of the Ordinary Shares and Preference Shares which they control:

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>% of Ordinary Shares</i>	<i>Number of Preference Shares</i>	<i>% of Preference Shares</i>
A C Garner*	11,021,700	28.89	–	–
R G Robinson*	3,386,352	8.88	–	–
S O'Brien*	928,571	2.43	–	–
B R Lakefield*	770,000	2.02	–	–
J Bartle*	477,153	1.25	–	–
J Daniels	183,741	0.48	–	–
J Cameron	81,601	0.21	–	–
J Musgrave	27,145	0.07	–	–
W Yelverton	110,192	0.29	–	–
J Ortner	98,293	0.26	–	–
N Lilley	758,571	1.99	–	–
J Kilpatrick	500,000	1.31	–	–
R Stanley	4,300,000	11.27	–	–
J Sharma	5,000	0.01	474,000	45.42
A Sceats	200	0.00	45,000	4.31
J J Bygott	5,000	0.01	106,500	10.21
B Cooper	425,000	1.11	22,000	2.11
J N Calder	382,000	1.00	14,000	1.34
J L Calder	125,000	0.33	5,000	0.48
TOTAL		61.82		63.87

* denotes a director of the Company

8 Directors' Service Agreements/Letters of Appointment

- (a) Andrew Garner has entered into a service agreement with the Company on 29 August 2006, pursuant to which he is entitled to a salary of £307,000 per annum. The agreement shall continue until or unless terminated by either party giving to the other not less than 12 calendar months' prior notice in writing. Under the terms of the agreement, the Company shall be entitled at its absolute discretion to pay salary in lieu of notice, or of any unexpired period of notice. The agreement also contains other termination provisions in respect of circumstances relating to ill-health, serious breach of the executive's obligations, bankruptcy and disqualifications from being a director. The service agreement provides for no benefits upon termination of Mr Garner's employment.
- (b) Susan O'Brien has entered into a service agreement with Garner International dated 31 March 2008 (as amended by way of a side letter dated 1 July 2008), pursuant to which she is entitled to a salary

of £200,000 per annum. The agreement shall continue until or unless terminated by either party giving to the other not less than 12 calendar months' prior notice in writing. The agreement also contains other termination provisions in respect of circumstances relating to ill-health, serious breach of the executive's obligations, bankruptcy and disqualifications from being a director. Pursuant to the agreement Ms O'Brien is entitled to a discretionary bonus as mutually agreed upon by the board of directors of the Company. The service agreement provides for no benefits upon termination of Ms O'Brien's employment.

- (c) John Bartle entered into a letter of appointment with the Company dated 1 January 2003 under the terms of which Mr Bartle agreed to act as a non-executive director of the Company. Mr Bartle currently receives a fee of £20,000 per annum. The appointment may be terminated by either party giving not less than one month's written notice. Mr Bartle's letter of appointment provides for no benefits upon termination of his appointment.
- (d) Bruce Lakefield entered into a letter of appointment with the Company dated 1 January 2007 under the terms of which Mr Lakefield agreed to act as a non-executive director of the Company. Mr Lakefield currently receives a fee of £20,000 per annum. The appointment may be terminated by either party giving not less than one month's written notice. Mr Lakefield's letter of appointment provides for no benefits upon termination of his appointment.
- (e) Richard Robinson entered into a letter of appointment with the Company dated 1 January 2003 under the terms of which Mr Robinson agreed to act as a non-executive director of the Company. Mr Robinson currently receives a fee of £20,000 per annum. The appointment may be terminated by either party giving not less than one month's written notice. Mr Robinson's letter of appointment provides for no benefits upon termination of his appointment.
- (f) Save as disclosed above, there are no service contracts in existence between any Director and the Company or any company in the Enlarged Group which cannot be determined by the relevant company without payment of compensation (other than statutory compensation) within one year and none of the service contracts referred to in this paragraph have been amended in the last six months.
- (g) The aggregate remuneration and benefits in kind paid by the Company to the directors of the Company in respect of the 12 months ended 31 December 2007 was £529,000.

9 Additional information on the Directors

- (a) In addition to their directorships of the Company, the Directors hold or have held the following directorships or have been partners in or members of the following partnerships within the five years prior to the date of this document:

Directors

(i) *Andrew Garner*

Current Directorships/Partnerships

Constellation Consulting Limited
 Constellation Corporation Limited
 Garner International Limited
 Haynes Publishing Group Public Limited
 Company

Past Directorships/Partnerships

C. J. Garland & Co Limited
 Royal Philharmonic Orchestra Limited

(ii) *Sue O'Brien*

Current Directorships/Partnerships

Garner International Ltd.

Past Directorships/Partnerships

None

(iii) *John Bartle*

Current Directorships/Partnerships

Constellation Corporation Limited
Dare Digital Limited
Guardian Media Group Plc
Hamsard 3118 Limited

Past Directorships/Partnerships

Edcoms Limited
I-Level Limited
ILG Digital Limited

(iv) *Bruce Lakefield*

Current Directorships/Partnerships

US Airways Group Inc*
US Airways Inc*
Air West*

Past Directorships/Partnerships

None

* US corporations

(v) *Richard Robinson*

Current Directorships/Partnerships

Anderson Barrowcliff LLP
Chimevale Limited
Constellation Consulting Limited
Constellation Corporation Limited
Cornpath Limited
Dukedom Limited
Garner International Limited
The East India Devonshire Sports and Public
Schools Club Limited

Past Directorships/Partnerships

None

(b) Save as disclosed above, none of the Directors has:

- (i) any unspent convictions in relation to indictable offences;
- (ii) had any bankruptcy order made against him or entered into any voluntary arrangements;
- (iii) been a director of a company which has been placed in receivership, compulsory liquidation, administration, been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;
- (iv) been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
- (v) been the owner of any assets or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
- (vi) been publicly criticised by any statutory or regulatory authority (including recognised professional bodies); or
- (vii) been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a Company.

