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PROSPECTIVE INVESTORS SHOULD READ THE WHOLE OF THE TEXT OF THIS DOCUMENT AND SHOULD BE AWARE THAT AN INVESTMENT IN THE COMPANY IS SPECULATIVE, INVOLVES A HIGH DEGREE OF RISK, MAY RESULT IN THE LOSS OF THE ENTIRE INVESTMENT AND MAY NOT BE SUITABLE FOR ALL RECIPIENTS OF THIS DOCUMENT. IN PARTICULAR, PROSPECTIVE INVESTORS' ATTENTION IS DRAWN TO THE SECTION ENTITLED "RISK FACTORS" IN PART II OF THIS DOCUMENT.

The Company, whose registered office appears on page 5, and the Directors and Proposed Directors, whose names appear on page 5, accept responsibility for the information contained in this document, including individual and collective responsibility, for the Company's compliance with the AIM Rules. To the best of the knowledge and belief of the Company, the Directors and Proposed Directors (each of whom 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 has been made for all of the Ordinary Shares, issued and to be issued, to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Ordinary Shares will commence on AIM at 8.00 a.m. on 1 May 2012.

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

The rules of AIM are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the Ordinary Shares to the Official List. The Shares are not traded on any other recognised investment exchange and no application has been made for the Ordinary Shares to be listed on any other recognised investment exchange. The whole text of this document should be read.

Snoozebox Holdings plc

(a company incorporated in England & Wales under the Companies Act 2006 with company number 8013887)

Placing of 30,000,000 Ordinary Shares at 40 pence per share

Admission of the Enlarged Share Capital to trading on AIM

Nominated Adviser and Broker

PANMURE GORDON & CO
INTEGRITY IN INVESTMENT BANKING SINCE 1876

Share capital immediately following Admission

	<i>Number</i>	<i>Amount</i>
Issued and fully paid ordinary shares of 1p	51,295,000	£512,950

The Placing Shares will, on issue, rank in full for all dividends and other distributions declared, paid or made in respect of the Ordinary Shares after Admission and will otherwise rank *pari passu* in all respects with the existing Ordinary Shares in issue.

Panmure Gordon, which is regulated by the FSA, is acting exclusively for the Company in connection with the Placing and Admission as nominated adviser and broker to the Company and will not be responsible to any person other than the Company for providing the protections afforded to customers of Panmure Gordon or for advising any other person on the contents of this document or on any transaction or arrangement referred to herein. Panmure Gordon has not authorised the contents of any part of this document for the purposes of the AIM Rules. The responsibilities of Panmure Gordon as the Company's nominated adviser and broker under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or any Director, Shareholder or any other person. Panmure Gordon is not making any representation or warranty, express or implied, as to the contents of this document. No liability whatsoever is accepted by Panmure Gordon or any of its directors, officers, partners, employees, agents or advisers for the accuracy of any information or opinions contained in this document or for the omission of any material information for which it is not responsible.

In connection with the Placing, Panmure Gordon and any of its affiliates, acting as investors for its or their own accounts, may subscribe for and/or acquire Ordinary Shares and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in the Ordinary Shares, any other securities of the Company or related investments in connection with the Placing or otherwise. Accordingly, references in this document to the Ordinary Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, dealing or placing by Panmure Gordon and any of its affiliates acting as investor for its or their own account(s). Panmure Gordon does not intend to disclose the extent of such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

This document does not constitute or form part of an offer to issue or sell, or the solicitation of an offer to subscribe for or acquire, any Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful or restricted by law. The Ordinary Shares have not been, nor will they be, registered or qualified for sale, under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States or under the applicable securities laws of Australia, Canada, Japan or the Republic of South Africa. The Ordinary Shares may not be offered or sold in the United States, Australia, Canada, Japan or the Republic of South Africa or to or for the account or benefit of any national, resident or citizen of Australia, Canada, Japan or the Republic of South Africa. This document may not be sent to or taken into the United States, Australia, Canada, Japan or the Republic of South Africa. The distribution of this document in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves of and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

IMPORTANT INFORMATION

Investment in the Company carries risk. There can be no assurance that the Company's strategy will be achieved and investment results may vary substantially over time. Investment in the Company is not intended to be a complete investment programme for any investor. The price of the Ordinary Shares and any income from Ordinary Shares can go down as well as up and investors may not realise the value of their initial investment. Prospective Shareholders should carefully consider whether an investment in Ordinary Shares is suitable for them in light of their circumstances and financial resources and should be able and willing to withstand the loss of their entire investment (see further under "Part II: Risk Factors"). Statements made in this document are based on the law and practice currently in force in England and Wales and are subject to changes therein.

FORWARD-LOOKING STATEMENTS

Certain statements contained herein are forward-looking statements and are based on current expectations, estimates and projections about the potential returns of the Group and industry and markets in which the Group will operate, the Board of Directors' beliefs and assumptions made by the Board of Directors. These forward-looking statements may be identified by the use of forward-looking terminology such as "expects", "anticipates", "should", "intends", "plans", "believes", "seeks", "estimates", "projects", "pipeline" and variations of such words, or negatives thereof, or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These statements are not guarantees of future performance or the ability to identify and consummate investments and involve certain risks, uncertainties, outcomes of negotiations and due diligence and assumptions that are difficult to predict, qualify or quantify. Therefore, actual outcomes and results may differ materially from what is expressed in such forward looking statements or expectations. Among the factors that could cause actual results to differ materially are: the general economic climate, competition, interest rate levels, loss of key personnel, the result of legal and commercial due diligence, the availability of financing on acceptable terms, changes in the legal or regulatory environment and other factors discussed in Part II. These forward-looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules.

Copies of this document will be available free of charge during normal business hours on any weekday (except Saturdays, Sundays and public holidays) at the offices of Panmure Gordon at Moorgate Hall, 155 Moorgate, London EC2M 6XB and at the registered office of the Company from the date of this document for a period of one month following Admission and on the Company's website at www.snoozebox.com. The contents of the Company's website, including any websites accessible from hyperlinks on the Company's website, do not form part of this document.

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EXPECTED TIMETABLE FOR THE PLACING AND ADMISSION

Publication of Admission Document	26 April 2012
Admission becomes effective and commencement of dealings in the Ordinary Shares on AIM	8.00 a.m. on 1 May 2012
CREST accounts to be credited with Placing Shares (where applicable)	1 May 2012
Despatch of definitive share certificates for the Placing Shares (where applicable)	8 May 2012

Each of the times and dates in the above timetable is subject to change at the discretion of the Company and Panmure Gordon. If the above dates change, the revised times and dates will be notified by means of an announcement through the Regulatory News Service.

All times are London times

PLACING STATISTICS

Placing Price per share	40 pence
Number of Ordinary Shares in issue prior to the Placing	10,000,000
Number of Loan Notes converted into Ordinary Shares at Admission	11,295,000
Number of Placing Shares being issued pursuant to the Placing	30,000,000
Number of Ordinary Shares in issue at Admission	51,295,000
Percentage of Enlarged Share Capital represented by Placing Shares	58.5
Gross proceeds of the Placing	£12,000,000
Estimated net proceeds of the Placing receivable by the Company	£11,000,000
Market capitalisation of the Company at the Placing Price at Admission	£20,518,000
ISIN Code	GB00B7D66J40

DIRECTORS, PROPOSED DIRECTORS, OFFICERS AND ADVISERS

Directors	Robert Roddick Ackrill Breare, <i>Chief Executive</i> Christopher George Upton, <i>Finance Director</i>
Proposed Directors*	David John Morrison, <i>Non-Executive Chairman</i> Richard James Guy Davies, <i>Non-Executive Director</i>
Company Secretary	Christopher George Upton
Registered Office	30 Old Burlington Street London W1S 3NL
Financial Adviser, Nominated Adviser and Broker	Panmure Gordon (UK) Limited Moorgate Hall 155 Moorgate London EC2M 6XB
Reporting Accountant and Auditors	BDO LLP 55 Baker Street London W1U 7EU
Lawyers to the Company	Davenport Lyons 30 Old Burlington Street London W1S 3NL
Lawyers to the Nominated Adviser	Norton Rose LLP 3 More London Riverside London SE1 2AQ
Public Relations	College Hill The Registry Royal Mint Court London EC3N 4QN
Registrars	Capita Registrars Limited The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

* Proposed Directors will be appointed as Directors upon Admission

DEFINITIONS

“Act”	the Companies Act 2006
“Admission”	the admission of the Enlarged Share Capital to trading on AIM becoming effective in accordance with the AIM Rules for Companies
“AIM”	the market of that name operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies and the AIM Rules for Nominated Advisers
“AIM Rules for Companies”	the rules published by the London Stock Exchange entitled “AIM Rules for Companies”
“AIM Rules for Nominated Advisers”	the rules published by the London Stock Exchange entitled “AIM Rules for Nominated Advisers”
“Articles”	the articles of association of the Company, a summary of which is set out in paragraph 8 of Part IV of this document
“Business Day”	a day on which banks are open for business in London (excluding Saturdays, Sundays and public holidays in the UK)
“certificated form” or “in certificated form”	not in uncertificated form (that is, not in CREST)
“City Code”	the City Code on Takeovers and Mergers issued by the Panel
“Company” or “Snoozebox”	Snoozebox Holdings plc, a company incorporated in England & Wales with company number 8013887
“Contrax”	the Snoozebox product for secure but functional accommodation for the private and public sectors
“Corporate Governance Guidelines”	the corporate governance guidelines for AIM companies published by the Quoted Companies Alliance in September 2010
“CREST”	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear UK & Ireland which facilitates the transfer of title to shares in uncertificated form
“CREST Regulations”	the UK Uncertificated Securities Regulations 2001 (as amended) (SI 2001/3755)
“Directors” or “Board”	the directors of the Company as at the date of this document, whose names are set out on page 5 of this document
“DTR”	the Disclosure and Transparency Rules published by the FSA
“Enlarged Share Capital”	the Ordinary Shares in issue following completion of the Placing
“Events”	the Snoozebox product for the provision of hotel-type accommodation for the year-round ‘Events’ market
“FSA”	the UK Financial Services Authority
“FSMA”	the Financial Services and Markets Act 2000
“Group”	the Company and the Subsidiary as at the date of Admission.
“HMRC”	HM Revenue & Customs
“Loan Notes”	£2,259,000 in principal amount of convertible unsecured loan notes in the Company constituted pursuant to a Loan Note Instrument dated 16 April 2012

“IFRS”	International Financial Reporting Standards (including International Accounting Standards)
“London Stock Exchange”	London Stock Exchange plc
“Official List”	the Official List of the UK Listing Authority
“Ordinary Shares”	ordinary shares of 1p each in the capital of the Company
“Panel”	the UK Panel on Takeovers and Mergers, and any successor or replacement body thereof
“Panmure Gordon” or “Nominated Adviser” or “Broker”	Panmure Gordon (UK) Limited, a company incorporated in England and Wales with company number 04915201 and the Company’s nominated adviser and broker for the purposes of the AIM Rules, a member of the London Stock Exchange and regulated in the UK by the FSA
“Placees”	those persons subscribing for Placing Shares at the Placing Price
“Placing”	the conditional placing by Panmure Gordon, as agent for the Company, of the Placing Shares at the Placing Price pursuant to the terms of the Placing Agreement
“Placing Agreement”	the agreement dated 26 April 2012, between the Company, the Directors, Proposed Directors and Panmure Gordon relating to the Placing, details of which are set out in paragraph 16 of Part IV of this document
“Placing Price”	40 pence per Placing Share
“Placing Shares”	the 30,000,000 Ordinary Shares which are the subject of the Placing
“Proposed Directors”	the proposed directors of the Company as at the date of this document, whose names are set out on page 5 of this document
“Prospectus Rules”	the Prospectus Rules published by the FSA
“Registrar”	Capita Registrars Limited
“Senior Managers”	the senior employees of the Company other than the Directors and Proposed Directors on the date of this document, being Michael Clive Stockdale and Anthony Gilbert Cowdrey
“Shareholders”	holders of Ordinary Shares in the Company
“Sterling” or “£” or “pence”	respectively pounds and pence sterling, the lawful currency of the United Kingdom
“Subsidiary”	Snoozebox Limited, a company incorporated in England & Wales with company number 7546513
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UK Corporate Governance Code”	the revised code on the principles of good corporate governance and best practice published in May 2010 by the Financial Reporting Council
“uncertificated form” or “in uncertificated form”	held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST

PART I

INFORMATION ON THE COMPANY

1. Overview

Snoozebox provides comfortable and secure accommodation which is portable and does not require mains services such as power, water and waste drainage. Both installation and removal of a 300 room unit can be achieved within three to four days on natural terrain and without need for foundations or site preparation.

Snoozebox's products are aimed primarily at outdoor events and temporary staff accommodation. In the Company's identified markets, sites are often located in places with limited convenient alternatives and without access to mains services and Snoozebox aims to provide on-site accommodation where possible.

Snoozebox aims to provide two types of accommodation:

- the Events product is hotel accommodation which is stylish and has wide-ranging amenities in its rooms. It is intended to supply both the sizeable year-round Events market and other markets for temporary hotel accommodation, for instance where conventional hotel capacity needs to be increased to meet demand;
- the Contrax product is accommodation which, while still comfortable and secure, is necessarily more functional due to the market it intends to supply. This comprises both the private sector, such as airports, film locations and civil engineering sites and the public sector such as the military, the Home Office and local government.

While initially concentrating on the UK, the Directors and Proposed Directors believe that Snoozebox's products have significant potential for expansion in Europe and further afield. For opportunities beyond Europe, the Directors and Proposed Directors would expect to access the international market on a franchise or joint venture basis.

2. History and Background

The Snoozebox product was originally conceived by Robert Breare in June 2010. Detailed design was completed in February 2011 and the Subsidiary was incorporated on 1 March 2011. Thereafter, discussions began between the Subsidiary and the British Racing Drivers Club and Silverstone Circuits Ltd. An agreement was signed on 17 May 2011 between Silverstone Circuits Ltd. and the Subsidiary to set up the first Snoozebox hotel unit (40 rooms) in time for the British Grand Prix at Silverstone in July 2011.

This high-profile event has provided a platform for the successful launch of Snoozebox and this, together with the simultaneous launch of a sales and marketing campaign, has resulted in a build-up of momentum for the Events product and a strong level of interest and demand for 2012 and beyond.

2.1 Products

Both of Snoozebox's products are based on ISO steel shipping containers with 9'6" height. The use of standard steel containers permits normal movement by road, rail or ship without the need for any special arrangements. They can be loaded and unloaded easily and can be stacked without requiring supporting structures. Ground level containers are located on RSJ chairs with adjustable pads so that a Snoozebox hotel can be located on soft and undulating ground if hard standing is not available. The fact that the containers do not need to be dismantled allows stylish design and quality of fittings within a durable structure.

The Events product normally comprises four rooms per container. Each room is fitted out to a high standard with modern fixtures and a stylish décor. Sound and heat insulation has been used to provide comfort and privacy and each room has its own air-conditioning. Each room has a double bed together with in most cases a separate single bed, flat screen TV, WI-FI and room safe. Each room also has its own en suite wet room comprising a power shower, W.C. and wash basin.

The Contrax product will have a lower specification and can be customised to suit a particular customer's specific requirements.

2.2 *Utilities*

All Snoozebox products are designed to be entirely independent of mains services: power, water and waste drainage. For every 80 rooms, there is a Mother Unit (MU) and provision of power through a generator. The MU has tanks which supply hot and cold water and store waste extracted using vacuum technology. An 80 room hotel requires one fresh water tanker and one waste extraction tanker every day. However, Snoozebox can easily switch to mains services where available.

2.3 *Services*

A Snoozebox hotel provides normal reception services, daily housekeeping and a 24 hour duty manager. Snoozebox has established that customers enjoy the opportunity to socialise with other guests at the hotel, regardless of the proximity of an event's facilities. Consequently, Snoozebox will usually provide a marquee or similar facility for its guests where food and beverage is available. Provision of catering services will generally be outsourced.

2.4 *Manufacturing*

Snoozebox sources its new, standard specification ISO containers from the Far East. Delivery to the UK typically takes 6 weeks for shipment although estimated order times will vary. The containers will then be fitted out to Snoozebox's specification in the UK incorporating specific functional requirements with high-quality and stylish décor.

2.5 *Logistics*

Snoozebox currently has 40 rooms in stock and ready for deployment. It has a further 240 rooms in the process of being manufactured which are expected to be ready for delivery by 28 April 2012 in time for the Queen's Diamond Jubilee pageant in the grounds of Windsor Home Park.

Snoozebox has selected and entered into discussions with preferred national and local contractors to fulfil its haulage and crane requirements as well as power generation, water delivery and waste extraction where required. Snoozebox products are designed to be transported on standard articulated trailers and 300-room hotel accommodation can be installed and commissioned on site within three to four days. The integral strength of the Snoozebox product allows the accommodation to be stacked enabling more accommodation per site than with single storey buildings.

2.6 *Planning*

For most events in the UK, Snoozebox will qualify as a temporary structure for the purposes of UK planning laws on the basis that the structure will be in place for 28 days or less. Planning permission for such events should therefore not be required.

For events of longer than 28 days duration planning permission is likely to be required and will be applied for on a site by site basis. Specific planning consent may be required in certain cases in respect of advertising on the Snoozeboxes.

2.7 *The Market*

Events

For the Snoozebox Events product, the Directors and Proposed Directors have identified over 150 annual events in the UK outdoor leisure market. These comprise sporting events such as motor racing, horseracing and eventing, golf, tennis and sailing; music festivals; county shows; cultural events such as the Edinburgh Festival and commercial events such as product launches. In addition to annual events, the UK is also hosting several significant one-off high profile events such as, in 2012, the Queen's Diamond Jubilee and the Olympic Games; the Commonwealth Games and Ryder Cup in 2014; and the Rugby World Cup in 2015.

All of Snoozebox's revenue has been derived to date from the UK but Snoozebox has also identified similar market opportunities in nearby Continental Europe. Very few events have hotel accommodation at or inside their grounds and few have sufficient hotel accommodation in the immediately surrounding area, whereas there is usually high demand for such accommodation from events organisers, sponsors, VIPs, participants and visitors alike. Snoozebox is well placed to supply these markets particularly given its ability to operate without mains services.

In addition, the Events product can be used by conventional hotels when they require additional capacity during seasonal peak periods.

Contrax

The Contrax product is intended to supply personnel accommodation that is required for relatively long periods of time. Typical examples identified by the Directors and Proposed Directors include military deployments and civilian construction projects in places with insufficient accommodation resources for the numbers of individuals deployed.

International

The Directors and Proposed Directors believe that similar market opportunities for Snoozebox products in the UK exist in many countries worldwide.

3. Competition

The Directors' and Proposed Directors' opinion is that competition for the outdoor leisure market is provided by conventional hotels and Bed and Breakfast facilities, by "glamping" (glamorous camping), motor homes, caravans and conventional camping. In addition, portable accommodation is available largely using portacabin technology.

Hotels and Bed and Breakfast facilities are often at some distance from the event itself and frequently raise their prices during the event period. Glamping, motor homes, caravans and conventional camping do not typically provide the same level of amenities, comfort and security as Snoozebox.

Portable cabin-style accommodation is sometimes available. It uses systems, however, which generally require disassembly on each occasion and transportation on a flat pack basis. This prevents the maintenance of stylish and quality décor and amenities. Moreover, such systems cannot be stacked without expensive additional gantries and this, combined with the internal size of each cabin results in an inflexible layout and large footprint in comparison to a Snoozebox installation. Generally such accommodation also requires mains electricity, water and sewage to be provided, which limits the locations where it may be used. As a result, Snoozebox is much more efficient in the transportation, assembly and disassembly of its products.

This combination of characteristics makes Snoozebox competitive on pricing, level of comfort and amenities. Furthermore, its compact nature, and the ability to stack, enables it to provide a far greater capacity of accommodation on a site of comparable size.

The principal advantage of the Contrax product is the ease of transportation and durability of the product, together with its independence from mains supply. Competition for this product is typically met by the cabin technology as above and a combination of purpose-built housing and commuting from places where housing is available. The Directors and Proposed Directors believe the ability to provide **more comfortable on-site staff accommodation** will result in greater efficiency through increased staff retention and reduced logistics costs.

4. Intellectual Property

Snoozebox has filed an international patent application for the grant of patent rights in the principal jurisdictions where Snoozebox intends to market and sell its services, including Europe, the United States and Australia. The patent application relates to a temporary accommodation system utilising shipping containers demountably connected to one or more core service modules.

The international patent application was filed on 30 September 2011 based on United Kingdom patent application number 1111445.1 with a priority date of 5 July 2011. Snoozebox has the option of progressing the international patent application into one or more of the designated member states of the PCT (Patent Co-operation Treaty), including the European Patent Convention, the United States and Australia with a view to local prosecution and possible grant of patent rights.

“Snoozebox” has been registered as a trademark in the UK and European Community both for the word SNOOZEBOX and a series of logos in class 43 for “Hotel services; provision of temporary accommodation; agency services for booking and reservation of temporary accommodation; hospitality services”. In the European Community, the logo is registered in black and white only as series applications are not permitted. The trademarks are due for renewal on 15 April 2021.

Snoozebox has also registered a number of internet domain names including “Snoozebox.com”, Snoozebox.co.uk, Snoozeboxhotel.com and Mysnoozebox.com.

5. Strategy

Robert Breare’s vision was to create a product that provided event goers with an accommodation option that combined the comfort of a hotel and the convenience of on-site location, where few or no such options exist.

Snoozebox’s strategy is to capitalise on the “first mover advantage” which the Directors and Proposed Directors believe Snoozebox has and maximise the potential of Snoozebox products for the markets that it has identified. The Directors’ and Proposed Directors’ goal is for Snoozebox to become the first choice for event organisers and guests and create the dominant brand in the market.

Snoozebox will manage its own operations in the UK and mainland Europe with its experienced Board and team.

Outside the UK and mainland Europe, the Directors and Proposed Directors intend to operate via franchise and joint venture arrangements with local partners.

6. Current Trading and Prospects

The Subsidiary was incorporated on 1 March 2011 and commissioned the construction of the first Snoozebox unit shortly thereafter. The first Snoozebox rooms were installed at Silverstone in time for the F1 British Grand Prix event from 7 to 10 July 2011. Snoozebox successfully let all available rooms for this event.

The Company is in negotiations with a number of event organisers to provide Snoozebox products during 2012. A brief overview of these events is set out below:

- a) Queen’s Diamond Jubilee: provision of between 256 and 324 rooms at Windsor Home Park in May 2012;
- b) Isle of Man: provision of 240 rooms for the Isle of Man TT race at Nobles Park in Douglas in May and June 2012;
- c) Download Festival: provision of 80 rooms at the Download Festival in Donington in June 2012;
- d) Hop Farm: provision of up to 160 rooms for the Hop Farm Music Festival in Paddock Wood, Kent in June and July 2012;
- e) Goodwood: provision of 144 rooms on the Goodwood Estate for the Festival of Speed in June 2012 and for the Goodwood Revival in September 2012;
- f) Silverstone: provision of up to 240 rooms. 200 rooms have so far been released and sold for the Formula 1 Santander Grand Prix weekend in July 2012;
- g) London Olympics: provision of up to 320 rooms; and
- h) Karting Championships: provision of 80 rooms for the World Karting Championships in Grantham during July and August 2012.

The Company also currently has a **five-year framework agreement in place with J. R. Pickstock Limited** (“Pickstock”) for the supply and fit-out of the steel containers. To date, the Company has ordered **240 rooms** from Pickstock which are expected to be ready for use by May 2012. This order, along with the **existing 40 rooms**, is expected to be sufficient for the first event this calendar year, being the Queen’s Diamond Jubilee in May 2012. The Company intends to place a further order with Pickstock on receipt of the funds received at IPO to **take total capacity from 280 to 400 rooms**.

7. Historical trading

The results of the Subsidiary for the period from incorporation on 1 March 2011 to 31 December 2011 are set out in Part III of this document. These show that a loss of £1.25 million was incurred as a result of the business being in its start up phase.

8. Directors, Proposed Directors and Senior Management

Directors

Robert Roddick Ackrill Breare, 59, Chief Executive

Robert has been involved in the hotel and hospitality industry for approximately 25 years. He was a founder and CEO of Arcadian International plc, whose businesses included the Malmaison and Great Eastern hotels. He has worked at a senior level in the hospitality sector, both as an executive and a consultant, for nineteen years. More recently he was Chairman of the Scotsman Hotel Group and of the Individual Restaurant Company plc. He is currently non-executive Chairman of Ted Baker plc.

Christopher George Upton, 60, Finance Director

Christopher has worked in senior financial positions in the hospitality sector for 18 years. He was Finance Director of Arcadian International plc for seven years. Before that he held senior positions in finance and IT at a number of commodity trading companies including ED & F Man Ltd. He is a non executive Director of Pod Food Limited and is deputy Chairman of the Hospitality Professionals Association (HOSPA).

Proposed Directors

David John Morrison, 53, Non-executive Chairman

David has been chief executive of Prospect Investment Management, a venture capital advisory company, since 1999. Prior to establishing Prospect he worked in the venture capital sector mainly with 3i and Abingworth. In the past few years, on behalf of the clients of Prospect, he has invested in and been a director of several companies including PayPoint plc, Venture Production plc, which were private at the time of Prospect's investment, but subsequently were listed. He currently serves as a director of PayPoint plc, Record plc and several private companies.

Richard James Guy Davies, 58, Non-executive Director

Richard was at Lazard Brothers & Co., Limited for 17 years from 1976 and became a Director in 1986. He was appointed Chief Executive of LET Ventures Limited, the retail and leisure division of SPP.LET in 1993. Richard joined British Linen Bank as head of Corporate Finance in 1995 and was a founder director of British Linen Advisers from 2000 to 2008. Richard is a non executive director of Kiplun Limited, a privately owned company with interests in industrial businesses and in leisure.

The Directors and Proposed Directors expect in due course to appoint a Chief Operating Officer to support the existing Executive Directors and other senior management.

Senior Management

Michael Clive Stockdale, 55, Operations Director

Mike has worked as a Director in logistics and supply chain operations and consultancy. He started in short sea shipping, intermodal container movements and Third Party Logistics (Commercial Director of Hays 2002-04). He has worked in retail supply chains for Thresher/First Quench Retail (Central Operations Director 2008-09), Primark, Littlewoods, Woolworth and Marks and Spencer. He has worked in publishing as Managing Director of the distribution division of Hodder Headline (2004-06) and also in a supply chain restructuring programme for Rolls Royce Civil Aviation.

Anthony Gilbert Cowdrey, 59, Head of International Division, QGM BEM

Anthony served in the British Army for 33 years. He has subsequently advised the Home Office and the Cabinet Office on Counter Terrorism, having planned and delivered the Counter Terrorist Exercise Plan and represented the UK in this field around the world. Anthony has been responsible for the protection against terrorism of Ministers, members of the Royal Family and other VIPs.

9. Corporate governance

The Directors and Proposed Directors recognise the importance of sound corporate governance and intend to comply with the Corporate Governance Guidelines, to the extent appropriate for a company of Snoozebox's nature and size.

The Corporate Governance Guidelines were devised by the Quoted Companies Alliance ("QCA"), in consultation with a number of significant institutional small company investors, as an alternative corporate governance code applicable to AIM companies. An alternative code was proposed because the QCA considers the UK Corporate Governance Code to be inappropriate for many AIM companies. The Corporate Governance Guidelines state that "The purpose of good corporate governance is to ensure that the company is managed in an efficient, effective and entrepreneurial manner for the benefit of all shareholders over the longer term."

The Board of Directors will meet at least six times a year to review the Group's strategy and oversee the Group's progress towards its goals. It has established audit and remuneration committees. Given the compact size of the Board, the Directors and Proposed Directors do not believe that there is a requirement to form a nomination committee.

Audit Committee

The Board of Directors has established an audit committee with formally delegated duties and responsibilities. The audit committee will be chaired by Richard Davies and its other member is David Morrison. The audit committee will meet at least twice a year and will be responsible for ensuring that the financial performance of the Company is properly reported on and monitored, including reviews of the annual and interim accounts, results announcements, internal control systems and procedures and accounting policies.

Remuneration Committee

The remuneration committee is chaired by David Morrison and its other member is Richard Davies. It is expected to meet not less than twice a year. Executive Directors may attend meetings at the committee's invitation.

The remuneration committee has responsibility for determining, within agreed terms of reference, the Group's policy on the remuneration of senior executives and specific remuneration packages for Executive Directors, including pension rights and compensation payments. It is also responsible for making recommendations for grants of options to management and employees.

The remuneration of non-executive Directors is a matter for the board. No Director may be involved in any discussions as to his or her own remuneration.

10. Reasons for Admission

The Directors and Proposed Directors of Snoozebox believe that Admission will assist Snoozebox in its development by:

- providing investment and working capital to fund growth;
- raising its profile amongst investors and customers; and
- capitalising on the Company's first mover advantage through accelerated growth.

11. The Placing and Use of Proceeds

The Company is seeking to raise £12 million (before expenses) by way of the Placing. Pursuant to the Placing Agreement, Panmure Gordon has conditionally placed 30,000,000 Ordinary Shares on behalf of the Company at the Placing Price. The Placing Shares to be issued by the Company pursuant to the Placing will represent approximately 58.5 per cent. of the Enlarged Share Capital. On Admission, the Company will have a market capitalisation of approximately £20.5 million based on the Placing Price.

The net proceeds of the Placing, amounting to approximately £11 million, will be used to repay the Group's outstanding debt facilities and to provide development capital.

The Placing Shares will be in registered form and will be issued credited as fully paid and will, on issue, rank *pari passu* in all respects with Ordinary Shares in issue prior to Admission, including the right to receive all dividends and other distributions thereafter declared, made or paid on the Ordinary Shares. The Ordinary Shares were created under the Act and can be issued in certificated or uncertificated form.

The Placing is conditional, *inter alia*, upon Admission becoming effective and the Placing Agreement becoming unconditional in all other respects by 8.00 a.m. on 1 May 2012 or such later date (being no later than 3.00 p.m. on 14 May 2012) as the Company and Panmure Gordon may agree. The Placing is not being underwritten.

Further details of the Placing Agreement are set out in paragraph 16 of Part IV of this document.

12. Admission, Settlement and Dealings

Application has been 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 Ordinary Shares will commence at 8.00 a.m. on 1 May 2012. No application has been or will be made for the Ordinary Shares to be admitted to trading or listing on any other stock exchange. The ISIN number of the Ordinary Shares is GB00B7D66J40. The SEDOL is B7D66J4. The TIDM is ZZZ.L.

The Articles permit the Company to issue Ordinary Shares in uncertificated form in accordance with the CREST Regulations. CREST is a computerised share transfer and settlement system. The system allows shares and other securities to be held in electronic form rather than paper form, although a shareholder can continue dealing based on share certificates and notarial deeds of transfer. For private investors who do not trade frequently, this latter course is likely to be more cost-effective.

For more information concerning CREST, Shareholders should contact their brokers.

13. Dividend policy

The Company has not paid any dividends to date. In the short term, it is the Directors' and Proposed Directors' intention to focus initially on delivering capital growth for Shareholders and, therefore, they will only commence the payment of dividends when appropriate and practicable.

14. Share Dealing Code

The Company has adopted, with effect from Admission, a share dealing code for the Directors, Proposed Directors and certain employees, which is appropriate for a company whose shares are admitted to trading on AIM (particularly relating to dealing during close periods in accordance with Rule 21 of the AIM Rules for Companies) and the Company will take all reasonable steps to ensure compliance by the Directors, Proposed Directors and any relevant employees.

15. Share Incentive Arrangements

The Directors and Proposed Directors believe that the commitment of employees and management to the success of the Group will be enhanced by share ownership.

The Directors have been granted the authority to adopt one or more approved or unapproved share option schemes or agreements for the benefit of the full time Directors and employees of the Group and to grant options pursuant thereto provided that no option to subscribe for Ordinary Shares may be granted if the number of shares subject to the option together with the number of shares already under option or warrant would if the options and warrants were exercised in full exceed 10 per cent. of the issued share capital of the Company at that time.

The Company has adopted an approved share option scheme further details of which are set out in paragraph 5 of Part IV of this document.

16. Lock-In and Orderly Market Agreement

Each of the Directors, Proposed Directors and Senior Managers who will hold shares after Admission and B52 Investments Limited ('B52') have agreed not to dispose of any interest in any Ordinary Shares prior to 12 months from the date of Admission. The Directors, Proposed Directors, Senior Managers and B52 have also agreed for a further 12 month period, only to dispose of their Ordinary Shares through the brokers of the Company at that time in such a way as to maintain an orderly market. Approximately 17.7 per cent. of the Enlarged Share Capital will be subject to such lock-in arrangements following Admission.

For further information on the lock-in arrangements please refer to paragraph 16 of Part IV of this document.

17. Taxation

Information regarding UK taxation with regard to certain holders of the Ordinary Shares is set out in paragraph 15 of Part IV of this document. That information is intended only as a general guide to the current tax position under UK law. If you are in any doubt as to your tax position, you should contact your independent professional adviser.

18. The City Code

The City Code applies to offers for all listed and unlisted public companies considered by the Panel to be resident in the UK, the Channel Islands or the Isle of Man. The Panel will normally consider a company to be resident only if it is incorporated in the UK, the Channel Islands or the Isle of Man and has its place of central management in one of those jurisdictions. The Company is incorporated in England and Wales and has its place of central management in England and Wales. The Panel will therefore consider that the City Code currently applies to the Company. At Admission, the Company will fall under the jurisdiction of the City Code which will apply for the benefit of all Shareholders.