(c) Save as disclosed in this document, no Director is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Enlarged Group and which was effected by the Enlarged Group and remains in any respect outstanding or unperformed.

- (d) No loans made or guarantees granted or provided by the Company or any member of the Enlarged Group to or for the benefit of any Director are outstanding.
- (e) Save as disclosed in this document and the audited financial statements of the Company for the financial years ended 31 December 2005, 31 December 2006 and 31 December 2007, the Company has not entered into any related party transactions of the kind set out in the Standards adopted according to the Regulation (EC) No 1606/2002.
- (f) No Director nor any member of his or her immediate family nor any person connected with him or her (within the meaning of Section 252 of the 2006 Act) has a Related Financial Product (as defined in the AIM Rules for Companies) referenced to Ordinary Shares.

10 Share Option Scheme

The Company adopted the Garner plc Enterprise Management Incentive Share Option Scheme on 18 December 2007. The Share Option Scheme is intended to be a share option plan pursuant to Schedule 5 to the Income Tax (Earnings and Pensions) Act 2003 ("ITEPA").

The main provisions of the Share Option Scheme are set out below:

(i) Eligibility

Individuals eligible to participate in the Share Option Scheme are those employees who devote on average not less than 25 hours per week, or if less, at least 75 per cent. of their working time to any company in the Group. No individual who has a material interest in the Company (broadly a 30 per cent. shareholding) will be eligible to participate in the Share Option Scheme.

(ii) Exercise price

The exercise price of an Option granted under the Share Option Scheme is not less than, if the Ordinary Shares are to be subscribed, the nominal value of an Ordinary Share.

(iii) Grant of options

Options may only be granted at the discretion of the Company during specified periods. No option may be granted after the tenth anniversary of the date on which the Share Option Scheme was approved by the board of directors.

(iv) Vesting and performance conditions

The Company may grant an option subject to objective conditions at the board's discretion, which must be satisfied before an option can be exercised. Any objective conditions imposed may be amended or waived by the Company if it considers that events have happened which would make this fair and reasonable.

(v) Exercise and lapse of options

Options may only be exercised in accordance with the Share Option Scheme rules.

If an option holder ceases to hold any employment with a company in the Group their option will lapse unless the board, in its absolute discretion and acting fairly and reasonably, determines that the option may be exercised. If this is the case, the option may be exercised within 40 days of cessation of employment.

An option may be exercised by the personal representatives of a deceased option holder during the period of one year from the date of death of the option holder. Any conditions requiring satisfaction before an option can be exercised will automatically be waived as a result of an option holder's death.

Options may also become exercisable during limited periods if the Company is taken over or wound up. If there is a takeover, then subject to certain conditions being met, options may be rolled over into

options over shares in the acquiring company. Any conditions requiring satisfaction before an option can be exercised will automatically be waived in the event of a takeover or liquidation.

In the event of an asset sale or other event such that the option holder is no longer employed by the Company or another company in the Group, there will be accelerated vesting of the right to exercise any option so that an option holder may exercise any option held during the period of 40 days (or such longer period as may be allowed by the Board) from the sale.

Options automatically lapse in the following circumstances:

- (a) the 10th anniversary of their date of grant;
- (b) on the expiry of the 40 day or one year periods referred to above;
- (c) when an employee ceases employment with the Company or any other company in the Group;
- (d) when the Company is wound up;
- (e) when an option holder becomes bankrupt; and
- (f) on the expiry of any period allowed for fulfilling any exercise conditions.

(vi) ***Variation of share capital***

On a variation of the Company's share capital by capitalisation, consolidation, sub-division or reduction of the share capital the exercise price and the number of shares under option can be varied as considered appropriate by the Company in accordance with the rules of the Share Option Scheme.

(vii) ***General***

Ordinary Shares issued or transferred to option holders on the exercise of options will rank equally with other Ordinary Shares then in issue.

The Company must ensure it has sufficient available unissued ordinary share capital to meet the exercise of any outstanding options under the Share Option Scheme.

While the Ordinary Shares remain admitted to trading on AIM, the Company will make an application to obtain a listing for Ordinary Shares issued on the exercise of options.

If an option holder ceases employment, he will not be entitled to compensation for the loss of his options nor is compensation payable if the options fail to qualify for any tax relief under ITEPA for any reason.

(viii) ***Termination***

The Board can suspend or terminate the Share Option Scheme at any time but this will not affect the subsisting rights of any option holder.

(ix) ***Amending the Share Option Scheme***

The Board has the power to make and vary such regulations for the implementation and administration of the Share Option Scheme as it thinks fit. No amendment may be made which adversely affects an option holder except where the Company has invited all option holders to indicate whether they approve the amendment and the amendment has been approved by a majority of the option holders who responded.

(x) ***Tax indemnity***

The Share Option Scheme contains an indemnity from each option holder to his employer (being either the Company or the option holder's employer) in respect of any income tax liabilities and national insurance contributions ("NICs") together with an agreement to enter into a joint election to transfer the employer's NICs liability to the option holder. The Company may refuse to allot or issue

any Ordinary Shares or any interest in Ordinary Shares until an option holder has paid to the Company a sum sufficient to indemnify the Company against any income tax or NICs. The option holder also authorises the Company to sell sufficient Ordinary Shares on his behalf to meet these liabilities.

11 Material contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by members of the Enlarged Group within the period of two years immediately preceding the date of this document:

- (a) The Acquisition Agreement to acquire the entire issued share capital of each of the NB Companies. The consideration for the acquisition of the NB Companies is for the sum of £5,500,000, subject to an adjustment, based on the net assets of the NB Companies as at 30 September 2008 and the assignment of certain unpaid debts. Such net asset adjustment is to be made according to the amount ("Net Asset Amount") by which the consolidated net assets less the consolidated net liabilities of the NB Companies as shown in reference accounts prepared by BNB following completion exceed or are less than a nil balance. Such adjustment shall be made on the basis that where the reference accounts show a negative Net Asset Amount then the consideration shall be reduced accordingly for the amount of the shortfall and increased accordingly where the completion accounts show a positive Net Asset Amount for the amount of the surplus (but in each case less amounts in respect of certain specified unpaid debts which are assigned to BNB).

The consideration is to be satisfied by the payment to BNB of £200,000 in cash upon completion of the Acquisition, any additional sum to be paid in cash to BNB in respect of the net asset adjustment, certain royalty payments (net of tax) ("Royalty Payments") received by or due to BNBROH from NBSA under the terms of the licence agreement summarised in paragraph 11(j) of this Part V, certain dividend payments (net of tax) ("Dividend Payments") received by or due to BNBROH from NBSA and certain amounts on a quarterly basis ("Quarter Payments") over a period of up to 60 months from the date of completion of the Acquisition. Quarter Payments are to be determined on the basis of 25 per cent. of the amount of the actual consolidated revenues of the Enlarged Group ("Quarterly Revenues") for each quarter period to which the Quarter Payment relates, less a projected minimum revenue amount for the Enlarged Group of £2,000,000 per quarter. The Company may set off the Quarter Payments against any amounts due from BNB to the Company where a deficit of less than £100,000 arises from the net asset adjustment, as outlined above (where such deficit amount exceeds £100,000 then the full amount of the excess deficit is to be paid by BNB to the Company within 10 business days after the later of 10 business days following agreement of the reference accounts and 30 January 2009). Until the full consideration under the Acquisition Agreement has been paid, BNBROH is required to instruct NBSA, in respect of Royalty Payments and Dividend Payments that fall due to be paid to BNBROH, to make such payments net of tax directly to BNB.

In the event that the aggregate amount of the Quarter Payments, Royalty Payments and Dividend Payments paid to BNB in the 30 month period from 30 September 2008 is less than £2,800,000 then an amount ("Shortfall Payment") equal to the shortfall is to be paid by the Company to BNB immediately thereafter. If Garner does not pay the Shortfall Payment then BNB will have the option to acquire intellectual property rights associated with the Norman Broadbent brand for a nominal sum. Further, in the event that the amounts paid by the Company to BNB in respect of the Quarter Payments, Royalty Payments, Dividend Payments and Shortfall Payment during the period of 60 months from 30 September 2008 are less than £5,300,000 (as adjusted by the net asset adjustment) then an amount equal to the shortfall is to be paid by the Company to BNB. Quarter Payments, Royalty Payments and Dividend Payments cease to be paid to BNB once the sum of £5,500,000 (as adjusted by the net asset adjustment) has been paid under the terms of the Acquisition Agreement.

The Acquisition Agreement is conditional, inter-alia, on Admission of the Enlarged Share Capital to trading on AIM taking place, the approval of the General Meeting Resolutions to be put to the Ordinary Shareholders at the General Meeting and also the approval of the Class Meeting Resolutions

to be put to the Preference Shareholders at the Class Meeting. Completion is to take place upon Admission.

The Acquisition Agreement contains customary warranties ("Warranties") to be given by each of BNB, Sortcomm, BNB RH and BNBS (the "Warrantors") in relation to the NB Companies and their respective businesses. BNB also agrees to give certain covenants and undertakings ("Conduct Undertakings") to the Buyer in relation to the conduct of the respective businesses of the NB Companies from 30 September 2008 up to the date of the Acquisition Agreement and separately for the period from the date of the Acquisition Agreement up to completion. The Acquisition Agreement excludes from these undertakings certain permitted intra-group restructuring transactions by the BNB Group designed to achieve a Net Asset Amount equal to zero. Such transactions include the assignment and forgiveness of intra-group debts. The Acquisition Agreement contains certain indemnities in relation to employment, pensions and restructuring matters. The maximum liability of the Warrantors under the warranties and Conduct Undertakings shall not exceed the sum of £5,500,000 (as adjusted by the net asset adjustment). The Company may bring a claim against the Warrantors for a breach of the non-tax warranties or the Conduct Undertakings contained in the Acquisition Agreement at any time during the period of 18 months after the date of completion and, in respect of the taxation and certain pension warranties only, at any time during the period of 7 years from the date of completion. A claim may be brought in respect of any breach of Warranties where the amount of the claim exceeds the sum of £5,500 and, if the aggregate value of all claims when taken together exceeds the sum of £55,000. BNB also undertake for a period of 2 years from completion not to compete with the business of the NB Companies nor to solicit those persons who were customers or key employees of the NB Companies during the period of 12 months prior to the date of completion.

Andrew Garner has agreed to guarantee the payment of the consideration due from the Company to BNB up to an aggregate amount of £500,000. Such amount shall be reduced accordingly where amounts paid by the Company to BNB in respect of the consideration due under the Acquisition Agreement exceed the sum of £1,000,000 for the amount of such excess.

Pursuant to the terms of the Acquisition Agreement, BNB has agreed to assign on completion of the Acquisition certain unregistered intellectual property rights to BNBROH. The Acquisition Agreement also requires the NB Companies to enter into an option agreement in an agreed form ("the IPR Option") relating to all rights relating to the Norman Broadbent name and brand and certain related unregistered intellectual property rights.