Under Rule 9 of the City Code any person who acquires shares which, taken together with shares already held by him or shares held or acquired by persons acting in concert with him, carry 30 per cent. or more of the voting rights of a company which is subject to the City Code, is normally required to make a general offer to all its Shareholders to acquire for cash the remaining shares in that company at not less than the highest price paid by him or any persons acting in concert with him within the preceding twelve months.

Rule 9 of the City Code also provides, *inter alia*, that where any person, together with persons acting in concert with him, holds shares carrying not less than 30 per cent. but not more than 50 per cent. of a company's voting rights, and such person, or any other person acting in concert with him, acquires additional shares which increase his percentage of voting rights of such company, that person is normally required to make a general offer to all Shareholders of the company for the shares not owned by him at not less than the highest price paid by him or any person acting in concert with him within the preceding twelve months.

19. Further Information

Your attention is drawn to Parts II to IV of this document which provide additional information on the Group and the markets in which it operates.

PART II

RISK FACTORS

Any investment in the Ordinary Shares is subject to a number of risks. Before making any investment decision, prospective investors should carefully consider the factors and risks attaching to an investment in the Ordinary Shares together with all other information contained in this document including, in particular, the risk factors described below. The information below does not purport to be exhaustive because additional risks and uncertainties not presently known to the Group, or that the Group currently deems immaterial, may also have an adverse effect on its business. Investors should consider carefully whether an investment in the Ordinary Shares is suitable for them in light of the information in this document and their personal circumstances.

Risks Specific to the Group

Industry Risk

The Group operates within the events, hospitality and leisure industry and therefore may be vulnerable to inherent industry risks. These could include the oversupply of accommodation and increased operating expenses associated with hotel accommodation, both of which could impact the Group's revenues and operating margins.

Effects of downturn in travel may adversely affect the Group

The Group's revenue could be adversely affected by various operating risks common to the UK hotel industry, many of which are beyond the Group's control, including the cyclical nature of the hotel industry; a decrease in travel to and within the UK as a result of adverse economic conditions; increases in fuel costs and other expenses which may affect travel patterns and reduce the number of business and leisure and tourist travellers; a decrease in travel to areas where the Group operates its hotels caused by any epidemic or other disaster, natural or otherwise; increasing threats of terrorism, terrorist events, airline strikes, changes in airport security policies and other similar factors that may affect travel patterns and reduce the number of business and commercial travellers and tourists; and any other factors that may lead to reduced occupancy and room rates.

The Group may be adversely affected by an increase in operating costs

The Group's operating and other expenses could increase without a corresponding increase in turnover. Factors which could increase operating and other expenses include increases in the rate of cost inflation (including energy costs), increases in payroll (including any increases in the minimum wage), taxes and other statutory charges, insurance premia, rent, rates and the costs of maintenance of properties and failure to perform by third parties and sub-contractors leading to increases in operating costs. Such increases could have a material adverse effect on the Group's business, financial conditions or results of operations.

The Group's operations are subject to health and safety and other regulations

The Group needs to comply with regulations relating to, amongst others, planning, land use, building regulation standards, health and safety, environmental matters and employment. The cost of compliance with applicable health and safety and environmental regulation can be significant. Significant events or breaches or violations of applicable laws or regulations could result in restrictions on operations, damages, fines, litigation and/or other sanctions and/or result in Snoozebox incurring liabilities which, in turn, could have a material adverse effect on the Group's businesses, results of operations and overall financial condition or adversely affect the value of the Group's assets. Changes in the legal framework in particular concerning planning, land use and building regulations, may negatively influence the Group's revenues. From time to time, regulations are introduced which can impact on the costs of the Group's businesses and affect returns. Any changes in the future could have an adverse impact on the Group's business, results of operations, revenue and financial condition.

The Group has a limited operating history

The Group has a limited history of operations on which to base assessment of its future expected performance and there can be no assurance that the Group will earn significant revenues or achieve significant profitability.

The sector in which Snoozebox operates is highly competitive

The hotel industry is highly competitive, particularly with respect to quality, price, customer service and marketing. Actions taken by the Group's competitors, as well as actions taken by it to maintain its competitiveness and reputation, place pressure on its pricing strategy, margins and profitability. In addition, some of the Group's competitors may have greater financial resources and/or lower cost bases, any of which may give them a competitive advantage over Snoozebox. Any of these actions could have a material adverse effect on the Group's business, results of operations, revenue and financial condition.

Delays in the construction or development of Snoozebox products may adversely affect expected profitability

The Group relies on the construction of its products by third parties. Future plans may include the construction of additional rooms and/or products. The Group is exposed to the risk of construction cost and time overruns; problems and other complications in the construction and development of Snoozebox products; and adverse changes in planning policy and legislation, all of which may adversely affect expected profitability of the Group's operations.

Interruptions to supply or problems encountered with suppliers could have a negative impact on the Group's reputation and revenue

The Group relies on third party suppliers in the provision, construction, assembly, delivery and maintenance of its products to satisfy customer demand. If a supplier fails to provide services or products on time or to the required standard, and particularly where an alternative source of service or supply is not readily available, this could have a material adverse effect on the Group's business.

Intellectual Property Protection

The Company is dependent on maintaining the proprietary rights in its technology. The Company relies on trade secrets and copyright law and non-disclosure and assignment-of-invention agreements to protect its proprietary technology. Competitors of the Company may seek to bring actions against the Company for alleged third party infringements. Competitors may independently develop technologies substantially equivalent or superior to the Company's own technology. Third party patent applications filed earlier may block the Company's own patent applications. The Company's products may be sold in countries where there is less protection of intellectual property rights than under European or US law and enforcement of the Company's intellectual property rights may be ineffective.

The international patent application was filed on 30 September 2011 with a priority date of 5 July 2011. However, there is no guarantee that patents will be granted, or if granted whether the extent of the patent rights will be fit for the purpose of Snoozebox's business. Even if patent rights are granted, this is no guarantee that Snoozebox's technology will not infringe the intellectual property rights of any third party.

Data Security

The Group's operations in the United Kingdom are subject to a number of laws relating to data privacy, including the Data Protection Act 1998 and the Privacy and Electronic Communications (EC Directive) Regulations 2003. The requirements of this legislation may affect the Group's ability to collect and use personal data in a way that is of commercial use to the Group, if the Group does not continue to ensure its adherence to appropriate compliance procedures. Furthermore, the legislation may make it hard for the Group to market its business, particularly by e-mail. Breach of data privacy legislation could result in the Group being subjected to claims from its users that it has infringed their privacy rights, and it could face administrative proceedings initiated against it by the UK data protection regulator, the Office of the Information Commissioner ("OIC"). In addition, any enquiries made, or proceedings initiated by individuals or the OIC may lead to negative publicity for the Group, which could materially adversely affect its business.

Dependence on key management personnel

The Group's development and prospects are dependent upon the continued services and performance of its Directors, Proposed Directors, senior management and other key personnel. The loss of the services of any of the Directors, Proposed Directors, senior management or key personnel or a substantial number of talented employees or key consultants, could cause major disruption within the Group. The loss of experience, skills or customer relationships of such personnel could have a material adverse effect on the Group's business, financial condition and results of operations.

Robert Breare, the Chief Executive, is involved in civil litigation which was brought against him by the administrators and liquidators of a company of which he was chief executive and a 50 per cent. joint venture partner. The litigation relates to allegations being made against Mr. Breare about his conduct in connection with certain transactions involving the company in question.

Leading counsel has advised that, in the light of the information and evidence he has reviewed, Mr. Breare has a reasonable prospect of successfully defending the claims. In any event, Mr. Breare considers that the claims against him are wrongly motivated by those behind them and he intends to continue to defend them vigorously. Furthermore, leading counsel has advised that the circumstances give rise to a separate claim to be made by Mr. Breare against the joint venture partner and his associates in the company in question. It is proposed to launch that claim shortly.

Investors should note that, whilst none of these matters relates directly to the affairs of the Company, there is a reputational risk to the Company which may impact on market confidence in the Company's management team.

Ability to recruit and retain skilled personnel

As the Group continues to grow, it will continue to hire, appoint or otherwise change senior managers and other key executives. The Group believes that it has the appropriate incentivisation structures to attract and retain the calibre of employees necessary to ensure the efficient management and development of the Group. However, any difficulties encountered in hiring appropriate employees and the failure to do so may have a detrimental effect upon the trading performance of the Group. There can be no assurance that the Group will be able to retain its executive officers and key personnel or attract additional qualified members to its management team in the future.

Growth Management

The Directors and Proposed Directors believe that further expansion, either organic or via acquisition, will be required in the future to capitalise on the anticipated increase in demand for the Group's systems. The Group's future success will depend, in part, on its ability to manage this anticipated expansion. Such expansion is expected to place demands on management, support functions, accounting, sales and marketing and other resources. If the Group is unable to manage its expansion effectively, its business and financial results could suffer.

Acquisition Risk

If appropriate opportunities present themselves, the Group may acquire businesses, products or technologies that it believes are strategically beneficial. The process of integrating an acquisition into its business may produce unforeseen operating difficulties and expenditures and may absorb significant attention of the Group's management that would otherwise be available for the ongoing development of its business, which may materially harm the Group's business, financial condition or operating results. There can be no guarantee that the Group will be able to source and execute suitable acquisitions in the future.

Reputation Risk

The Group's reputation is central to its future success, in terms of the services and products it provides, the way in which it conducts its business and the financial results which it achieves. Issues that may give rise to reputational risk include, but are not limited to, failure to deal appropriately with legal and regulatory requirements, money-laundering, fraud prevention, privacy, record-keeping, sales and trading practices, and the credit, liquidity, and market risks inherent in the Group's business. If the Group fails, or appears to fail, to deal with various issues that may give rise to reputational risk or if it fails to retain clients for any other reason, it could materially harm its business prospects.

Also, failure to meet the expectations of its clients, suppliers, employees, shareholders and other business partners may have a material adverse effect on the Group's reputation and future revenue.

Potential requirement for further investment

Any future acquisitions, expansion, activity and/or business development may require additional capital, whether from equity or debt sources. There can be no guarantee that the necessary funds will be available on a timely basis, on favourable terms, or at all, or that such funds if raised would be sufficient. If additional

funds are raised by issuing equity securities, dilution to the then existing shareholdings may result. Debt funding may require assets of the Group to be secured in favour of the lender, which security may be exercised if the Group were to be unable to comply with the terms of the relevant debt facility agreement. If the Group is not able to obtain additional capital on acceptable terms, or at all, or to refinance current terms it may be forced to curtail or abandon such planned acquisition opportunities, expansion, activity and/or business development. The above could have a material adverse effect on the Group.

General Risks

Economic conditions and current economic weakness

Any economic downturn either globally or locally in any area in which the Group operates may have an adverse effect on the demand for the Group's products. A more prolonged economic downturn may lead to an overall decline in the volume of the Group's sales, restricting the Group's ability to realise a profit.

The markets in which the Group offers its services are directly affected by many national and international factors that are beyond the Group's control.

Natural Disasters or Civil Unrest

The Company's business and profitability may be adversely affected by the loss of a significant number of containers due to fire, floods, hurricane, earthquake or other natural disaster or through malicious damage, riot, civil commotion, terrorist attacks or outbreak of hostilities.

AIM Risk

The Ordinary Shares will be traded on AIM. Investments in AIM are generally considered to be of higher risk than those traded on the Official List of the UK Listing Authority, because the regulatory regime applicable to AIM is less stringent than that for the Official List. The market for shares in smaller public companies, and those listed on AIM, is often less liquid than for larger public companies or those listed on the Official List. Investors should therefore be aware that an investment in the Company may be difficult to realise.

Investment Risk

An investment in a share which is traded on AIM, such as the Ordinary Shares, may be difficult to realise and carries a high degree of risk. The ability of an investor to sell Ordinary Shares will depend on there being a willing buyer for them at an acceptable price.

Investors should be aware that, following Admission, the market price of the Ordinary Shares may be volatile and may go down as well as up and investors may therefore be unable to recover their original investment and could even lose their entire investment. This volatility could be attributable to various facts and events, including the availability of information for determining the market value of an investment in the Group, any regulatory or economic changes affecting the Group's operations, variations in the Group's operating results, developments in the Group's business or its competitors, or changes in market sentiment towards the Ordinary Shares. In addition, the Group's operating results and prospects from time to time may be below the expectations of market analysts and investors.

Market conditions may affect the Ordinary Shares regardless of the Group's operating performance or the overall performance of the sector in which the Group operates. Share market conditions are affected by many factors, including general economic outlook, movements in or outlook on interest rates and inflation rates, currency fluctuations, commodity prices, changes in investor sentiment towards particular market sectors and the demand and supply for capital. Accordingly, the market price of the Ordinary Shares may not reflect the underlying value of the Group's net assets, and the price at which investors may dispose of their Ordinary Shares at any point in time may be influenced by a number of factors, only some of which may pertain to the Group while others of which may be outside the Group's control.

If the Group's revenues do not grow, or grow more slowly than anticipated, or if its operating or capital expenditures exceed expectations and cannot be adjusted sufficiently, the market price of its Ordinary Shares may decline.

Market Risk

The Group may be affected by general market trends which are unrelated to the performance of the Group itself.

The Group's success will depend on market acceptance of the Group's products and there can be no guarantee that this acceptance will be forthcoming. Market opportunities targeted by the Group may change and this could lead to an adverse effect upon its revenue and earnings.

Illiquidity

There will have been no public trading market for the Ordinary Shares prior to Admission. The Ordinary Shares may therefore be illiquid in the short to medium term and, accordingly, an investor may find it difficult to sell Ordinary Shares, either at all or at an acceptable price. Further, the Group can give no assurance that an active trading market for the Ordinary Shares will develop or if such a market develops, that it will be sustained. If an active trading market does not develop or is not maintained, the liquidity and trading price of the Ordinary Shares could be adversely affected and investors may have difficulty selling their Ordinary Shares. The market price of the Ordinary Shares may drop below the Placing Price. Any investment in the Ordinary Shares should be viewed as a long term investment.

The share prices of publicly traded companies can be highly volatile. The price at which the Ordinary Shares will be quoted and the price which investors may realise for their Ordinary Shares will be influenced by a large number of factors, some specific to the Group and its operations and some which may affect the markets in which the Group operates or quoted companies generally. These factors could include the Group's financial performance, development programmes, large purchases or sales of Ordinary Shares, legislative or regulatory changes affecting the operations of the Group and general economic conditions.

Foreign Currency Risk

Exchange rate fluctuations could have a material adverse effect on the Group's profitability or the price competitiveness of its products and services. There can be no guarantee that the Group would be able to compensate or hedge against such adverse effects and therefore negative exchange rate effects could have a material adverse effect on the Group's business and prospects, and its financial performance.

Litigation Risk

Because of the extent and complexity of the regulatory environment in which the Group operates and the products and services the Group offers, many aspects of the Group's business involve substantial risks of liability. Whilst the Group has taken, and continues to take, such precautions as it regards appropriate to avoid or minimise the likelihood of any legal proceedings or claims, or any resulting financial loss to the Group, the Directors and Proposed Directors cannot preclude the possibility of litigation being brought against the Group. Any litigation brought in the future involving the Group's services could have a material adverse effect on the Group's business.

Tax Risk

The nature and amount of tax which members of the Group expect to pay and the reliefs expected to be available to any member of the Group are each dependent upon a number of assumptions, any one of which may change and which would, if so changed, affect the nature and amount of tax payable and reliefs available.

One of the Group's key objectives is to deliver future growth through extending its client base in other jurisdictions. There can be no assurance that the tax authorities in other overseas jurisdictions in which the Group currently has clients, or may in the future have clients, will not impose taxation which could negatively impact the Group's existing business or business opportunities. Were this to occur, it could have a material adverse effect on the Group's business.

Risk Management

The Group's policies, procedures and practices used to identify, monitor and control a variety of risks may not be effective. The Group's risk management methods rely on a combination of internally developed technical controls, industry standard practices, observation of market behaviour and human supervision.

The Group's risk management procedures and practices are also subject to human error, technological failure and fraud. There can be no assurance that the Group will continue to set risk management parameters accurately, that its testing and quality control practices will be effective in preventing technical software or hardware failure or that its employees will accurately and appropriately apply the Group's risk management procedures. Any failures in this regard could materially adversely affect the Group's financial performance and operations.

PART III
FINANCIAL INFORMATION
SECTION A

**ACCOUNTANT’S REPORT ON THE FINANCIAL INFORMATION
ON THE SUBSIDIARY**



BDO LLP
55 Baker Street
London
W1U 7EU

The Directors
Snoozebox Holdings plc
30 Old Burlington Street
London
W1S 3NL

26 April 2012

Panmure Gordon (UK) Limited
155 Moorgate
London
EC2M 6XB

Dear Sirs

Snoozebox Limited (the “Subsidiary”)

Introduction

We report on the financial information on the Subsidiary set out in Section B of Part III. This financial information has been prepared for inclusion in the admission document dated 26 April 2012 of Snoozebox Holdings plc (the “Company”) (the “Admission Document”) on the basis of the accounting policies set out in note 1 to 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 paragraph and for no other purpose.