Under the proposed terms of the IPR Option, if the first £2,800,000 of the purchase consideration due to BNB under the Acquisition Agreement is not paid by the end of the first 30 months after 30 September 2008, or if at any time during that 30 month period the Company undergoes an insolvency event (as defined in the IPR Option) and as at the date of that insolvency event the first £2,800,000 of the purchase consideration due to BNB under the Acquisition Agreement has not been paid then BNB will be entitled to require the NB Companies to transfer all rights relating to the Norman Broadbent name and brand back to BNB for a consideration of £1.00.

If such option is exercised, the Company would remain liable to pay the remainder of the purchase consideration outstanding to BNB under the terms of the Acquisition Agreement. The IPR Option will also provide, in the event that BNB exercises its option, for the licence agreement between BNBROH and NBSA summarised at paragraph (k) of this Part V below to be novated to BNB and for the benefit of the licence to be held on trust for BNB by BNBROH pending such novation. No additional consideration would fall due to BNBROH or the Company (and no credit would be made to the purchase consideration then remaining due from the Company to BNB under the Acquisition Agreement) in respect of such novation.

- (b) A nominated adviser agreement dated 7 November 2008 between the Company, the Directors and Dowgate pursuant to which the Company has appointed Dowgate to act as nominated adviser to the Company for the purposes of the AIM Rules. The Company has agreed to pay Dowgate a fee of £30,000 per annum for its services as nominated adviser under the agreement, together with all

reasonable expenses and VAT. The agreement contains certain undertakings and indemnities given by the Company in respect of, *inter alia*, compliance with all applicable laws and regulations. The agreement is subject to termination on the giving of three months' notice.

- (c) A broker agreement dated 10 March 2008 between the Company and St Helen's Capital pursuant to which the Company has appointed St Helen's Capital to act as broker to the Company for the purposes of the AIM Rules. The Company has agreed to pay St Helen's Capital a fee of £25,000 per annum for its services as broker under the agreement together with all reasonable expenses and VAT. The agreement contains certain undertakings and indemnities given by the Company in respect of, *inter alia*, compliance with all applicable laws and regulations. The agreement is for a minimum period of 12 months and thereafter subject to termination on the giving of three months' notice.
- (d) An admission agreement dated 7 November 2008 between the Company, Andrew Garner, Sue O'Brien, Richard Robinson and Dowgate pursuant to which Dowgate has agreed to advise the Company in relation to Admission for a fee of £125,000, together with the issue of the Warrants as noted in paragraph 13 of Part 1 of this document. The agreement contains representations and warranties from the Company and the relevant Directors in relation to this document and the business, operations and financial performance of the Enlarged Group and an indemnity from the Company in favour of Dowgate in respect of any loss it may suffer in connection with Admission, together with provisions which enable Dowgate to terminate the agreement in certain circumstances prior to Admission.
- (e) Orderly market undertakings addressed to the Company, Dowgate and St Helen's Capital dated 7 November 2008 from each of the Directors pursuant to which they have agreed, for the period of 12 months following Admission only to dispose of an interest in Ordinary Shares following consultation with the Company's nominated adviser and broker (from time to time) and provided that such disposal is effected through such broker with a view to the maintenance of an orderly market in the Ordinary Shares. The undertakings permit disposals to be made free from any such restrictions where the disposal is made pursuant to acceptance of a general, partial or tender offer made to acquire the whole or part of the issued share capital of the Company, an intervening court order or in the event of the death of the relevant Director.
- (f) On 7 November 2008 the Company executed a warrant instrument constituting warrants to subscribe for Ordinary Shares. Each Warrant, when issued, will entitle the holder of the Warrant to subscribe for one Ordinary Share at a price of 3 pence at any time prior to 31 December 2011. The subscription price and the number and nominal value of shares to which each warrant relates is subject to adjustment in the event of a capitalisation, consolidation or sub-division of or a reduction in the share capital of the Company so as to maintain the equivalent cost of exercising the subscription rights of each holder of Warrants. These Warrants were issued conditional on Admission to those persons listed in paragraph 13 of Part 1 of this document.
- (g) Placing Letters dated between 30 October 2008 and 31 October 2008 between the Company and Placees pursuant to which the Placees have agreed with the Company to subscribe for, in aggregate, 24,354,335 new Ordinary Shares. The obligations of the Placees to subscribe for the Placing Shares are conditional on, *inter alia*, the passing of Resolution 2 set out in the Notice of General Meeting and admission of the Placing Shares to trading on AIM.
- (h) A business transfer agreement entered into on 26 September 2007 between BNBRC and Barkers Group Limited, a member of the BNB Group (the "Purchaser"), pursuant to which BNBRC sold to the Purchaser the business and assets (including the intellectual property and goodwill) and the liabilities of the outsourced recruitment solutions business carried on by BNBRC under the name "BNB Outsourcing Solutions". The transfer of the business and the assets was deemed to have been effected on 1 May 2007. The business and assets (excluding the liabilities) transferred under the agreement were valued at £75,644. The combined value of the liabilities transferred under the agreement was £197,418, thereby leaving a deficit of £121,774. The consideration for the purchase of the business and assets was the cash payment of £1.00. The parties agreed that the Purchaser would invoice BNBRC on completion for the deficit of £121,774 to be satisfied by leaving the amount

outstanding on an inter-company loan account. The agreement contains an indemnity given by the Purchaser in favour of BNBRC against the payment or performance of the liabilities.

- (i) A share purchase agreement entered into on or around 1 October 2007 between BNBROH and each of Krista Walochik, Jose Ignacio Jimenez, Vivian Acosta and Manual Clavel (the "Buyers") pursuant to which BNBROH sold 80 per cent. of the issued share capital of NBSA in consideration for cash payments in an aggregate amount of €449,000 by the Buyers. Under the agreement the Buyers were required to pay €350,000 on closing with a further €99,000 payable in three equal instalments of €33,000 on or before 1 September 2008, 1 September 2009 and 1 September 2010. The agreement contains limited warranties from BNBROH to the Buyers in relation to the shares in NBSA that were acquired pursuant to the agreement. It is intended that the benefit of this agreement will be assigned to BNB or another member of the BNB Group prior to Admission pursuant to the Acquisition Agreement.
- (j) A shareholders' agreement dated 1 October 2007 between Paul Gary Turner as a representative of BNBROH and the Buyers (as defined above) in connection with the ownership and operation of NBSA. The agreement contains provisions regarding certain reserved matters that require the prior approval of a resolution of two thirds of the issued share capital of NBSA including the amendment of NBSA's constitutional documents and the issue of new share capital. The agreement also contains provisions regarding the membership of the board of directors of NBSA and the proceedings of such board. In particular, the agreement sets out a number of matters that require the prior approval of at least three fourths of the members of the board of directors, including the acquisition or disposal of fixed assets outside the ordinary course of business. The shareholders' agreement contains restrictions on the transfer of shares in NBSA for non cash consideration and also contains rights of pre-emption in favour of the shareholders in NBSA in the event of a transfer of shares to a third party.
- (k) A licence agreement between BNBROH and NBSA and effective as of 1 September 2007 pursuant to which BNBROH granted NBSA an exclusive licence to use trade marks and other intellectual property in relation to the Norman Broadbent brand in Spain to promote recruitment services. BNBROH also granted to NBSA a non-exclusive licence to use the trade marks and intellectual property in the Norman Broadbent brand for the same purpose outside of Spain subject to BNBROH giving its prior written consent to such use. In consideration for the grant of the licence NBSA has agreed to pay a royalty to BNBROH from 1 September 2007 to 31 December 2012 of 7.5 per cent. of its net fee income. The royalty payment is subject to increase in the event that the Norman Broadbent International Network establishes a presence in certain listed target markets.
- (l) A loan agreement entered into on or about 1 October 2007 between BNBROH and NBSA pursuant to which BNBROH converted dividends declared by NBSA of €801,639 into a term loan due from NBSA. Such loan is repayable by NBSA in annual instalments on 31 December until 31 December 2012. The loan agreement provides that NBSA may from time to time request that BNBROH postpones the obligation to repay amounts not exceeding €305,000 in aggregate which would otherwise be due on a repayment date, for a period not exceeding 24 months, provided always that no such postponement shall permit NBSA to repay any portion of the loan on a date which is later than 31 December 2014. Interest is payable on the loan at the rate of five per cent. per annum except in the case of loan payments that are postponed which shall attract interest of two per cent. above LIBOR. Under the loan agreement NBSA has given certain undertakings and agreed to certain restrictions relating to further borrowings while the loan remains outstanding. It is intended that the benefit of this agreement will be assigned to BNB or another member of the BNB Group prior to Admission pursuant to the Acquisition Agreement.
- (m) A share pledge agreement entered into on or about 1 October 2007 between BNBROH, NBSA and the Buyers (as defined above) pursuant to which the Buyers have granted in favour of BNBROH a pledge over the shares in NBSA that they hold as security for the Buyers' obligations to pay the deferred consideration under the share purchase agreement referred to in paragraph (h) above and the obligations of NBSA under the licence agreement and loan agreement referred to in paragraphs (j) and

- (k) above respectively. It is intended that the benefit of this agreement will be assigned to BNB or another member of the BNB Group prior to Admission pursuant to the Acquisition Agreement.
- (n) An option agreement dated 7 November 2008 between the Company and St Helen's Capital pursuant to which the Company granted an option to St Helen's Capital to subscribe for 798,762 Ordinary Shares at a price of 5.625 pence per Ordinary Share. The option may be exercised in whole, but not in part, at any time until 31 March 2011.
- (o) A receivables finance agreement dated 14 November 2007 between Garner International and Lloyds TSB Commercial Finance Limited ("Lloyds") pursuant to which Lloyds agrees to provide Garner International with an invoice discounting facility of up to £500,000 for a minimum term of 12 months. Under the facility Lloyds agrees to purchase and Garner International agrees to assign to Lloyds all invoices which arise during the term of the facility. Garner International is entitled to an advance of up to 60 per cent. of the purchase price of an invoice which is calculated as the value of the invoice less certain fees payable to Lloyds in connection with the facility including a discount charge of 1.75 per cent above Lloyds' published base rate.
- (p) A loan facility agreement dated 7 November 2008 between the Company and Andrew Garner pursuant to which Mr Garner has agreed, in the event that the Company has not, prior to Admission, entered into arrangements to extend its working capital facilities by £500,000, to provide a loan facility to the Company of up to £500,000. This facility may be drawn upon in whole or in part to meet the working capital requirements of the Enlarged Group. Simple interest shall be payable by the Company on any loan drawn under this facility at the rate of 12 per cent. per annum, such interest to be added to the principal loan and to be paid to Mr Garner only upon final repayment of the loan. The loan may be repaid by the Company at any time and shall be repayable by the Company on demand from Mr Garner following the earlier of the date that is 18 months after the date of the facility agreement and the date that the Company enters into a substitute facility with a bank or other financial institution for a sum not less than £500,000. In the event that the Company enters into a substitute facility for less than £500,000, the loan facility provided by Mr Garner shall reduce by an equal amount.

12 Intellectual Property

"Garner" and "Garner International" are unregistered trade marks of the Group.

BNBROH is the owner of the following registered trade marks which are considered by the Directors to be important to the Enlarged Group:

"Norman Broadbent"

"Norman Broadbent measurably different"

These trade marks are Community Trade Marks.

No right to use the names 'Barkers' or 'BNB' is included in the proposed assignment.