Responsibilities

The directors of the Company are responsible for preparing the financial information in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

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 the 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 Schedule Two of the AIM Rules for Companies consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial 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.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the Subsidiary as at 31 December 2011 and of its loss, cash flow and changes in equity for the ten months ended 31 December 2011 in accordance with International Financial Reporting Standards as adopted by the European Union.

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

Yours faithfully

BDO LLP
Chartered Accountants

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

SECTION B

FINANCIAL INFORMATION ON THE SUBSIDIARY

Income statement for the period ended 31 December 2011

	<i>Note</i>	<i>2011</i> <i>£'000</i>
Revenue	1	35
Cost of sales		<u>(189)</u>
Gross loss		(154)
Administrative expenses		<u>(1,000)</u>
Loss from operations	4	(1,154)
Finance expense		<u>(97)</u>
Loss before tax		(1,251)
Tax expense	7	<u>—</u>
Loss for the period		<u><u>(1,251)</u></u>

**Statement of changes in equity
for the period ended 31 December 2011**

	<i>Notes</i>	<i>Share capital £'000</i>	<i>Retained earnings £'000</i>	<i>Total £'000</i>
Loss for the period		—	(1,251)	(1,251)
Issue of share capital		100	—	100
Balance at 31 December 2011		<u>100</u>	<u>(1,251)</u>	<u>(1,151)</u>

The following describes the nature and purpose of each reserve within owners' equity:

<i>Reserve</i>	<i>Description and purpose</i>
Share capital	Amount subscribed for share capital at nominal value.
Retained earnings	Cumulative net gains and losses recognised in the consolidated income statement.

**Balance sheet
at 31 December 2011**

	<i>Note</i>	<i>2011 £'000</i>
Assets		
Non-current assets		
Property, plant and equipment	8	1,441
Total non-current assets		<u>1,441</u>
Current assets		
Trade and other receivables	9	78
Cash and cash equivalents		3
Total current assets		<u>81</u>
Total assets		<u>1,522</u>
Liabilities		
Current liabilities		
Trade and other payables	10	(1,034)
Loans and borrowings	11	(675)
Total current liabilities		<u>(1,709)</u>
Non-current liabilities		
Loans and borrowings	11	(964)
Total non-current liabilities		<u>(964)</u>
Total liabilities		<u>(2,673)</u>
Total net liabilities		<u>(1,151)</u>
Capital and reserves attributable to equity holders of the Subsidiary		
Share capital	13	100
Retained earnings		(1,251)
Total equity		<u>(1,151)</u>

**Cash flow statement
for the period ended 31 December 2011**

	<i>2011</i>
	<i>£'000</i>
Cash flows from operating activities	
Loss for the period	(1,251)
<i>Adjustments for:</i>	
Depreciation	85
Finance expense	97
	<u>(1,069)</u>
Cash flows from operating activities before changes in working capital and provisions	
Increase in trade and other receivables	(78)
Increase in trade and other payables	981
	<u>(166)</u>
Cash generated from operations	<u>(166)</u>
Net cash flows from operating activities carried forward	<u>566</u>
Investing activities	<u>(688)</u>
Net cash used in investing activities	<u>(854)</u>
Financing activities	
Issue of ordinary shares	100
Interest paid	(44)
Repayment to finance lease creditor	(62)
Loans received	863
	<u>857</u>
Net cash from financing activities	<u>857</u>
Net increase/(decrease) in cash and cash equivalents	17 <u>3</u>
Cash and cash equivalents at end of period	17 <u><u>3</u></u>

Notes to the financial information

1 Accounting policies

Basis of preparation

Snoozebox Limited (the “Subsidiary”) was formed during the period and is a company incorporated in the UK, primarily involved in the provision of portable hotel services.

The principal accounting policies adopted in the preparation of the financial information are set out below. The policies have been consistently applied, unless otherwise stated.

This financial information has been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRS) issued by the International Accounting Standards Board (IASB) and endorsed for use by companies listed on an EU regulated market.

The financial information has been prepared on a going concern basis.

None of the new standards, interpretations and amendments, which are effective subsequent to the year end are expected to have a material effect on the Subsidiary’s future financial statements.

Revenue

Revenue represents sales (excluding VAT) of goods and services provided in the normal course of business and recognised when the services have been rendered. Sales represent the provision of portable hotel services.

Financial assets and liabilities

Financial assets held by the Subsidiary consist of loans and receivables.

Trade receivables are recognised at fair value and carried at amortised cost. They arise principally through the provision of portable hotel services. A provision for impairment is established where there is objective evidence that the Subsidiary will not be able to collect all amounts due according to the original terms of the receivables concerned.

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

Bank overdrafts are shown within loans and borrowings in current liabilities on the balance sheet.

Trade and other payables are recognised at fair value and carried at amortised cost.

Share capital

Financial instruments issued by the Subsidiary are treated as equity only to the extent that they do not meet the definition of a financial liability. The Subsidiary’s ordinary shares are classified as equity instruments.

Leased assets

Where substantially all of the risks and rewards incidental to ownership of a leased asset have been transferred to the Subsidiary (a “finance lease”), the asset is treated as if it had been purchased outright. The amount initially recognised as an asset is the lower of the fair value of the leased property and the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to the consolidated income statement over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

Where substantially all of the risks and rewards incidental to ownership are not transferred to the Subsidiary (an “operating lease”), the total rentals payable under the lease are charged to the consolidated income statement on a straight-line basis over the lease term. The aggregate benefit of lease incentives is recognised as a reduction of the rental expense over the lease term on a straight-line basis.

The land and buildings elements of property leases are considered separately for the purposes of lease classification.

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the balance sheet differs from its tax base.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Deferred tax assets and liabilities are offset when the Subsidiary has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when declared by the directors. In the case of final dividends, this is when approved by the shareholders at the AGM.

Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs.

Depreciation is provided on all other items of property, plant and equipment to write off the carrying value of items over their expected useful economic lives. It is applied at the following rates:

Container units and fittings - 7% to 20% per annum straight line

Office equipment - 25% per annum straight line

Critical accounting estimates and judgements

The Subsidiary makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future actual experience may differ from those assumptions and estimates.

In preparing this financial information, the directors of the Company consider that the area that requires estimates and assumptions which have a significant risk of causing a material adjustment to the carrying value of assets and liabilities in the future is the depreciation policy on the container units and fittings, where the directors have used their best estimates of the likely lifetime of the units.

2 Financial instruments – Risk Management

General objectives, policies and processes

The board of directors of the Subsidiary has overall responsibility for the determination of the Subsidiary's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Subsidiary's finance function.

The overall objective of the board of directors is to set policies that seek to reduce risk as far as possible without unduly affecting the Subsidiary's competitiveness and flexibility.

A summary of the financial instruments held by category is shown below:

Financial assets

	<i>Loans and receivables 2011 £'000</i>
Trade receivables	2
Cash and cash equivalents	3
Total financial assets	<u>5</u>

Financial liabilities

	<i>Financial liabilities at amortised cost 2011 £'000</i>
Trade and other payables	1,001
Loans and borrowings	1,639
Total financial liabilities	<u>2,640</u>

The main risk the Subsidiary is exposed to is liquidity risk.

The Subsidiary seeks to mitigate liquidity risk by close management of cash resources, by ensuring that contractual terms for supplies and capital purchase are negotiated to achieve optimal payment terms and by arranging investment funding and borrowing facilities to match anticipated cash requirements from trading income and capital commitments.

The following table details the contractual maturity analysis of the Subsidiary's financial liabilities:

	<i>Due within 12 months £'000</i>	<i>Due after 12 months £'000</i>	<i>Total £'000</i>
Trade and other payables	1,034	—	1,034
Loans	145	718	863
Lease liability	530	246	777
Total	<u>1,709</u>	<u>964</u>	<u>2,673</u>

3 Revenue

Revenue arises from one operating segment, being the provision of portable hotel services.

4 Loss from operations

	<i>2011 £'000</i>
This has been arrived at after charging:	
Staff costs (see note 5)	79
Depreciation of property, plant and equipment	85
Auditors' remuneration	<u>20</u>

5 Staff costs

	2011 £'000
Staff costs comprise:	
Wages and salaries	72
Employer's national insurance contributions and similar taxes	7
Amounts paid to third parties in respect of staff and directors' services	250
	<u>329</u>

Average staff numbers during the period were 5.

Directors' and key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Subsidiary.

	2011 £'000
Amounts paid to third parties in respect of services	250
	<u>250</u>

Directors' remuneration

	2011 £'000
Amounts paid to third parties in respect of directors' services	160

6 Interest payable

	2011 £'000
Bank loans and overdrafts	2
Finance leases (interest portion)	75
Other loans	20
	<u>97</u>

7 Tax expense

	2011 £'000
<i>Current tax expense</i>	
UK corporation tax on profits for the period	—
<i>Deferred tax expense</i>	
Origination and reversal of temporary differences	—
Total income tax expense	<u>—</u>

The reasons for the difference between the actual tax charge for the period and the standard rate of corporation tax in the UK applied to profits for the period are as follows:

	<i>2011</i> <i>£'000</i>
Loss for the period	(1,251)
Expected tax charge based on the standard rate of corporation tax in the UK of 26.5%	(332)
Expenses not deductible for tax purposes	13
Deferred tax asset not recognised	319
Total tax expense	<u>—</u>

8 Property, plant and equipment

	<i>Container units & fit-out £'000</i>	<i>Container mother units £'000</i>	<i>Office equipment £'000</i>	<i>Total £'000</i>
<i>Cost or valuation</i>				
Additions	1,259	261	6	1,526
Balance at 31 December 2011	<u>1,259</u>	<u>261</u>	<u>6</u>	<u>1,526</u>
<i>Accumulated depreciation</i>				
Depreciation charge for the period	67	17	1	85
Balance at 31 December 2011	<u>67</u>	<u>17</u>	<u>1</u>	<u>85</u>
<i>Net book value</i>				
At 31 December 2011	<u>1,192</u>	<u>244</u>	<u>5</u>	<u>1,441</u>

Included in the above are assets held under finance leases with a net book value of £809,000 at the year end.

9 Trade and other receivables

	<i>2011</i> <i>£'000</i>
Trade receivables	2
Other receivables	66
Prepayments	10
	<u>78</u>

10 Trade and other payables – current

	<i>2011</i> <i>£'000</i>
Trade payables	900
Other tax and social security taxes	18
Other payables	5
Accruals	96
	<u>1,019</u>
Total financial liabilities	
Deferred income	15
Total trade and other payables	<u>1,034</u>

11 Loans and borrowings

The book value and fair value of loans and borrowings are as follows:

	<i>Book value 2011 £'000</i>
<i>Non-current</i>	
Loans from related party	718
Finance lease liabilities	246
	<u>964</u>
<i>Current</i>	
Loans from related parties	145
Finance lease liabilities	530
	<u>675</u>
Total borrowings	<u><u>1,639</u></u>

The related party loans have no fixed term of repayment.

No interest is payable on these loans.

Finance lease payments are due as follows:

	<i>Minimum lease payments £'000</i>	<i>Interest £'000</i>	<i>Present value £'000</i>
Not later than one year	682	152	530
Later than one year no later than five years	260	14	246
Later than five years	—	—	—
	<u>942</u>	<u>166</u>	<u>776</u>

12 Deferred tax

A deferred tax asset has not been recognised in respect of tax losses of approximately £1,100,000.

13 Share capital

Issued and fully paid

	<i>2011 Number</i>	<i>2011 £'000</i>
<i>Ordinary "A" shares of 1p each</i>		
At beginning of the period	—	—
Issues for cash during the period	5,000,000	50
At end of the period	<u>5,000,000</u>	<u>50</u>
<i>Ordinary "B" shares of 1p each</i>		
At beginning of the period	—	—
Issues for cash during the period	5,000,000	50
At end of the period	<u>5,000,000</u>	<u>50</u>

The Subsidiary was incorporated with a share capital of 2 £1 ordinary shares. During the period the Subsidiary converted those shares to 200 “B “ shares of 1p each, issued 5,000,000 “A” shares of 1p and 4,999,800 “B” shares of 1p. All shares were issued for cash. The total issued and paid share capital at 31 December 2011 was £100,000.

“A” and “B” shares are regarded as ordinary shares.

14 Related party transactions

Trading transactions

During the period the Subsidiary entered into the following transactions with related parties.

	<i>Amounts owed to related parties Period ended 31 December 2011 £'000</i>
Key management personnel	<u>105</u>

Other related party transactions are as follows:

<i>Related party relationship</i>	<i>Type of transaction</i>	<i>Amount 2011 £'000</i>	<i>Balance owed 2011 £'000</i>
Companies in which directors, key management personnel or their immediate family have a significant/controlling interest	Provision of services	309	192

The Subsidiary has not made any provision for bad or doubtful debts in respect of related party debtors nor has any guarantee been given or received during the period regarding related party transactions.

15 Events after the balance sheet date

On 3 March 2012, each of the 5,000,000 issued ordinary A shares of £0.01 each in the capital of the Subsidiary and each of the 5,000,000 issued ordinary B shares of £0.01 each in the capital of the Subsidiary were re-designated as Ordinary Shares of £0.01 each.

At the same time, the directors of the Subsidiary were authorised to issue up to £2,000,000 of Convertible Unsecured Loan Notes (CULS). The CULS are repayable in January 2013 and carry an interest rate of 15% pa. The Subsidiary has an option to convert the CULS to Ordinary shares under certain circumstances including the flotation of the Company’s shares on AIM or upon a significant private offering.

On 15 February 2012, the Subsidiary signed an order for the **manufacture of 216 bedroom units together with additional mother units and ancillary equipment at an approximate cost of £4.7m.**

On 13 April 2012, B52 Investments Ltd agreed to forgive the loan to the Subsidiary of £718,334.

On 17 April 2012, the holders of the ordinary shares of the Subsidiary exchanged their shares for ordinary shares in the Company which became the holding company of the Subsidiary.

16 Notes supporting the cash flow statement

Cash and cash equivalents for purposes of the cash flow statement comprises:

	<i>2011</i>
	<i>£'000</i>
Cash available on demand	3
	<hr/>
	<u>3</u>

17 Ultimate holding company

The directors consider B52 Investments Ltd to be the ultimate holding company at the balance sheet date.

PART IV
GENERAL INFORMATION

1. Responsibility

The Directors and Proposed Directors whose names, functions and addresses appear on page 5 of this document, and the Company, accept responsibility for the information contained in this document. To the best of the knowledge of the Directors and Proposed Directors and the Company (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.

2. The Company

- 2.1 The Company was incorporated and registered in England and Wales on 30 March 2012 under the Companies Act 2006 with registered number 8013887 as a public company limited by shares with the name Snoozebox Holdings plc.
- 2.2 The Company's legal and commercial name on the date of this document is Snoozebox Holdings plc.
- 2.3 The registered office of the Company is at 30 Old Burlington Street, London, W1S 3NL. The Company's telephone number is 0845 092 0174. The Company's website is www.snoozebox.com.
- 2.4 The principal legislation under which the Company operates is the Act. The Company is domiciled in the UK.
- 2.5 The liability of the Company's members is limited by shares.
- 2.6 The ISIN number of the Ordinary Shares to be admitted is GB00B7D66J40. The Ordinary Shares have been created pursuant to the Act under the laws of England and Wales.
- 2.7 The Company's accounting reference date is 31 December in each year.

3. Group Structure

- 3.1 The Company is the holding company of the Group and has one subsidiary. The details of the Subsidiary are set out below:

<i>Name</i>	<i>Country of Incorporation</i>	<i>Principal activity</i>	<i>Percentage share capital owned and proportion of voting power held by the Company</i>
Snoozebox Limited	England and Wales	The provision of temporary portable hotel accommodation	100%

- 3.2 Save as set out in paragraph 3.1 above, there are no undertakings in which the Company has a proportion of capital likely to have a significant effect on the assessment of the Company's assets and liabilities, financial position or profits and losses.

4. Share Capital

- 4.1 On 30 March 2012, the Company was incorporated with a share capital of £1 comprised of one ordinary share of £1. The subscriber for the initial share in the capital of the Company was Robert Roddick Ackrill Breare.

- 4.2 On 16 April 2012 the initial Shareholder resolved, *inter alia*:
- 4.2.1 to sub-divide the issued ordinary share of £1 in the capital of the Company into 100 ordinary shares of 1p each;
- 4.2.2 to authorise the Directors to:
- (i) allot up to £600,000 in nominal amount of Ordinary Shares;
 - (ii) allot up to £3,000,000 in principal amount of convertible unsecured loan notes; and
 - (iii) adopt on behalf of the Company share option scheme(s) or agreements for the benefit of the directors and employees of the Company and grant options, warrants or rights to subscribe for or to convert any security into Ordinary Shares provided that this authority shall be limited to 10 per cent. of the issued share capital of the Company; and
 - (iv) allot warrants to subscribe for Ordinary Shares to Panmure Gordon; and
- 4.2.3 to empower the Directors to disapply statutory pre-emption rights in connection with the allotments pursuant to the authority referred to in 4.2.2 above.