In addition, the proposed assignment will include unregistered intellectual property rights and goodwill associated with the two registered trade marks and the Norman Broadbent brand, together with certain domain names.

BNBRC and Bancomm trade under the Norman Broadbent brand and also use the variant branding Norman Broadbent International in certain cases. Norman Broadbent International is not a registered trade mark. So far as the Directors are aware there is no formal licence between BNBROH and either BNBRC or Bancomm relating to their use of the trade marks of which BNBROH is the registered owner. The Directors consider that unregistered intellectual property relating to the Norman Broadbent and Norman Broadbent International brands exists within BNBRC and Bancomm and that such intellectual property will be important to the Enlarged Group.

The rights summarised above may cease to be available to the NB Companies in certain circumstances after Admission as further detailed in paragraph 11 (a) of this Part V above.

The Directors are not aware of any other items of registered intellectual property which are important to the Enlarged Group.

13 Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened against the Company or any member of the Enlarged Group of which the Company or any member of the Enlarged Group is aware) which have, may have or have had during the 12 months preceding the date of this document any significant effect on the Company's or any member of the Enlarged Group's financial position or profitability.

14 Working capital

The Directors are of the opinion, having made due and careful enquiries, that following Admission the Enlarged Group will have sufficient working capital for its present requirements, that is for at least the 12 month period following Admission.

15 Taxation

The following paragraphs are intended as a general guide only for shareholders who are resident and ordinarily resident in the United Kingdom for tax purposes, holding Ordinary Shares as investments and not as securities to be realised in the course of a trade, and are based on current legislation and HM Revenue & Customs practice. Any prospective purchaser of Ordinary Shares who is in any doubt about his tax position or who is subject to taxation in a jurisdiction other than the UK, should consult his own professional adviser immediately.

(a) *Taxation of Chargeable Gains*

For the purpose of UK tax on chargeable gains, the issue of Ordinary Shares pursuant to the Acquisition will be regarded as an acquisition of a new holding in the share capital of the Company.

To the extent that a shareholder acquires Ordinary Shares allotted to him, the Ordinary Shares so allotted will, for the purpose of tax on chargeable gains, be treated as acquired on the date of allotment. The amount paid for the Ordinary Shares will constitute the base cost of a shareholder's holding.

If a Shareholder disposes of all or some of his Ordinary Shares, a liability to tax on chargeable gains may, depending on his circumstances, arise.

(b) *Stamp Duty and Stamp Duty Reserve Tax*

No stamp duty or stamp duty reserve tax ("SDRT") will generally be payable on the issue of the Ordinary Shares.

(c) *Dividends and other Distributions*

Under current UK legislation, the Company is not required to withhold any amounts in respect of tax from dividend payments it makes.

Dividends paid by the Company will carry an associated tax credit of one-ninth of the cash dividend or ten per cent. of the aggregate of the cash dividend and associated tax credit. Individual shareholders resident in the UK receiving such dividends will be liable to income tax on the aggregate of the dividend and associated tax credit at the dividend ordinary rate (10 per cent.) or the dividend upper rate (32.5 per cent.).

The effect will be that taxpayers who are otherwise liable to pay tax at only the lower rate or basic rate of income tax will have no further liability to income tax in respect of such a dividend. Higher rate taxpayers will have an additional tax liability (after taking into account the tax credit) of 22.5 per cent. of the aggregate of the cash dividend and associated tax credit. Individual shareholders whose

income tax liability is less than the tax credit will not be entitled to claim a repayment of all or part of the tax credit associated with such dividends.

A UK resident corporate shareholder should not be liable to corporation tax or income tax in respect of dividends received from the Company unless that company is carrying on a trade of dealing in shares.

Trustees of UK discretionary and accumulation and maintenance trusts are liable to account for income tax at the rate applicable to trusts on the aggregate of the dividend and associated tax credit at the dividend trust rate of 32.5 per cent.

Such trusts will have an additional tax liability (after taking into account the tax credit) of 22.5 per cent. of the aggregate of the cash dividend and associated tax credit.

Persons who are not resident in the UK should consult their own tax advisers on the possible application of such provisions and on what relief or credit may be claimed for any such tax credit in the jurisdiction in which they are resident. These comments are intended only as a general guide to the current tax position in the UK as at the date of this document. The comments assume that Ordinary Shares are held as an investment and not as an asset of financial trade.

If you are in any doubt as to your tax position, or are subject to tax in a jurisdiction other than the UK, you should consult your professional adviser.

16 General

- (a) The total costs and expenses relating to the Proposals payable by the Company are estimated to be approximately £500,000 (excluding VAT).
- (b) The accountants' reports in Part III of this document are included in the form and context in which they are included with the consent of Grant Thornton which has authorised the contents of its report for the purposes of the AIM Rules. Grant Thornton has also given and not withdrawn its consent to the issue of this document with the inclusion of its reports and the references to its name in the form and context in which such references are included.
- (c) Dowgate has given and not withdrawn its written consent to the issue of this document with the references to its name in the form and context in which such references are included.
- (d) The accounting reference date of the Company is 31 December.
- (e) Save for the Proposals and as disclosed in Part I of this document, the Directors are unaware of any exceptional factors that have influenced the Company's activities.
- (f) Save as disclosed in Paragraph 12 of Part V of this document, there are no patents or other intellectual property rights, licences or particular contracts which are or may be of fundamental importance to the Company's business.
- (g) Save for the Proposals and as otherwise disclosed in this document, there have been no significant changes in the trading or financial position of the Group since 30 June 2008 being the end of the last financial period for which interim financial information has been published.
- (h) Save as disclosed in this document, there have been no significant changes in trading or financial position of the NB Companies since 30 June 2008 being the end of the last financial period for which interim financial information has been published.
- (i) Save as disclosed in paragraph (j) below and elsewhere in this document, no person directly or indirectly (other than the Company's professional advisers disclosed in this document and trade suppliers) in the last twelve months received or is contractually entitled to receive, directly or indirectly, from the Company on or after Admission any payment or benefit from the Company to the value of £10,000 or more or securities in the Company to such value calculated by reference to the Placing Price or any other benefit with a value of £10,000 or more at the date of Admission.