4.3 On 17 April 2012 the Company entered into share exchange agreements with each shareholder of the Subsidiary (**Original Shareholders**) in relation to the acquisition by the Company of the entire issued share capital of the Subsidiary in consideration for the issue and allotment of Ordinary Shares to the Original Shareholders (**Share Exchange Agreements**). Pursuant to the Share Exchange Agreements 10,000,000 Ordinary Shares were allotted and issued to the Original Shareholders in proportion to their original holdings of shares in the Subsidiary.

4.4 On completion of the Share Exchange Agreements the holders of Ordinary Shares were as follows:

<i>Name of Shareholder</i>	<i>Number of Ordinary Shares</i>
B52 Investments Limited	6,670,000
Robert Roddick Ackrill Breare	1,800,000
Adrian Ernest Anderson	210,000
Martin James Coyne	210,000
Stephen Howard Fox	210,000
Perception Media Limited	200,000
Simon John Greenwood	100,000
Christopher George Upton	200,000
Richard James Guy Davies	200,000
Richard Charles Thain	100,000
Michael Clive Stockdale	100,000
	10,000,000

4.5 The Placing will result in the issue of 30,000,000 new Ordinary Shares and the number of Loan Notes converted into Ordinary Shares at Admission will be 11,295,000.

4.6 The Company's issued share capital is, at the date of this document, and is expected to be immediately following Admission, as follows:

<i>As at the date of this document</i>		<i>As at Admission</i>	
<i>Number of Ordinary Shares in issue</i>	<i>Amount (£)</i>	<i>Number of Ordinary Shares in issue</i>	<i>Amount (£)</i>
10,000,000	100,000	51,295,000	512,950

4.7 All Ordinary Shares represent capital in the Company. No Ordinary Shares are held by or on behalf of the Company or by any subsidiary of the Company.

4.8 Save as referred to in paragraphs 5, 6 and 7 of this Part IV, no share or loan capital of the Company or that of any of its subsidiaries is under option or has been agreed, conditionally or unconditionally, to be put under option, and there are no convertible securities in issue.

- 4.9 There is no class of shares in the capital of the Company other than Ordinary Shares.
- 4.10 The provisions of section 561 of the Act (to the extent not disapplied by the resolution referred to in paragraph 4.2.3 and by any future disapplication) confer rights of pre-emption on the Shareholders in respect of the allotment of equity securities (as defined in section 560 of the Act) which are, or are to be, paid up in cash (section 565 of the Act) other than by way of allotment to employees under an employees' share scheme (as defined in section 1166 of the Act) (section 566 of the Act). Subject to certain limited exceptions, unless the approval of the Shareholders by a special resolution in a general meeting is obtained, the Company must first offer Ordinary Shares to be issued for cash to holders of Ordinary Shares on a *pro rata* basis before allotting them to other people.
- 4.11 The Ordinary Shares do not have any particular voting rights or preferences other than entitling a Shareholder to one vote per share.
- 4.12 No Ordinary Shares are issued other than as fully paid. The par value of each Ordinary Share is 1p.
- 4.13 The Ordinary Shares will be in registered form and may be held either in certificated or uncertificated form.
- 4.14 Save as disclosed in paragraphs 5, 6 and 7 below and save for any obligation to allot Placing Shares pursuant to the Placing, there are no acquisition rights and/or obligations in existence pursuant to which the Company would or may be required to issue further shares.
- 4.15 None of the Ordinary Shares has been sold or made available to the public in conjunction with the application for Admission.

5. Share Options

5.1 *Approved Share Option Scheme*

5.1.1 *Summary*

The Company adopted the Snoozebox Holdings plc approved share option scheme (**Scheme**) on 25 April 2012 to enable the Company to grant options to management and employees of the Company.

As at the date of this document, no options over Ordinary Shares have been granted by the Company under the Scheme.

5.1.2 *Grant of options*

Under the Scheme, the Company may grant options to any eligible employees (provided they are employees or full time directors of the Company or a company authorised by the Company to participate in the Scheme) (**Eligible Employees**) during the grant period, which is the period of 42 days commencing on the later of:

- (a) the date on which HMRC approves the Scheme;
- (b) the day following the date on which the results of the Company are announced for any period; or
- (c) the day on which the Company decides exceptional circumstances exist which justify the grant of one or more Options.

No Options may be granted after the tenth anniversary of the adoption of the Scheme.

Any Options granted under the Scheme are not transferable.

5.1.3 *Performance conditions and limits on grant*

Options can be granted so that their exercise is conditional on satisfying certain conditions.

The grant of Options shall be limited so that the market value of the Ordinary Shares which an Eligible Employee could acquire on exercise of his Options will not exceed £30,000, or any other HMRC limit applicable for the time being. The total number of Ordinary Shares which may be allocated shall not when aggregated to the number of Ordinary Shares which have been allocated in the previous 10 years under the Scheme exceed 10 per cent. when aggregated with any other employee share scheme and to 5 per cent. when aggregated with any other discretionary share scheme.

5.1.4 *Exercise*

The Options are exercisable on the earlier of 3 years from the date of Admission and the date on which an Option holder ceases to be an Eligible Employee due to injury, disability retirement or redundancy or, at the discretion of the Company, the Option to be exercised within 90 days of such cessation.

Options can only be exercised in accordance with the current Model Code for Securities Transactions by Directors of Listed Companies issued by the London Stock Exchange. Options may be exercised by giving notice to the Company accompanied by the appropriate payment and the relevant option certificate. Shares will be allotted by the Company within 30 days of the exercise date.

6. **Loan Notes**

6.1 The Directors of the Company, by a resolution passed on 16 April 2012 created £3,000,000 in principal amount of unsecured convertible loan notes in the Company (**Loan Notes**) constituted pursuant to a convertible loan note instrument dated 16 April 2012.

6.2 Set out below are the principal terms of the Loan Notes:

Principal amount	£3,000,000
Fixed Rate Interest	15 per cent. per annum payable six monthly in arrears.
Conversion into Ordinary Shares	the principal sum outstanding on the Loan Notes shall be convertible into Ordinary Shares at the Conversion Price (a) automatically in the event of a change of control of the Company or otherwise (b) automatically on Admission if the Placing raises £5,000,000 or more (before expenses) and (c) by the loan noteholder serving notice in writing on the Company at any time after 1 January 2013 (assuming conversion has not taken place before then).
Conversion Price	The conversion price is based on the enterprise value of the Company. If conversion takes place on Admission the conversion price will be calculated by reference to the Placing Price so that the loan noteholders will be entitled to receive such number of Ordinary Shares as is calculated by dividing the principal amount of the Loan Notes by 50 per cent. of the Placing Price.
Redemption	Unless previously converted, redeemed or repaid, the principal amount of the Loan Notes will be repaid at par, together with any unpaid accrued interest thereupon by service of notice in writing by the redemption holder on the Company at any time after 31 December 2012.
Security	The Loan Notes constitute unsecured obligations of the Company.

6.3 On 16 April 2012, the Company issued and allotted £50,000 in principal amount of Loan Notes to David Marx, £100,000 in principal amount of Loan Notes to The AL & MC Limited Partnership; £100,000 in principal amount of Loan Notes to The David Family Trust (1997) and £150,000 in principal amount of Loan Notes to Prospect Investment Management Limited.

- 6.4 On 17 April 2012 the Company entered into a loan note exchange agreement with each of the holders of unsecured convertible loan notes in the Subsidiary (**Original Noteholders**) in relation to the acquisition by the Company of the entire issued loan notes of the Subsidiary in consideration for the issue and allotment of Loan Notes to the Original Noteholders (**Note Exchange Agreement**). Pursuant to the Note Exchange Agreement £1,529,000 in principal amount of Loan Notes were allotted and issued to the Original Noteholders in proportion to their original holdings of notes in the Subsidiary.
- 6.5 On the date of this document the holders of Loan Notes and the number of Ordinary Shares into which their holdings of Loan Notes will convert on Admission are as follows:

<i>Name of Noteholder</i>	<i>Principal amount of Loan Notes (£)</i>	<i>No. of Ordinary Shares into which the Loan Notes will convert on Admission</i>
The David Family Foundation	500,000	2,500,000
The AL & MC Limited Partnership	350,000	1,750,000
The JRHD & RLH Limited Partnership	250,000	1,250,000
Marchmont Farms Limited	250,000	1,250,000
Prospect Investment Management Limited*	150,000	750,000
The CSJD Limited Partnership	100,000	500,000
The David Family Trust (1997)	100,000	500,000
Compact Clothing Limited	100,000	500,000
David Marx	50,000	250,000
Clifford Weisfeld, Marianne Weisfeld,		
Ian Rosen and Denton & Co Trustees Limited	32,000	160,000
Denton & Co Trustees Limited	27,000	135,000
Helen Dodds	20,000	100,000
Harold Levenson	200,000	1,000,000
Vanesa Foulkes	50,000	250,000
Oliver Burge	30,000	150,000
Crescent Trustees Limited	20,000	100,000
Alexandra Burge	30,000	150,000
Total:	2,259,000	11,295,000

* Prospect Investment Management Limited is a company controlled by David John Morrison.

7. Warrants

On 25 April 2012 the Company adopted a warrant instrument by way of Deed Poll. The warrant instrument constitutes warrants to acquire such number of Ordinary Shares (**Warrants**) as are equal to one per cent. of the issued share capital of the Company on Admission. The Warrants are exercisable at a 30 per cent. premium to the Placing Price at any time up to and including the second anniversary of Admission.

8. Memorandum and Articles of Association

The following is a summary of the Articles. This summary is qualified in its entirety by the information appearing in the Articles:

8.1 *Voting rights attaching to Ordinary Shares*

- 8.1.1 Subject to the provisions of the Act, or to any rights or restrictions as to voting attached to any share or class of share in the Articles, at any general meeting 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 or by proxy shall have one vote, and on a poll

every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote for each share of which he is the holder. A proxy need not be a member.

8.1.2 No Shareholder shall, unless the Board otherwise determines, be entitled to vote at any general meeting, or, at any separate meeting of the holders of any class of shares, unless all calls or other sums presently payable by him in respect of shares in the Company have been paid and/or where he is not permitted to vote in accordance with paragraph 8.3 below (Disclosure of interests in shares).

8.1.3 Nothing in the Articles confers on major shareholders in the Company any voting rights, which are different to those conferred on holders of Ordinary Shares as described in paragraph 8.1.1.

8.2 *Change of Control*

There is no provision in the Articles that would have the effect of delaying, deferring or preventing a change of control of the Company.

8.3 *Disclosures of interests in shares and failure to disclose such interests*

8.3.1 Pursuant to Rule 5 of the DTR, holders of three per cent. or more of the voting rights of the Company's share capital are required to notify their interest in writing to the Company.

8.3.2 Pursuant to section 793 of the Act, the Company may by notice in writing require a person whom the Company knows or has reasonable cause to believe to be or, at any time during the three years immediately preceding the date on which the notice is issued, to have been interested in shares comprised in the Company's issued share capital, to confirm that fact or (as the case may be) indicate whether or not it is the case, and where that person holds, or has during that time held an interest in shares so comprised, to give such further information as may be required in accordance with section 793 of the Act.

8.3.3 If a member or any person appearing to be interested in any shares held by a member has been issued with a notice pursuant to section 793 of the Act, and has failed to give the Company the information thereby required within the relevant period from the date of notice, the following restrictions shall apply:

8.3.3.1 where the member has a holding of less than 0.25 per cent. in nominal value of any class of shares, the member shall not be entitled in respect of the shares held by him to vote (either personally or by proxy or by representative) at a general meeting or at any separate meeting of the holders of any class of shares or on a poll, or to exercise any other right conferred by membership in relation to such meeting or poll of the Company;

8.3.3.2 where the member has a holding of at least 0.25 per cent. in nominal value of any class of shares, the member shall not be entitled in respect of the shares held by him:

(a) to vote (either personally or by proxy or by representative) at a general meeting or at any separate meeting of the holders of any class of shares or on a poll, or to exercise any other right conferred by membership in relation to such meeting or poll of the Company; or

(b) to receive any dividend payable in respect of such shares; or

(c) to transfer or agree to transfer any of such shares, or any rights attaching to those shares.

8.3.4 The above restrictions shall be without prejudice to the right of either the member holding the shares concerned or the beneficial owner of those shares to effect or agree to sell those shares under an arm's length transfer.

8.3.5 The above restrictions shall continue until either the default is remedied, or the shares are registered in the name of the purchaser or offeror (or that of his nominee) pursuant to an arm's length transfer. Any dividends withheld pursuant to 8.3.3.2(b) above shall be paid to the member as soon as practicable after the above restrictions cease to apply.

8.4 *Alteration of capital and purchase of own shares*

The Company may alter its share capital as follows:

- 8.4.1.1 it may by ordinary resolution consolidate and divide all or any of its share capital into shares of larger amount and subdivide its shares into shares of smaller amount;
- 8.4.1.2 subject to any consent required by law and to any special rights for the time being attached to any shares it may by special resolution reduce its share capital, and any capital redemption reserve and any share premium account in any manner;
- 8.4.1.3 subject to the provisions of the Act and to any special rights for the time being attaching to any shares, it may issue shares which may be redeemed at the option of the Company or the shareholders; and
- 8.4.1.4 subject to the provisions of the Act and to any special rights attaching to any shares, it shall have the power to purchase its own shares (including any redeemable shares).

8.5 *Dividends*

- 8.5.1 The Company may declare dividends in general meeting provided that no dividends shall be payable otherwise than in accordance with the Act and out of the profits of the Company available for that purpose and no dividend shall exceed the amount recommended by the Directors.
- 8.5.2 The Directors may, if they think fit, from time to time pay to the members such interim dividends as appear to the Directors to be justified by the profits of the Company and are permitted by the Act.
- 8.5.3 Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid-up on the shares in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated as paid up on the share.
- 8.5.4 Interim dividends may be paid provided that they appear to the Directors to be justified by the profits available for distribution and the position of the Company and provided they are permitted by the Act.
- 8.5.5 Any dividend unclaimed after a period of twelve years from the date on which it became due for payment shall, if the Directors so resolve, be forfeited and cease to remain owing by the Company and shall belong to the Company absolutely.
- 8.5.6 The Board may, if authorised by an ordinary resolution of the Company, offer any holders of Ordinary Shares the right to elect to receive Ordinary Shares, credited as fully paid, instead of cash in respect of the whole (or some part, to be determined by the Board) of any dividend specified by the ordinary resolution. The Board may exclude from any such offer any holders of Ordinary Shares where the Board believes that the making of the offer to them would or might involve the contravention of the laws of any territory or that for any other reason the offer should not be made to them.
- 8.5.7 Where, in respect of any shares, any member or any person appearing to be interested in shares of the Company fails to comply with any notice given by the Company under Section 793 of the Act then, provided that the shares concerned represent at least 25 per cent. in nominal value of the issued shares of the relevant class, the Company may withhold dividends on such shares.

8.6 ***Distribution of assets on liquidation***

On a winding up of the Company, the liquidator may, with the authority of a special resolution and any other sanction required by the Act, divide among the members *in specie* the whole or any part of the assets of the Company, such assets to be set at such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the same authority vest any part of the assets in trustees upon such trusts for the benefit of the members as the liquidator shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no member shall be compelled to accept shares in respect of which there is a liability.

8.7 ***Variation of rights***

Subject to the provisions of the Act, the special rights attached to any class of share in the Company may be varied or abrogated, whether or not the Company is being wound up, either (a) in such manner (if any) as may be provided by such rights, or (b) with the consent in writing of the holders of three-quarters in nominal value of the issued shares of that class (excluding any shares held in treasury), or (c) with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class but not otherwise.

8.8 ***Transfer of shares***

8.8.1 A transfer of shares may be effected by a transfer in writing in any usual form or in any form approved by the Directors. The instrument of transfer shall be signed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered on the register of members in respect thereof.

8.8.2 The Directors may in their absolute discretion, and without giving any reason, refuse to register any transfer of a share unless the instrument of transfer:

8.8.2.1 is deposited at the Company's registered office (or such other place as the Directors may appoint), accompanied by the certificate for the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer provided that in the case of a transfer by a recognised person, a share certificate will only be necessary if a certificate has been issued in respect of the share in question;

8.8.2.2 is duly stamped;

8.8.2.3 is in respect of only one class of share;

8.8.2.4 is in favour of not more than four transferees; and

8.8.2.5 is in respect of a share in respect of which all sums presently payable to the Company have been paid.

8.8.3 The Directors may also refuse to register a transfer of uncertificated shares in such other circumstances as may be permitted by the Regulations and the relevant system (e.g. CREST).

8.8.4 If the Directors refuse to register a transfer of any shares, they shall, within two months after the date on which the transfer was lodged with the Company, send to the transferor and the transferee notice of the refusal.

8.8.5 There are no rights of pre-emption under the Articles in respect of transfers of Ordinary Shares.

8.9 ***Redemption and Conversion***

The Ordinary Shares are not redeemable or convertible.