- (j) The Company has agreed to pay Craigie Mains Limited a total of £14,679.12 (including VAT) in connection with consultancy services provided relating to potential acquisitions by the Company.
- (k) There are no arrangements under which future dividends are waived or agreed to be waived.
- (l) Save for the Acquisition the Company does not have any investments in progress and there are no future investments on which the Directors have already made firm commitments which are significant to the Enlarged Group.
- (m) The Directors are not aware of any environmental issues that may affect the Company's utilisation of its tangible fixed assets.
- (n) The Company's major Shareholders do not have different voting rights to the Company's other Shareholders.
- (o) The Company is not aware of any arrangements which may at a subsequent date result in a change of control of the Company.
- (p) There are no provisions in the Existing Articles or the New Articles which would have the effect of delaying, deferring or preventing a change of control of the Company.
- (q) Save as disclosed in this document, so far as the Directors are aware there are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Enlarged Group's prospects for at least the current financial year.
- (r) Save as disclosed in this document, there are no mandatory takeover bids and/or squeeze-out and sell-out rules in relation to the Ordinary Shares.
- (s) No public takeover bids have been made by third parties in respect of the Company's issued share capital in the current financial year nor in the last financial year.
- (t) The Placing Shares represent 63.92 per cent. of the Issued Ordinary Shares and their issue will result in a corresponding level of dilution.
- (u) Information in this document which has been sourced from third parties has been accurately reproduced and so far as the Company is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- (v) FW Stephens, who are a member of the Institute of Chartered Accountants in England and Wales and whose registered office is at 3rd Floor, 24 Chiswell Street, London EC1Y 4YX have been the Company's auditor for the financial years ended 31 December 2006 and 2007. Deloitte & Touche LLP, who are a member of the Institute of Chartered Accountants in England and Wales and whose registered office is at 4 Brindleyplace, Birmingham B1 2HZ was the Company's auditor for the financial year ended 31 December 2005.

17 Availability of this document

Copies of this document are available free of charge from the Company's registered office and from the offices of Field Fisher Waterhouse LLP, 35 Vine Street, London EC3N 2AA, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) and shall remain available for at least one month after Admission. The document will also be available for download from the Company's website at www.garnerinternational.com.

7 November 2008

GARNER PLC

(Incorporated in England and Wales with registered number 318267)

NOTICE OF CLASS MEETING

Notice is hereby given that a general meeting of the holders of preference shares of 50 pence each (the "Preference Shares") in the above named company ("the Company") will be held at the offices of Field Fisher Waterhouse LLP, 35 Vine Street, London EC3N 2AA at 10.00 a.m. on 2 December 2008 for the purpose of considering and, if thought fit, passing the following resolutions which shall be proposed as Extraordinary Resolutions:

1. THAT, the variation of the rights attached to the Preference Shares arising from the sub-division of each issued and unissued Preference Share into eight ordinary shares of 1 penny each in the capital of the Company and one deferred B share of 42 pence each in the capital of the Company be approved.
2. THAT, the variation of the rights attached to the Preference Shares arising, from the adoption of the new Articles of Association of the Company in the form produced for the meeting and initialled by the Chairman for the purposes of identification be approved.

BY ORDER OF THE BOARD

R. Robinson
Secretary

Registered office:
6 Derby Street
London W1J 7HD

Dated 7 November 2008

Notes:

- (1) A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to exercise his rights to attend, speak and vote at the meeting instead of him/her. The proxy need not be a member of the Company. More than one proxy may be appointed to exercise the rights attaching to different shares held by the member, but a member may not appoint more than one proxy to exercise rights attached to any one share. A blue form of proxy is enclosed with this notice for use at the meeting.
- (2) To be valid a form of proxy, together with a power of attorney or other authority, if any, under which it is executed or a notarially certified copy thereof, must be deposited at the offices of the Company's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, not less than 48 hours before the time for holding the meeting or adjourned meeting. Additional contact information for the Company's registrars is printed on the form of proxy enclosed.
- (3) 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 any other joint holders. For these purposes, seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
- (4) In the case of a corporation, the form of proxy must be executed under its common seal or signed on its behalf by a duly authorised attorney or duly authorised office of the corporation.
- (5) In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the Chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the direction of all of the other corporate representatives for the shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure. The guidance includes a sample form of appointment letter if the Chairman is being appointed as described in (i) above.

- (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 by 6.00 p.m. on 30 November 2008 shall be entitled to attend and vote, whether in person or by proxy, at the Class Meeting, in respect of the number of Preference Shares registered in their name at that time. Changes to entries in the register of members after 6.00 p.m. on 30 November 2008 shall be disregarded in determining the rights of any person to attend or vote at the Class Meeting. If the Class Meeting is adjourned, entitlements to attend and vote will be determined by reference to the register of members of the company 48 hours before the time of the adjourned meeting.
- (7) Completion and return of the form of proxy will not preclude members from attending or voting in person at the meeting if they so wish.