8.10 *General meetings*

- 8.10.1 An annual general meeting shall (in addition to any other meetings in that year) be held within six months from the day following the Company's accounting reference date. Subject to the provisions of the Act, the annual general meeting shall be held at such time and place as the Directors may determine. In accordance with the Act, general meetings are convened at the discretion of the Board. A general meeting may also be convened on the requisition of members as provided by the Act.
- 8.10.2 An annual general meeting shall be called by at least 21 Clear Days' notice. All other general meetings (not being an annual general meeting) shall be called by at least 14 Clear Days' notice.
- 8.10.3 Every notice shall be in writing (which shall include notice in electronic form) and shall specify (amongst other things) the place, day and time of meeting and, in the case of special business, the general nature of such business. In the case of an annual general meeting, the notice shall specify that the meeting is an annual general meeting. Every notice shall specify with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not also be a member.
- 8.10.4 Notices shall be given to all the Ordinary Shareholders (other than those who under the provisions of the Articles are not entitled to receive notice), to the Directors (including the alternate Directors), to the auditors for the time being and to any other person entitled to receive it.
- 8.10.5 A meeting of the Company shall be deemed to have been duly called if such shorter period of notice is so agreed:
- 8.10.5.1 in the case of an annual general meeting, by all the members entitled to attend and vote at the meeting, and
- 8.10.5.2 in the case of any other meeting by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right.
- 8.10.6 Where special notice of a resolution is required by any provision of the Act, the resolution shall not be effective unless notice of the intention to move it has been given to the Company not less than 28 days (or such shorter period as the Act permits) before the meeting at which it is moved, and the Company shall give to the members notice of any such resolution as required by and in accordance with Section 312 of the Act.

8.11 *Directors*

8.11.1 *Appointment and removal of Directors*

- 8.11.1.1 The number of Directors shall not be subject to any maximum and shall not be less than two but the Company may by ordinary resolution from time to time vary (subject to the Act) the minimum number and may also fix and from time to time vary a maximum number of Directors.
- 8.11.1.2 The Directors shall have power at any time, and from time to time, to appoint any person who is willing to act to be a Director, either to fill a vacancy or as an additional Director, but so that the total number of Directors shall not at any time exceed the maximum number (if any) fixed by or in accordance with the Articles. Subject to the provisions of the Act and of the Articles, any Director so appointed shall hold office only until the conclusion of the next following annual general meeting, and shall be eligible for reappointment at that meeting. Any Director who retires shall not be taken into account in determining the Directors who are to retire by rotation at such meeting and if not reappointed at such annual general meeting, he shall vacate office at the conclusion thereof.

8.11.1.3 The Company may by ordinary resolution appoint a person who is willing to act to be a Director, either to fill a vacancy or as an addition to the existing Board, but the total number of Directors shall not exceed any maximum number (if any) fixed in accordance with the Articles.

8.11.1.4 Without prejudice to the provisions of the Act, the Company may by ordinary resolution remove a Director (including a Director holding executive office) before the expiration of his period of office (but such removal shall be without prejudice to any claim such Director may have for breach of any contract of service between him and the Company).

8.11.2 *Retirement and rotation of Directors*

8.11.2.1 The office of a Director shall be vacated if (a) he resigns his office by instrument in writing signed by the resigning Director and authenticated in such manner as the other Directors or Director may accept; (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally; (c) in the opinion of the majority of Directors other than the Director vacating office and in the written opinion of a suitably qualified medical expert, he becomes of unsound mind; (d) he is absent from meetings of the Directors for six successive months without leave, and his alternate Director (if any) shall not during such period have attended in his place, and the Directors resolve that his office be vacated; (e) he is requested to resign by notice in writing and signed by not less than three-quarters of the other Directors (without prejudice to any claim for damages which he may have for breach of any contract between him and the Company); or (f) he ceases to be a Director by virtue of any provision of the Act or becomes prohibited by law from being a Director.

8.11.2.2 At each annual general meeting, one-third of the Directors who are subject to retirement by rotation and in office at the opening of business on the date of the notice calling the relevant annual general meeting, or, if their number is not three or a multiple of three, the number nearest to but not exceeding one-third, shall retire from office. A Director retiring at a meeting may, if willing to act, be re-appointed. If he is not re-appointed or deemed to have been re-appointed, he shall retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting.

8.11.2.3 No person other than a Director retiring at the meeting shall, unless recommended by the Directors for appointment, be eligible for appointment to the office of Director at any general meeting unless, not less than seven nor more than forty-eight days before the day appointed for the meeting, there shall have been given to the Company notice in writing by some member duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for appointment stating the particulars which would, if he were so appointed, be required to be included in the Company's register of Directors, and also notice in writing signed by the person to be proposed of his willingness to be appointed.

8.11.2.4 The Directors to retire at such annual general meetings shall include any Director who wishes to retire and not offer himself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last appointment or re-appointment but as between persons who became or were last re-appointed Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

8.11.2.5 At a general meeting a motion for the appointment of two or more persons as Directors by a single resolution shall not be made unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it, and a motion for approving a person's appointment or for nominating a person for appointment shall be treated as a motion for his appointment.

8.12 *Directors' remuneration, expenses and pensions*

- 8.12.1 The Directors (other than alternate Directors) shall be entitled to receive by way of fees for their services such sums as the Board may from time to time determine, such fees to be distinct from any salary, remuneration or other amounts payable to a Director and shall accrue from day to day. The Directors shall also be entitled to be paid all travelling, hotel and other expenses properly incurred by them in connection with the business of the Company, or in attending and returning from meetings of the Directors or of committees of the Directors or general meetings or separate meetings of the holders of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties.
- 8.12.2 Any Director who serves on any committee or who devotes special attention to the business of the Company, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, lump sum, percentage of profits or otherwise as the Directors may determine.
- 8.12.3 The salary or remuneration of any Director appointed to hold any employment or executive office in accordance with the Articles may be either a fixed sum of money, or may altogether or in part be governed by business done or profits made or otherwise determined by the Board, and may be in addition to or in lieu of any fee payable to him for his services as Director pursuant to the Articles.

8.13 *Directors' borrowing powers*

The Board may exercise all of 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.

8.14 *Directors' interests*

- 8.14.1 If a Director is in any way, directly or indirectly, interested in a proposed contract, arrangement, transaction or proposal with the Company or a contract that has been entered into by the Company he must declare the nature and extent of that interest to the Directors in accordance with Sections 177 and 182 of the Act.
- 8.14.2 Subject to the Act and provided that he has disclosed to the Board the nature and extent of any interest, a Director may (a) enter into or otherwise be interested in any contract, arrangement, transaction or proposal with the Company or in which the Company is interested, (b) hold any other office or place of profit under the Company (except that of auditor) in conjunction with the office of director and (c) be a Director or other officer of or employed by, or a party to any transaction or arrangement with or otherwise interested in, any company promoted by the Company or in which the Company is otherwise interested or as regards which the Company has any powers of appointment. Such Director shall not be liable to account to the Company for any profit, remuneration or other benefit realised by any such office, employment, contract, arrangement, transaction or proposal and no such contract, arrangement, transaction or proposal shall be avoided on the grounds of any such interest or benefit.
- 8.14.3 Save as provided in the Articles, a Director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board or of a committee of the Board concerning any contract, arrangement, transaction or any other proposal whatsoever to which the Company is or is to be a party and in which he has an interest which (together with any interest of any person connected with him within the meaning of section 252 of the Act) is to his knowledge a material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company, unless the resolution concerns any of the following matters:
- 8.14.3.1 the giving of any security, guarantee or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;

- 8.14.3.2 the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part by the giving of security or under a guarantee or indemnity;
- 8.14.3.3 any proposal concerning an offer for subscription or purchase of shares or debentures or other securities or rights of or by the Company or any of its subsidiaries or of any other company which the Company may promote or in which it may be interested in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting;
- 8.14.3.4 any proposal concerning any other company in which he is interested directly or indirectly and whether in any one or more of the capacities of officer, creditor, employee or holder of shares, debentures, securities or rights of that other company, but only where he is not the holder (otherwise than as a nominee for the Company or any of its subsidiaries) of or beneficially interested in one per cent. or more of the issued shares of any class of such company or of any third company through which his interest is derived or of the voting rights available to members of the relevant company (any such interest being deemed for these purposes to be a material interest in all circumstances);
- 8.14.3.5 any proposal concerning the adoption, modification or operation of a superannuation fund, retirement benefits scheme, share option scheme or share incentive scheme under which he may benefit; or
- 8.14.3.6 any proposal concerning the purchase and/or maintenance of any insurance policy under which he may benefit.
- 8.14.4 A Director shall not vote or be counted in the quorum on any resolution of the Board or committee of the Board concerning his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of any office or place of profit with the Company or any company in which the Company is interested.

8.15 *Directors' indemnity and insurance*

- 8.15.1 Subject to the Articles, each Director or other officer or former Director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme but excluding any person engaged by the Company (or associated company) as auditor whether or not he is also a Director or other officer) shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him in the actual or purported execution and/or discharge of his duties, or in relation to them and in relation to the Company's (or any associated company's) activities as trustee of an occupational pension scheme.
- 8.15.2 The indemnity includes any liability incurred in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated company's) affairs.
- 8.15.3 The Board may purchase and maintain insurance at the expense of the Company for the benefit of each Director or former Director or other officer or former officer of the Company or an associated company (including any company which is a trustee of an occupational pension, but excluding any person engaged by the Company (or associated company) as auditor (whether or not he is also a Director or other officer)). Such insurance may include insurance against any loss or liability which has been or may be incurred in relation to duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company.

9. CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. The Articles provide that the Ordinary Shares are eligible for settlement in CREST. The Company has applied for the Ordinary Shares to be admitted to CREST and it is expected that the Ordinary Shares will be so admitted, and accordingly enabled for settlement in CREST, as soon as practicable after Admission has occurred.

10. Directors', Proposed Directors' and Other Interests

10.1 The interests of the Directors and Proposed Directors (all of which are beneficial, unless otherwise stated), and (so far as is known to the Directors or Proposed Directors, or could with reasonable diligence be ascertained by them) the interests of persons connected with the Directors or Proposed Directors (within the meaning of sections 252 to 255 and 820 to 825 of the Act), in the Company's issued share capital as at 25 April 2012 (being the latest practicable date prior to publication of this document) and immediately following the Placing and Admission are as follows:

<i>Director</i>	<i>At the date of this document</i>		<i>Immediately following the Placing and Admission</i>	
	<i>Number of Ordinary Shares</i>	<i>Percentage of issued share capital</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued share capital</i>
David John Morrison*	—	—%	750,000	1.5%
Robert Roddick Ackrill Breare	1,800,000	18%	1,800,000	3.5%
Christopher George Upton	200,000	2%	200,000	0.4%
Richard James Guy Davies	200,000	2%	200,000	0.4%

* The interests of David John Morrison in the Ordinary Shares are held through Prospect Investment Management Limited, a company he controls.

10.2 Save as disclosed in paragraphs 6.5 and 10.1 above, none of the Directors or Proposed Directors nor any members of their immediate families or persons connected with them (within the meaning of sections 252 to 255 of the Act) hold or are interested, whether beneficially or non-beneficially, directly or indirectly, in any shares or options over shares, or securities convertible into shares, of the Company or any of its subsidiaries.

10.3 In addition to the interests of the Directors and Proposed Directors disclosed in paragraph 10.1 above, as at 25 April 2012 (being the latest practicable date prior to the publication of the document), insofar as is known to the Company, the following persons were, or will at Admission, be directly or indirectly interested (within the meaning of Part 6 FSMA and DTR5) in three per cent. or more of the issued share capital of the Company:

<i>Shareholder</i>	<i>At the date of this document</i>		<i>At Admission</i>	
	<i>Number of Ordinary Shares</i>	<i>Percentage of issued share capital</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued share capital</i>
Robert Roddick Ackrill Breare	1,800,000	18%	1,800,000	3.5%
B52 Investments Limited	6,670,000	66.7%	6,670,000	13.0%

10.4 Save as disclosed in paragraph 10.3 above, there are no persons who are at the date of this document or will be immediately following Admission, interested directly or indirectly in three per cent. or more of the issued share capital of the Company or who could directly or indirectly, jointly or severally, exercise or could exercise, control over the Company.

10.5 The persons, including the Directors and Proposed Directors, referred to in paragraph 10.1 above, do not have voting rights in respect of the share capital of the Company (issued or to be issued) which differ from any other shareholder of the Company.

10.6 Other than the protections afforded to Shareholders under the City Code there are no controls in place to ensure that any shareholder having a controlling interest in the Company does not abuse that interest.

- 10.7 Neither the Directors nor the Proposed Directors nor the Company are aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company.
- 10.8 No Director or Proposed Director is or has been interested in any transactions which are or were unusual in their nature or conditions or which are or were significant to the business of the Company or the Group effected during the current or immediately preceding financial year or which were effected during an earlier financial year and which remain in any respect outstanding or unperformed.
- 10.9 Save as disclosed in paragraph 16.2 below, no Director or Proposed Director has any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or leased to, the Group and no contract or arrangement exists in which any Director or Proposed Director is materially interested and which is significant in relation to the business of the Group.
- 10.10 There are no outstanding loans granted by the Company to any Director or Proposed Director, nor are there any guarantees provided by the Company for their benefit.
- 10.11 No Director or Proposed Director or any member of his family has any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of Ordinary Shares following Admission, including any contract for difference or a fixed odds bet.

11. Further Information about Directors and Proposed Directors

- 11.1 Other than their directorships of the Company and its Subsidiary, the Directors and Proposed Directors currently hold, or have during the five years preceding the date of this document held, the following directorships or partnerships:

<i>Director</i>	<i>Current directorships/partnerships</i>	<i>Previous directorships/partnerships</i>
<i>Robert Roddick</i>	<i>Talisman Management and</i>	<i>SES Fontanellas</i>
<i>Ackrill Breare</i>	<i>Investment Limited</i>	<i>(Brantridge) Limited</i>
	<i>Blundell's School</i>	<i>Individual Restaurant</i>
	<i>Moondance Marine Limited</i>	<i>Company Limited</i>
	<i>Ted Baker PLC</i>	<i>Merchant Inns Limited</i>
	<i>Broadgate Developments Limited</i>	<i>Merchant Inns Group Limited</i>
	<i>Garboso S.A. (Italy)</i>	<i>First Sight Estates Limited</i>
		<i>Hillwood Resorts and</i>
		<i>Hotel Management Limited</i>
		<i>Scarisbrick Hall</i>
		<i>Developments Limited</i>
		<i>Scarisbrick Hall Limited</i>
		<i>Brantridge Management Limited</i>
		<i>Zinc Bar and Grill Limited</i>
		<i>NH Gordon SL Two Limited</i>
		<i>Arbuckles Group Ltd</i>
		<i>The Gastro Pub Company Limited</i>
		<i>NHPC Limited</i>
		<i>Yellow River Restaurants and</i>
		<i>Cafes Limited</i>
		<i>NHIT Limited</i>
		<i>Bestbeach Limited</i>
		<i>Whirlwind Restaurants Ltd</i>
		<i>Frostcare Limited</i>
		<i>Dakota Sherwood Park Limited</i>
		<i>Azilake Limited</i>
		<i>Columbus Monaco S.A. (Monaco)</i>

<i>Christopher George Upton</i>	<i>Pod Food Limited CU Associates Limited Hospitality Professionals Association Oxted Community Hall Management Ltd</i>	<i>Skiplex Limited Surrey Crossroads</i>
<i>David John Morrison</i>	<i>Record PLC The Houghton Club Limited Prospect Investment Management (I) LLP Paypoint PLC MGT PLC Mondis Technology Limited Prospect Investment Management Limited UK Specialist Hospitals Limited CP Energia S.A. Access Point Medical Inc.</i>	<i>The Test and Itchen Association Limited Standard Life Equity Income Trust PLC Purepower Group Limited Messagelabs Group Limited R.H.S Enterprises Limited KRI S.A.</i>
<i>Richard James Guy Davies</i>	<i>First Sight Estates Limited Fordham Advisers Limited Kiplun Limited</i>	<i>Read Holdings Limited British Linen Advisers Employee Trustee Limited British Linen Advisers Limited British Linen Advisers Holdings Limited</i>

11.2 The business address of each Director and Proposed Director is c/o Davenport Lyons, 30 Old Burlington Street, London, W1S 3NL.

11.3 As at the date of this document save as set out in paragraph 11.4 below, none of the Directors or Proposed Directors has:

11.3.1 any unspent convictions in relation to indictable offences;

11.3.2 been the subject of any public criticism by any statutory or regulatory authority (including recognised professional bodies) nor disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;

11.3.3 been a director of a company at the time of, or within the 12 months preceding the date of, that company being the subject of a receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors;

11.3.4 been a partner in a partnership at the time of, or within 12 months preceding the date of, that partnership being placed into compulsory liquidation or administration or partnership voluntary arrangement;

11.3.5 had any asset of his subject to a receivership or been a partner in a partnership at the time of or within the 12 months preceding any asset of such partnership being subject to a receivership; or

11.3.6 been declared bankrupt nor been the subject of any form of individual voluntary arrangement.

11.4 The following Directors and Proposed Directors have been a director of the following companies at the time of, or within the 12 months preceding the date of, such company being the subject of a receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors:

<i>Director</i>	<i>Company</i>
David John Morrison	Patrizia Wigan PLC Purepower Group Limited
Robert Roddick Ackrill Breare	Arbuckles Group Limited Whirlwind Restaurants Limited NHPC Limited Merchant Inns Limited Merchant Inns Group Limited
Richard James Guy Davies	British Linen Advisers Limited British Linen Advisers Holdings Limited

12. Directors', Proposed Directors' and Senior Managers' Service Agreements

12.1 *Executive Directors*

The following executive service agreements have been entered into between the executive Directors and the Company. They are conditional upon and will be effective from Admission:

12.1.1 Service agreement with Robert Roddick Ackrill Breare (Chief Executive Officer) with:

- (a) a rolling term terminable with six months' notice from either party;
- (b) a salary of £120,000 per annum;
- (c) agreement to pay to the Director following Admission arrears of historic consultancy fee owing to him;
- (d) a discretionary bonus;
- (e) company contribution equal to 7 per cent. of the Director's salary into the Director's personal pension scheme;
- (f) discretionary payment for sickness absences;
- (g) 25 days holiday plus public and bank holidays;
- (h) reimbursement of reasonable expenses, a mileage allowance payable at the HMRC approved rate, provision of Directors and Officers liability insurance and life insurance;
- (i) Restrictive Covenants:
 - (i) 12 month non-compete;
 - (ii) 12 month non-poaching and non-dealing with clients and prospective clients; and
 - (iii) 12 month non-solicitation of key employees.

The length of the restrictions will be reduced by any period spent on garden leave;

- (j) The Director has declared interests as a non-executive director of Ted Baker Plc, as a governor of Blundells' School, a director of Broadgate Developments Limited (which requires no time commitment), a director of Talisman Management and Investment Limited, a director of Moondance Marine Limited and a director of Garboso S.A. The

Director may take time out of his work for the Company to fulfil these commitments on the condition that he uses his reasonable endeavours to manage the commitments so that they interfere with his working hours as little as reasonably possible.

12.1.2 Service agreement with Christopher George Upton (Chief Financial Officer) with

- (a) a rolling term terminable with six months' notice from either party;
- (b) a salary of £120,000 per annum;
- (c) agreement to pay to the Director following Admission arrears of historic consultancy fee owing to him;
- (d) a discretionary bonus;
- (e) company contribution equal to 7 per cent. of the Director's salary into the Director's personal pension scheme;
- (f) discretionary payment for sickness absences;
- (g) 25 days holiday plus public and bank holidays;
- (h) reimbursement of reasonable expenses, a mileage allowance payable at the HMRC approved rate and provision of Directors and Officers liability insurance and life insurance;
- (i) Restrictive Covenants:
 - (i) 12 month non-compete;
 - (ii) 12 month non-poaching and non-dealing with clients and prospective clients; and
 - (iii) 12 month non-solicitation of key employees.

The length of the restrictions will be reduced by any period spent on garden leave;

- (j) The Director has declared interests as a non-executive director of Pod Food Limited, CU Associates Limited, Oxted Community Hall Management Ltd and Hospitality Professionals Association. The Director may take time out of his work for the Company to fulfil these commitments on the condition that he uses his reasonable endeavours to manage the commitments so that they interfere with his working hours as little as reasonably possible.

12.2 ***Proposed Non-executive Directors***

The following non-executive letters of appointment and consultancy agreement have been entered into between the Proposed non-executive Directors and the Company. They are conditional upon and will be effective from Admission:

Non-executive Director appointment letters

12.2.1 David John Morrison (non-executive chairman) with:

- (a) an initial term of three years which can be terminated early by either party giving three months' notice;
- (b) a minimum commitment of 8 days a year;
- (c) a fee of £40,000 per annum;
- (d) reimbursement of reasonable expenses, reimbursement of the cost of seeking advice from independent advisers in relation to the Director's duties and the provision of Directors and Officers Liability insurance.

12.2.2 Richard James Guy Davies (non-executive director) with:

- (a) an initial term of three years which can be terminated early by either party giving three months' notice;
- (b) a minimum commitment of 8 days a year;
- (c) a fee of £30,000 per annum;
- (d) confirmation that outstanding payments of £40,000 required to be made under the consultancy agreement will be paid by 15 May 2012 (see paragraph 12.2.3 below);
- (e) reimbursement of reasonable expenses, reimbursement of the cost of seeking advice from independent advisers in relation to the Director's duties and the provision of Directors and Officers Liability insurance.

Consultancy Agreement

12.2.3 Richard James Guy Davies has been a consultant providing services to the Company through his company "Fordham Advisers Limited". The terms of his consultancy agreement include:

- (a) a fixed term from 1 February 2012 to 30 April 2012 with no notice period. Such term can be extended by mutual agreement;
- (b) the Consultant has principal day to day responsibility for the Olympics contract and advising the Company on its application for Admission;
- (c) the Consultant provides services for not less than 25 hours a week;
- (d) the Consultant is entitled to:
 - (i) £10,000 for his work done up to 31 January 2012;
 - (ii) £10,000 per month from 1 February 2012 to 30 April 2012;
as set out above, under the terms of the non-executive director appointment letter these amounts are to be paid by 15 May 2012
 - (iii) a lump sum of £25,000 if the Company's application for Admission is successful. This is to be paid within 7 days of submission of the invoice.

12.3 *Senior Managers*

The following service agreements have been entered into between the Senior Managers and the Company who are not statutory directors. They are conditional upon and will be effective from Admission:

12.3.1 Michael Clive Stockdale (Operations Director) with:

- (a) a rolling term terminable with three months' notice from either party;
- (b) a salary of £120,000 per annum;
- (c) agreement to pay to the Employee following Admission arrears of historic consultancy fee owing to him;
- (d) a discretionary bonus;
- (e) company contribution equal to 7 per cent. of the Employee's salary into the Employee's personal pension scheme;
- (f) discretionary payment for sickness absences;
- (g) 25 days holiday plus public and bank holidays;

- (h) reimbursement of reasonable expenses, a mileage allowance payable at the HMRC approved rate and life insurance;
- (i) Restrictive Covenants:
 - (i) 12 month non-compete;
 - (ii) 12 month non-poaching and non-dealing with clients and prospective clients; and
 - (iii) 12 month non-solicitation of key employees.

The length of the restrictions will be reduced by any period spent on garden leave;
- (j) The Employee has no declared outside interests.

12.3.2 Anthony Gilbert Cowdrey (Head of International Division) with:

- (a) a rolling term terminable with three months' notice from either party;
- (b) a salary of £90,000 per annum;
- (c) agreement to pay to the Employee following Admission arrears of salary owing to him;
- (d) a discretionary bonus;
- (e) company contribution equal to 7 per cent. of the Employee's salary into the Employee's personal pension scheme;
- (f) discretionary payment for sickness absences;
- (g) 25 days holiday plus public and bank holidays;
- (h) reimbursement of reasonable expenses, a mileage allowance payable at the HMRC approved rate and life insurance;
- (i) Restrictive Covenants:
 - (i) 12 month non-compete;
 - (ii) 12 month non-poaching and non-dealing with clients and prospective clients; and
 - (iii) 12 month non-solicitation of key employees.

The length of the restrictions will be reduced by any period spent on garden leave;
- (j) The Employee has no declared outside interests.

12.4 Save as disclosed in paragraphs 12.1, 12.2 and 12.3 above, there are no service agreements, consultancy agreements or appointment letters whether existing or proposed, between any Director or Proposed Director and the Company or the Subsidiary nor between any Senior Manager and the Company or the Subsidiary providing for benefits upon termination of employment.

12.5 The agreements with the Directors, Proposed Directors and Senior Managers described in this paragraph 12 do not provide for any benefits upon termination of employment other than in relation to payments during their respective notice periods and any contractual benefits accrued on the date of such termination.

12.6 The aggregate remuneration payable and benefits in kind granted to the Directors in the last financial period ended 31 December 2011 was £160,000 and the aggregate remuneration payable and benefits in kind to be granted to the Directors and Proposed Directors in the current financial period ending 31 December 2012 under the arrangements in force at the date of this document is estimated at £327,000.

13. Employees

The Group has 12 employees all of whom are based in the U.K., as follows:

	<i>Total No. of Employees</i>	<i>Senior Management</i>	<i>Administration and sales</i>	<i>Project Management</i>	<i>Procurement Manager</i>	<i>Site manager</i>	<i>PA</i>
As at the date of this document	14	4	4	3	1	1	1
As at 31 December 2011	9	2	4	0	1	1	1

14. Mandatory Takeover Bids, Squeeze-Out and Sell-Out

14.1 *Mandatory takeover bids*

The City Code currently applies to the Company. Under the City Code, where:

14.1.1 any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which he is already interested, and in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company; or

14.1.2 any person who, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of a company but does not hold shares carrying more than 50 per cent. of such voting rights and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested;

such person shall, except in limited circumstances, be obliged to extend offers, on the basis set out in rules 9.3, 9.4 and 9.5 of the City Code, to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights. Offers for different classes of equity share capital must be comparable; the Panel should be consulted in advance in such cases.

14.2 *Squeeze-Out*

14.2.1 Under sections 979 and 982 of the Act, if an offeror were to acquire 90 per cent. of the Ordinary Shares it could then 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, provided that no such notice may be served after the end of (a) the period of three months beginning with the day after the last day on which the offer can be accepted, or (b) if earlier, and the offer is not one to which section 943(1) of the Act applies, the period of six months beginning with the date of the offer.

14.2.2 Six weeks following service of the notice, the offeror must send a copy of it to the Company together with the consideration for the Ordinary Shares to which the notice relates, and an instrument of transfer executed on behalf of the outstanding Shareholder(s) by a person appointed by the offeror.

14.2.3 The Company will hold the consideration on trust for the outstanding Shareholders.

14.3 *Sell-out*

14.3.1 Sections 983 to 985 of the Act also give minority Shareholders 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 related who had not accepted the offer could by a written communication to the offeror require it to acquire those shares. The offeror is 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, or, if longer a period of three months from the date of the notice.

14.3.2 If a Shareholder exercises his/her rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

14.3.3 There have been no takeover bids by third parties in respect of the Company's share capital, which have occurred during the last financial year or the current financial year.

15. United Kingdom Taxation

15.1 The Directors have been advised that, under current UK legislation and HM Revenue & Customs (HMRC) practice, the taxation consequences of an acquisition of the Company's Ordinary Shares are broadly as outlined below.

This summary is not exhaustive and, among other issues, it does not consider the position of any Shareholder not resident or ordinarily resident in the UK or who holds his shares otherwise than as an investment. The tax position of certain shareholders who are subject to special rules, such as employees and/or optionholders, dealers in securities, broker-dealers, insurance companies and collective investment schemes is not considered. It should be noted that UK tax law and/or the practices of HMRC may have changed since the publication of this document. Any Shareholder who is in any doubt as to his tax position should consult his professional adviser.

15.2 *Distribution*

15.2.1 *UK resident individual and trustee Shareholders*

15.2.1.1 An individual Shareholder, resident for tax purposes in the UK, will be entitled to a tax credit equal to one ninth of the amount of the net distribution, which is also equivalent to a tax credit of 10 per cent. of the sum of the net distribution and the tax credit (the gross distribution).

15.2.1.2 Individual Shareholders resident for tax purposes in the UK will be liable to income tax on the amount of the gross distribution. The tax credit referred to above will discharge the liability to income tax in respect of the distribution to an individual Shareholder who is subject to UK income tax at the starting or basic rate only. A higher rate taxpayer will be liable to income tax on the gross distribution at a rate of 32.5 or 42.5 per cent. depending on the level of their income and personal circumstances. Higher rate taxpayers will be able to offset the tax credit against their liability to tax on the gross distribution. After setting off the tax credit, a higher rate taxpayer will be liable to additional income tax at an effective rate of 25/36.1 per cent. of the net distribution depending on the level of their income and personal circumstances. If an individual UK resident Shareholder's total tax credit on the distribution exceeds his overall tax liability, he may not claim repayment of the excess from HMRC.

15.2.1.3 Trustees of UK resident trusts should take appropriate advice on the tax consequences of the offer. Generally, UK resident trusts that are regarded as discretionary or accumulation trusts may be subject to tax at the 42.5 per cent. dividend trust rate on the total of the distribution element of the sum received plus the tax credit. As for individuals, this normally results in an effective rate of tax at 36.1 per cent. on the net distribution received. Certain trusts with up to £1,000 of total income may have no further tax to pay.

15.2.1.4 Following the Budget announcements by the UK Government on 21 March 2012 the additional rate of income tax for UK resident individuals and trusts on gross distributions is expected to reduce to 37.5 per cent. with effect from 6 April 2013. After setting off the tax credit, the effective tax rate on the net distribution will be 30.55 per cent. The 2013/14 tax rates have yet to be enacted and may be subject to change.

15.2.2 *Corporate Shareholders*

A corporate Shareholder (other than a share dealer) resident in the UK for tax purposes will not generally be liable to UK corporation tax if a distribution is received.

15.2.3 *Non-UK resident Shareholders*

Non-UK resident Shareholders should clarify their position with their professional adviser.

15.3 *Taxation of Capital Gains*

15.3.1 To the extent the sum received by a Shareholder is a capital payment in respect of the disposal of the Ordinary Shares, a liability to tax on chargeable gains may, depending on the Shareholder's individual circumstances (including the availability of any exemptions, reliefs, allowable losses and the annual allowance), arise. If an allowable loss arises to a Shareholder on the sale of an Ordinary Share, such Shareholder is recommended to seek professional advice on the potential utilisation of such allowable loss.

15.3.2 An individual resident (or ordinarily resident) in the UK will generally be liable to capital gains tax on any gain at an effective tax rate of between 18 per cent. and 28 per cent. depending on the amount of the chargeable gain and whether the UK resident is a basic rate or higher rate tax payer. A reduced effective tax rate of 10 per cent. applies to those individuals who qualify for Entrepreneurs' relief. Shareholders entitled to Entrepreneurs' relief include officers or employees of the Company (or a company in the same group) who hold at least 5 per cent. of the Ordinary Shares (allowing such a Shareholder to exercise at least 5 per cent. of the voting rights) or trusts which have a beneficiary who qualifies as an officer or employee of the Company.

15.3.3 It is to be noted that the comments above are general statements as to the current system of UK taxation. All Shareholders are advised to consult their professional advisers regarding their own tax position.

15.4 *Inheritance tax*

The inheritance tax status of individual Shareholders' Ordinary Shares will depend upon their personal circumstances. Shareholders should consult with their professional advisers if they are concerned with the potential inheritance tax implications of their shares in the Company.

15.5 *Stamp Duty and Stamp Duty Reserve Tax*

The paragraphs below are intended as a general guide. Certain categories of person are not liable to stamp duty or stamp duty reserve tax (SDRT) and in some transactions namely a transfer into a clearing or depository system a higher rate may be due or may, although not primarily liable for the tax, be required to notify and account for it under the Stamp Duty Reserve Tax Regulations 1986.

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

15.5.1 *Shares held outside the CREST system*

The conveyance or transfer on sale of the Ordinary Shares will usually be subject to stamp duty on the instrument or transfer, generally at the rate of 0.5 per cent. of the amount or value of the consideration. Stamp duty is charged in multiples of £5 and is rounded up. An obligation to account for SDRT at the rate of 0.5 per cent. of the amount or value of the consideration will also arise if an unconditional agreement to transfer the Ordinary Shares is not completed by a duly stamped instrument of transfer before the accountable date for SDRT purposes. The accountable date is the seventh day of the month following the month in which the agreement for the transfer is made. Payment of the stamp duty will cancel the liability to account for SDRT. It is the purchaser who is in general liable to account for stamp duty or SDRT.

15.5.2 Shares held within the CREST system

The transfer of the Ordinary Shares in uncertificated form in the CREST system will generally attract a liability to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration. The SDRT is payable on the fourteenth day following the date of the unconditional agreement for the transfer of the Ordinary Shares.