GARNER PLC

(Incorporated in England and Wales with registered number 318267)

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of the above named company ("the Company") will be held at the offices of Field Fisher Waterhouse LLP, 35 Vine Street, London EC3N 2AA at 10.15 a.m. on 2 December 2008 (or, if later, immediately following the general meeting of the holders of preference shares of 50 pence each in the capital of the Company convened for 10.00 a.m. on the same day) for the purpose of considering and, if thought fit, passing the following Resolutions. Resolution 1 will be proposed as an Ordinary Resolution and Resolutions 2-4 as Special Resolutions:

ORDINARY RESOLUTION

1. THAT the acquisition by the Company of the entire issued share capital of each of Bancomm Limited, BNB Recruitment Consultancy Limited and BNB Recruitment Overseas Holdings Limited on the terms and subject to the conditions set out in the acquisition agreement dated 7 November 2008 between, *inter alia*, (1) BNB Recruitment Solutions plc and (2) the Company as summarised in paragraph 11 of Part V of the admission document of the Company dated 7 November 2008 (the "Admission Document") a copy of which acquisition agreement is produced to the meeting and initialled by the Chairman for the purposes of identification be and is hereby approved and the Directors or any duly authorised committee of the Directors be and are hereby authorised to take all steps necessary or desirable to complete the said acquisition

SPECIAL RESOLUTIONS

2. THAT:
 - (a) the Directors be and they are hereby generally and unconditionally authorised in accordance with Section 80 of the Companies Act 1985 (the "Act") to exercise all the powers of the Company to allot relevant securities (within the meaning of Section 80(2) of the Act) up to an aggregate nominal amount of £513,230, such authority to expire at the conclusion of the next Annual General Meeting of the Company, save that the Company may make an offer or agreement before the expiry of this authority which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities pursuant thereto as if the authority conferred hereby had not expired and provided further that this authority shall be in substitution for and supersede and revoke any earlier such authority conferred on the Directors to the extent not previously utilised; and
 - (b) the Directors be and they are hereby generally empowered pursuant to Section 95 of the Act to allot equity securities (as defined in Section 94(2) of the Act) for cash pursuant to the authority conferred by paragraph (a) of this Resolution as if Section 89(1) of the Act did not apply to such allotment provided that this power shall be limited to:
 - (i) the allotment of equity securities up to an aggregate nominal amount of £243,543.35 pursuant to the Placing (as defined in the Admission Document);
 - (ii) the allotment of equity securities pursuant to the grant of Warrants (as defined in the Admission Document) up to an aggregate nominal amount of £33,500.01;
 - (iii) the allotment of equity securities in connection with an issue in favour of the holders of Ordinary Shares where the equity securities respectively attributable to the interests of all holders of Ordinary Shares are proportionate (as nearly as may be) to the respective number of Ordinary Shares held by them but subject to such exclusions or arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements arising or any legal or practical problems under the laws of any overseas territory or the requirements of any regulatory body or stock exchange;

- (iv) the allotment (otherwise than pursuant to sub-paragraphs (i) to (iii) above) of equity securities for cash up to an aggregate nominal amount of £177,138.85,

and this power shall expire at the conclusion of the next Annual General Meeting of the Company, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if the power conferred hereby had not expired and provided further that this power shall be in substitution for and supersede and revoke any previous power granted to the Directors to the extent not previously utilised.

3. THAT, subject to and conditional upon the agreement for the Acquisition referred to in Resolution 1 above becoming unconditional in all respects (other than as to the condition relating to the admission of the enlarged issued share capital of the Company to trading on the AIM Market of the London Stock Exchange ("AIM")), upon the Company adopting the New Articles (as defined below), each issued and unissued preference share of 50 pence each in the capital of the Company be sub-divided into eight ordinary shares of 1 penny each in the capital of the Company and one deferred B share of 42 pence each in the capital of the Company, each having the rights set out in the New Articles.
4. THAT, subject to and conditional upon the agreement for the Acquisition referred to in Resolution 1 above becoming unconditional in all respects (other than as to the condition relating to the admission of the enlarged issued share capital of the Company to trading on AIM), the new Articles of Association of the Company in the form produced for the meeting and initialed by the Chairman for the purposes of identification ("the New Articles") be and are hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association.

BY ORDER OF THE BOARD

R. Robinson
Secretary

Registered office:

6 Derby Street
London W1J 7HD

Dated 7 November 2008

Notes:

- (1) A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to exercise his rights to attend, speak and vote at the meeting instead of him/her. The proxy need not be a member of the Company. More than one proxy may be appointed to exercise the rights attaching to different shares held by the member, but a member may not appoint more than one proxy to exercise rights attached to any one share. A white proxy form is enclosed with this notice for use at the meeting.
- (2) To be valid a form of proxy, together with a power of attorney or other authority, if any, under which it is executed or a notarially certified copy thereof, must be deposited at the offices of the Company's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, not less than 48 hours before the time for holding the meeting or adjourned meeting. Additional contact information for the Company's registrars is printed on the form of proxy enclosed.
- (3) 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 any other joint holders. For these purposes, seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
- (4) In the case of a corporation, the form of proxy must be executed under its common seal or signed on its behalf by a duly authorised attorney or duly authorised office of the corporation.
- (5) In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the Chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the direction of all of the other corporate representatives for the shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same

corporate shareholder attends the meeting but the corporate shareholder has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure. The guidance includes a sample form of appointment letter if the Chairman is being appointed as described in (i) above.

- (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 by 6.00 p.m. on 30 November 2008 shall be entitled to attend and vote, whether in person or by proxy, at the Extraordinary General Meeting, in respect of the number of Ordinary Shares registered in their name at that time. Changes to entries in the register of members after 6.00 p.m. on 30 November 2008 shall be disregarded in determining the rights of any person to attend or vote at the Extraordinary General Meeting. If the Extraordinary General Meeting is adjourned, entitlements to attend and vote will be determined by reference to the register of members of the company 48 hours before the time of the adjourned meeting.
- (7) Completion and return of the form of proxy will not preclude members from attending or voting in person at the meeting if they so wish.