16. Material Contracts

The following are the only contracts (not being contracts entered into in the ordinary course of business) which have been entered into by members of the Group in the two years immediately preceding the date of this document or which are expected to be entered into prior to Admission and which are, or may be, material or which have been entered into at any time by any member of the Group and which contain any provision under which any member of the Group has any obligation or entitlement which is, or may be, material to the Group as at the date of this document:

- 16.1 Heads of terms dated 4 July 2011 as amended by heads of terms dated 10 January 2012 (**Heads**) entered into between the Subsidiary and B52 Investments Limited (**B52**), pursuant to which B52 invested £279,695 in the Subsidiary. Of this sum, £75,000 was subscription moneys for 5,000,000 ordinary A shares of 1p each in the capital of the Subsidiary and for 2,500,000 ordinary B shares of 1p each in the capital of the Subsidiary. These shares were subsequently re-designated as ordinary shares of 1p each in the capital of the Subsidiary and exchanged for Ordinary Shares in the Company pursuant to the Share Exchange Agreements referred to at paragraph 4.3 of this Part IV. The balance of the investment, namely £204,695, was an interest bearing loan (with interest to be no more than 10 per cent. pa). Pursuant to an oral agreement with the Subsidiary further loans totalling £513,639 were made by B52 to the Subsidiary in 2011. On 13 April 2012 B52 agreed to waive the full amount of its outstanding loan to the Subsidiary of £718,334, together with all interest accrued thereon. The Heads also allow for B52 to appoint two directors to the board of the Subsidiary. On 13 April 2012 B52 agreed to waive this entitlement, such waiver to be effective on Admission. The Heads are terminated on Admission pursuant to the Share Exchange Agreements referred to at paragraph 4.3 above;
- 16.2 The deed of assignment dated 17 October 2011 between Talisman Management & Investment Limited (**Talisman**) (1), and Snoozebox Limited (2) (**Deed of Assignment**), pursuant to the which, Talisman agreed to assign to the Subsidiary the full benefit of such rights as Talisman had in contracts with architects, mechanical and electrical engineers and structural engineers relating to the design of the Snoozebox products together with the full benefit of the www.snoozebox.com domain name and the UK trademarks registered under numbers 2578602 (the word “Snoozebox”) and 2578604 (a series of logos). Talisman is a company owned and controlled by Robert Roddick Ackrill Breare;
- 16.3 The hire agreement dated July 2011 between J.R. Pickstock Limited (**Pickstock**) (1) and Snoozebox Limited (2) (**Hire Agreement**), as amended by a letter from the Subsidiary to J.R. Pickstock dated 9 March 2012 and counter-signed by J.R. Pickstock, pursuant to which the first 10 snoozeboxes (i.e. 40 rooms) were hired by the Subsidiary for 24 months from July 2011 (**Hire Period**). The hire payment is £43,333.33 (exclusive of VAT) per month. The agreement contains an option (**Option**) for the Subsidiary to purchase the snoozeboxes from Pickstock at a purchase price of £838,067.60 (exclusive of VAT) (**Purchase Price**). The Option can be exercised at any time during the Hire Period and there shall be deducted from the Purchase Price all hire payments received by Pickstock from the first day of the Hire Agreement to the date of transfer of title to the snoozeboxes;
- 16.4 The Pickstock Manufacture Supply Agreement dated 15 February 2012, pursuant to which the Subsidiary granted Elements Europe Limited (**Elements**) an exclusive licence to manufacture Snoozebox products worldwide for five years from the date of the agreement. Elements is a subsidiary of J. R. Pickstock Limited. Under the agreement Elements agreed not to manufacture the product for anyone other than the Subsidiary. Elements also warranted that for a period of 12 months from the date of collection, Snoozebox products shall be of satisfactory quality, free of defects and fit for purpose on collection of the Snoozebox products. All intellectual property rights

attaching to the snoozeboxes are vested in the Subsidiary. A specific Purchase Order dated 15 February 2012 is annexed to the agreement for (i) 54 containers divided into 4 bedrooms (216 rooms) for a total price of £4,309,200 plus VAT and (ii) 71 basic forty feet shipping containers for a total price of £284,000 plus VAT. There has been a subsequent verbal order between the Company and Pickstock for a further 6 containers (24 rooms);

- 16.5 The Share Exchange Agreements, details of which are set out in paragraph 4.3 of this Part IV;
- 16.6 The Note Exchange Agreement, details of which are set out in paragraph 6.3 of this Part IV;
- 16.7 The Convertible Loan Note Instrument, details of which are set out in paragraph 6.2 of this Part IV;
- 16.8 The warrant instrument details of which are set out in paragraph 7 of this Part IV;
- 16.9 A Nominated Adviser and Broker Agreement between the Company and Panmure Gordon, dated 26 April 2012, pursuant to which the Company appointed Panmure Gordon and Panmure Gordon agreed to act as sole nominated adviser and corporate broker to the Company with effect from Admission. Pursuant to the terms of the agreement, the Company agreed to pay Panmure Gordon a fee of £60,000 per annum plus VAT for its services as nominated adviser and broker plus any reasonable expenses incurred by Panmure Gordon in performing services under the agreement. The agreement contains certain undertakings, warranties and indemnities given by the Company to Panmure Gordon. The agreement is terminable by the Company or Panmure Gordon on seven days' notice in writing, and Panmure Gordon may terminate the agreement immediately if the Company is in breach of its obligations under the agreement;
- 16.10 A Placing Agreement between the Company, the Directors, Proposed Directors and Panmure Gordon, dated 26 April 2012, pursuant to which Panmure Gordon has agreed, subject to certain conditions, to act as placing agent for the Company and to use its reasonable endeavours to procure places to subscribe for the Placing Shares at the Placing Price.

The Placing Agreement is conditional upon, *inter alia*, Admission occurring on or before 8.00 a.m. on 1 May 2012 (or such later time and/or date as the Company and Panmure Gordon may agree being not later than 3.00 p.m. on 14 May 2012). The Placing Agreement contains representations and warranties from the Company and the Directors in favour of Panmure Gordon in relation to, *inter alia*, the accuracy of the information in this document and other matters relating to the Group. In addition, the Company has agreed to indemnify Panmure Gordon in respect of certain liabilities it may incur in respect of the Placing. Panmure Gordon has the right to terminate the Placing Agreement in certain circumstances prior to Admission.

Under the Placing Agreement and subject to it becoming unconditional and not being terminated in accordance with its terms, the Company has agreed to pay Panmure Gordon a corporate finance fee of £150,000 and a commission of an amount equal to 4 per cent. of the Placing Price multiplied by the total number of Placing Shares (expected to be approximately £480,000) together with any applicable VAT and to issue to Panmure Gordon with the warrants referred to in paragraph 7 of this Part IV;

- 16.11 A Lock-in Agreement dated 26 April 2012 between (1) the Company, (2) Panmure Gordon and (3) Prospect Investment Management Limited (a company owned and controlled by David John Morrison), under which Prospect Investment Management has agreed (subject to certain exceptions) not to dispose of 750,000 Ordinary Shares held by him on the date of Admission before the first anniversary of Admission and for the following twelve months after the first anniversary of Admission only to dispose of its Ordinary Shares in such manner as Panmure Gordon or the broker for the time being of the Company shall reasonably require with a view to maintaining an orderly market in the Ordinary Shares;
- 16.12 A Lock-in Agreement, dated 26 April 2012, between (1) the Company, (2) Panmure Gordon and (3) Robert Roddick Ackrill Breare, under which Mr Breare has agreed (subject to certain exceptions) not to dispose of 1,800,000 Ordinary Shares held by him on the date of Admission before the first anniversary of Admission and for the following twelve months after the first anniversary of Admission

only to dispose of his Ordinary Shares in such manner as Panmure Gordon or the broker for the time being of the Company shall reasonably require with a view to maintaining an orderly market in the Ordinary Shares;

- 16.13 A Lock-in Agreement, dated 26 April 2012, between (1) the Company, (2) Panmure Gordon and (3) Christopher George Upton, under which Mr Upton has agreed (subject to certain exceptions) not to dispose of 200,000 Ordinary Shares held by him on the date of Admission before the first anniversary of Admission and for the following twelve months after the first anniversary of Admission only to dispose of his Ordinary Shares in such manner as Panmure Gordon or the broker for the time being of the Company shall reasonably require with a view to maintaining an orderly market in the Ordinary Shares;
- 16.14 A Lock-in Agreement, dated 26 April 2012, between (1) the Company, (2) Panmure Gordon and Richard James Guy Davies, under which Mr Davies has agreed (subject to certain exceptions) not to dispose of 200,000 Ordinary Shares held by him on the date of Admission before the first anniversary of Admission and for the following twelve months after the first anniversary of Admission only to dispose of his Ordinary Shares in such manner as Panmure Gordon or the broker for the time being of the Company shall reasonably require with a view to maintaining an orderly market in the Ordinary Shares;
- 16.15 A Lock-in Agreement dated 26 April 2012 between (1) the Company, (2) Panmure Gordon and (3) Michael Clive Stockdale, under which Mr Stockdale has agreed (subject to certain exceptions) not to dispose of 100,000 Ordinary Shares held by him on the date of Admission before the first anniversary of Admission and for the following twelve months after the first anniversary of Admission only to dispose of his Ordinary Shares in such manner as Panmure Gordon or the broker for the time being of the Company shall reasonably require with a view to maintaining an orderly market in the Ordinary Shares;
- 16.16 A Lock-in Agreement dated 26 April 2012 between (1) the Company, (2) Panmure Gordon and (3) Richard Charles Thain, under which Mr Thain has agreed (subject to certain exceptions) not to dispose of 100,000 Ordinary Shares held by him on the date of Admission before the first anniversary of Admission and for the following twelve months after the first anniversary of Admission only to dispose of his Ordinary Shares in such manner as Panmure Gordon or the broker for the time being of the Company shall reasonably require with a view to maintaining an orderly market in the Ordinary Shares; and
- 16.17 A Lock-in Agreement, dated 26 April 2012, between (1) the Company, (2) Panmure Gordon and B52 Investments Limited, under which B52 Investments Limited has agreed (subject to certain exceptions) not to dispose of 6,670,000 Ordinary Shares held by it on the date of Admission before the first anniversary of Admission and for the following twelve months after the first anniversary of Admission only to dispose of its holding of Ordinary Shares in such orderly manner as Panmure Gordon or the broker for the time being of the Company shall reasonably require with a view to maintaining an orderly market in the Ordinary Shares.

17. Related Party Transactions

- 17.1 Save as set out in paragraph 16.2 and this paragraph 17 of this Part IV, neither the Company nor its Subsidiary has entered into any related party transactions during the period covered by the historical financial information set out in Part II of this document up to and including the date of this document.
- 17.2 Oral agreements between the Subsidiary and each of Robert Roddick Ackrill Breare and Christopher George Upton whereby Mr Breare made £95,941 available to the Subsidiary as a loan and Mr Upton made £24,510 available to the Subsidiary as a loan. These loans are expected to be repaid to Mr Breare and Mr Upton from the net proceeds of the Placing.

18. Working Capital

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

19. Legal and Arbitration Proceedings

No member of the Group is or has been involved in any governmental, legal or arbitration proceedings which may have or have had during the 12 months preceding the date of this document, a significant effect on the Company and/or the Group's financial position or profitability, nor, so far as the Company is aware, are there any such proceedings pending or threatened.

20. Licences and Consents

- 20.1 The planning legislation which applies to the construction of the Company's products is the Town and Country Planning Act 1990 (**1990 Act**). Section 57 of the 1990 Act provides that a "development" may only be lawfully carried out in England and Wales where planning permission has been granted in respect of it. A "development" is defined by section 55 of the 1990 Act as being, *inter alia*, both (i) the "carrying out of building...or other operations" and (ii) the "making of any material change in the use of...land". Therefore a party wishing to undertake a development would normally have to seek planning permission from the local planning authority.
- 20.2 However, the Company has been advised that the Town and Country Planning (General Permitted Development) Order 1995 (**Order**) provides that planning permission is automatically granted to temporary buildings constructed for a period of not more than 28 days. Therefore, the Company does not need to apply for planning permission for any events where its products are only used for 28 days or less. Where the structures are intended to be used for more than 28 days, then the Company has been advised it must submit a planning application to the relevant local planning authority.
- 20.3 The Company also intends to erect 'sloping canopies' on top of the temporary accommodation units and offer companies the opportunity to advertise on said canopies. The display of advertisements is governed by the Town and Country Planning (Control of Advertisement) Regulations 1997. The Company has been advised that in some circumstances it will not be necessary to obtain consent in order to display advertisements (either because they will benefit from 'excepted status' or because an appropriate consent already exists). Where it is necessary to obtain planning consent, the Company has been advised that it stands a good prospect of doing so and the process is relatively swift and uncomplicated.
- 20.4 As the Company is operating a hotel, it needs to comply with certain health and safety and environmental legislation. The Health and Safety Executive (**HSE**), the independent regulator, states that a business must appoint someone competent to help it meet its health and safety duties. The Company has appointed RBS Mentor to advise it in respect of its obligations to ensure legal compliance with Health & Safety regulations.
- 20.5 Under section 34 of the Environmental Protection Act 1990 (**1990 Act**) the Company is also under a duty of care to ensure that the waste it produces is managed properly and recovered or disposed of safely. In order for the Company to comply with its obligations under the 1990 Act it must use a waste carrier to remove waste who is registered as a waste carrier with the Environmental Agency.
- 20.6 The consents needed by the Company to operate its business in relation to health and safety and environmental issues, such as waste management, are site specific and one of the Company's event project managers is responsible for ensuring that waste contractors engaged for a particular event are certified and for putting together all the necessary documentation for each site/event. The event project managers are also responsible for ensuring that the Company has all relevant method statements, insurances and health & safety policies in place in respect of each site/event.
- 20.7 In most cases, the Building Regulations 2010 will not apply to the Company as they do not apply to any temporary building which is not intended to remain where it is erected for more than 28 days. However, where the regulations do apply (in respect of structures to be in place for more than 28 days) the regulations provide a minimum standard for such buildings in respect of structure, fire safety, ventilation, drainage and waste disposal.

21. General

- 21.1 Save as disclosed in Part III of this document there has been no significant change in the financial or trading position of the Subsidiary since 31 December 2011, the date to which the financial information on the Subsidiary, as set out in Section B of Part III, was prepared or of the Company since 30 March 2012, its date of incorporation.
- 21.2 The total gross proceeds of the Placing are expected to be £12 million. The estimated amount of the expenses of the Placing and Admission are estimated to be approximately £1 million (including VAT). The net proceeds of the Placing receivable by the Company will be approximately £11 million.
- 21.3 BDO LLP of 55 Baker Street, London, W1U 7EU, a member firm of the Institute of Chartered Accountants in England and Wales, was the auditor of the Subsidiary for the ten months ended 31 December 2011.
- 21.4 The financial information contained in this document does not constitute full statutory accounts as referred to in section 434 of the Act.
- 21.5 Panmure Gordon has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and references to it in the form and context in which they appear.
- 21.6 BDO LLP has given and not withdrawn its written consent to the inclusion in this document of its report in Section A of Part III of this document in the form and in the context in which it is included and has authorised the contents of its report for the purposes of Schedule Two of the AIM Rules for Companies.
- 21.7 Save as disclosed in the document, no person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has:
- 21.7.1 received, directly or indirectly, from the Company within the 12 months preceding the date of this document; or
 - 21.7.2 entered into contractual arrangements (not otherwise disclosed in paragraph 16 above) to receive, directly or indirectly, from the Company on or after Admission any of the following:
 - 21.7.2.1 fees totalling £10,000 or more;
 - 21.7.2.2 securities in the Company with a value of £10,000 or more calculated by reference to the Placing Price; or
 - 21.7.2.3 any other benefit with a value of £10,000 or more at the date of Admission.
- 21.8 Assuming that the Placing Shares are fully subscribed pursuant to the Placing, the 10,000,000 Ordinary Shares in issue on the date of this document (**Existing Ordinary Shares**) will account for approximately 19.5 per cent. of the Enlarged Share Capital. Holders of Existing Ordinary Shares will be diluted by the subscription for the Placing Shares and the conversion of the Loan Notes, which together will represent a 80.5 per cent. immediate dilution of the holders of Existing Ordinary Shares on Admission.
- 21.9 The Directors are not aware of any significant recent trends in production, sales and inventory and costs and selling prices between 31 December 2011, being the end of its last financial year and the date of this document. There are no known uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for the current financial year.
- 21.10 The Company has not made any significant investments during any of the financial years covered in Part III of this document up to and including the date of this document. Save as disclosed in paragraphs 16.3 and 16.4 of this Part IV there are no investments in progress, and there are no future investments on which the Directors have already made firm commitments which are significant to the Company or the Group.

- 21.11 To the extent information has been sourced from a third party, this information has been accurately reproduced and, as far as the Directors and the Company are aware and able to ascertain from information published by that third party, no facts have been omitted which may render the reproduced information inaccurate or misleading.
- 21.12 Save as disclosed in paragraph 4.3 of this Part IV there have been no takeover offers (within the meaning of Part 2.8 of the Act) by third parties for any of the Subsidiary's share capital during the last financial year of the Subsidiary ended 31 December 2011 nor for during the current financial year of the Subsidiary. There have been no takeover offers for any of the Company's Ordinary Shares since its incorporation.
- 21.13 Save as set out in this document Panmure Gordon has not held any position or office or had any material relationship over the last three years with the Company or any of its affiliates.

22. Availability of this Document

Copies of this document will be available free of charge during normal business hours on any weekday (except Saturdays, Sundays and public holidays) at the offices of Panmure Gordon (UK) Limited, 155 Moorgate, London, EC2M 6XB and at the registered office of the Company from the date of this document for a period of one month following Admission and on the Company's website www.snoozebox.com.

Dated 26 April 2012

