

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the contents of this document or the action you should take, you should immediately consult a person authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

Shellproof Limited and the directors of Shellproof Limited, whose names appear on page 5 of this document, accept full responsibility, both individually and collectively, for the information contained in this document. To the best of the knowledge and belief of Shellproof Limited and the directors of Shellproof Limited, 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 contains no omission likely to affect the import of such information. This document, which constitutes an AIM admission document, has been drawn up for such purpose in accordance with the AIM Rules for Companies. A copy of this document has been delivered to the London Stock Exchange plc as required by the AIM Rules for Companies.

**Application has been made to the London Stock Exchange plc for the whole of the issued share capital of Shellproof Limited to be admitted to trading on AIM. It is expected that trading in shares in Shellproof Limited will commence on 7 May 2008. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange plc on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange plc has not itself examined or approved the contents of this document.**

**The whole of the text of this document should be read. You should be aware that an investment in the securities of Shellproof Limited involves a high degree of risk. Shellproof Limited has yet to commence trading and has no existing business record. Your attention is drawn to the risk factors set out in Part 2 of this document.**

---

## **Admission to AIM**

**of all the issued ordinary shares of 50 pence each of**

# **SHELLPROOF LIMITED**

**(Incorporated in Belize under the International Business Companies Act, 1990 with registered number 70,859)**

**Nominated Adviser**

# **CENKOS SECURITIES PLC**

---

<i>Authorised</i>	<b>Share Capital on Admission</b>	<i>Issued and fully paid</i>
100,000,000	ordinary shares of 50 pence each	8,000,000

---

**The Shellproof Shares (as defined on page 4 of this document) have not and will not be registered under the United States Securities Act of 1933, as amended, or under the securities laws of any jurisdiction in the United States and may not be offered or sold in the United States or to any citizens, nationals or residents of the United States (including US-based custodians, nominees or trustees for persons who are, or are not, citizens, nationals or residents of the United States), unless and until the shares are registered under the United States Securities Act of 1933 or unless an exemption from the registration requirements of the United States Securities Act of 1933 is available. Shellproof Limited currently has no plans to register the Shellproof Shares under the United States Securities Exchange Act of 1934, as amended, and Shellproof Limited is not seeking to list its securities on any United States exchange or quotation system and does not expect there to be a market for its shares in the United States.**

Cenkos Securities plc, which is regulated in the United Kingdom by the United Kingdom Financial Services Authority, is acting as nominated adviser to Shellproof Limited in relation to the admission of the Shellproof Shares to trading on AIM and is not acting for any other persons and will not be responsible to anyone other than Shellproof Limited for providing the protections afforded to customers of Cenkos Securities plc or advising them on the contents of this document or any matter referred to in it.

**The contents of this communication have been approved by Cenkos Securities plc solely for the purposes of Section 21(2)(b) of the Financial Services and Markets Act 2000. Cenkos Securities plc can be contacted at 6.7.8 Tokenhouse Yard, London EC2R 7AS, United Kingdom.**

## CONTENTS

	Page
Definitions	3
Directors and Advisers of the Company	5
Key Information on the Company	6
Part 1 Information on the Company	7
1. Introduction	7
2. Investing Strategy	7
3. Directors	9
4. Current Trading and Prospects	9
5. Financial Information	10
6. Reasons for Admission to AIM	10
7. Dividend Policy	10
8. Directors' Dealings	10
9. Admission, Settlement and Dealings	10
10. Corporate Governance	11
11. Further Information	11
Part 2 Risk Factors	12
1. Risk factors that are specific to Shellproof	12
2. Risk factors that are material to the Shellproof Shares	13
Part 3 Accountants' Report and Financial Information on Shellproof	15
Part 4 Additional Information	19
1. Responsibility	19
2. Shellproof	19
3. Share Capital and Interests	19
4. Directors	20
5. Taxation	24
6. Memorandum and Articles of Association and the IBCA	25
7. Material Contracts	30
8. Working Capital	31
9. Litigation	31
10. General Information	31
11. Documents Available for Inspection	32

## DEFINITIONS

In this document, unless the context requires otherwise, defined terms shall have the meaning given to them below:

Admission	admission of all of the Shellproof Shares to trading on AIM;
AIM	a market operated by the London Stock Exchange;
AIM Rules for Companies	the AIM rules for companies as published by the London Stock Exchange from time to time;
AIM Rules for Nominated Advisers	the AIM rules for nominated advisers as published by the London Stock Exchange from time to time;
Carlisle	Carlisle Group Limited, an international business company incorporated in Belize under the IBCA with registered number 44,136;
Carlisle Dividend	the dividend declared by the directors of Carlisle on 14 March 2008 and paid on 4 April 2008 of 34 Shellproof Shares for every 100 Carlisle Shares held by a Qualifying Carlisle Shareholder as at the Record Date;
Carlisle Shareholders	holders of Carlisle Shares on the Record Date;
Carlisle Shares	ordinary shares of 10 pence each in the capital of Carlisle (other than the Carlisle Treasury Shares);
Carlisle Treasury Shares	the 1,056,260 ordinary shares of 10 pence each in the capital of Carlisle held by Carlisle Group Treasury Limited, a subsidiary of Carlisle, in treasury;
Carlisle US Shareholder	any Carlisle Shareholder who is, or is a US-based custodian, nominee or trustee for a person who is not, or who is a citizen, resident (including, for this purpose, a <b>US Holder</b> ) or a national of the United States;
Circular	the document dated 14 March 2008 sent to Carlisle Shareholders on or around 14 March 2008 which describes the Carlisle Dividend and the Merger;
CREST	the relevant system (as defined in the Uncertificated Securities Regulations 2001) operated by Euroclear UK & Ireland Limited in accordance with which securities may be held or transferred in uncertificated form;
Directors or Board	the directors of Shellproof;
FSA	the UK Financial Services Authority;
FSA Handbook	the FSA Handbook of Rules and Guidance (as amended and replaced from time to time);
IBCA	the International Business Companies Act, 1990 of Belize (as amended);
Impellam	Impellam Group plc, a public limited liability company incorporated under the laws of England and Wales under the UK Companies Act 1985 with registered number 6511961;
Impellam Shares	ordinary shares of one penny each in the share capital of Impellam;
London Stock Exchange	London Stock Exchange plc;

Lord Ashcroft	Lord Ashcroft KCMG;
Merger	the merger of Impellam with Carlisle to be effected by a statutory merger in accordance with the IBCA, the terms and conditions of which are set out in the Merger Plan;
Merger Plan	the merger plan relating to the Merger as set out in Schedule 1 of the Circular;
Nominated Adviser	Cenkos Securities plc;
Non-Qualifying Carlisle Shareholder	any Carlisle US Shareholder and any Small Shareholder;
Official List	the Official List of the UK Listing Authority;
Qualifying Carlisle Shareholder	any Carlisle Shareholder who is not a Non-Qualifying Carlisle Shareholder;
Record Date	3 April 2008;
Shellproof or the Company	Shellproof Limited, an international business company incorporated in Belize under the IBCA with registered number 70,859;
Shellproof Shareholders	holders of Shellproof Shares;
Shellproof Shares	ordinary shares of 50 pence each in the capital of Shellproof;
Small Shareholder	any Carlisle Shareholder who, under the terms of the Carlisle Dividend, is entitled to 170 or less Shellproof Shares;
UK Companies Acts	the United Kingdom Companies Act 1985 as amended (to the extent still in force) and/or the United Kingdom Companies Act 2006 (to the extent in force);
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland;
UK Listing Authority	the FSA as the competent authority for listing in the United Kingdom under the United Kingdom Financial Services and Markets Act 2000;
United States or US	the United States of America, its territories and possessions, any state or political sub-division of the United States of America and the District of Columbia;
US Holder	a beneficial owner of Carlisle Shares that is, for US Federal income tax purposes: (a) a citizen or resident of the United States; (b) a corporation or other entity treated as a corporation, created or organised in or under the laws of the United States or any state thereof (including the District of Columbia); (c) an estate, the income of which is subject to US Federal income taxation regardless of the source; or (d) a trust if (i) a court within the United States is able to exercise primary supervision over its administration and one or more US persons have the authority to control all of the substantial decisions of the trust or (ii) the trust has a valid election in effect under applicable US Treasury regulations to be treated as a US person;
US\$ or US dollars	the lawful currency of the United States; and
£, pounds sterling, pence or penny	the lawful currency of the United Kingdom.

## DIRECTORS AND ADVISERS OF THE COMPANY

Directors	Peter Michael Reeder Gaze Philip Charles Johnson Philip Thomas Osborne Andrew Stephen Wilson	
	each of 60 Market Square Belize City Belize Central America	
Company Secretary and Registered Office	Philip Thomas Osborne 60 Market Square P.O. Box 1768 Belize City Belize Central America	
Nominated Adviser	Cenkos Securities plc 6.7.8 Tokenhouse Yard London EC2R 7AS United Kingdom	
Broker	Fyshe Horton Finney Limited Charles House 148-149 Great Charles Street Birmingham B3 3HT United Kingdom	
Auditors and Reporting Accountants	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH United Kingdom	
Legal Advisers	Allen & Overy LLP One Bishops Square London E1 6AD United Kingdom	
Depository	Capita IRG Trustees Limited The Registry 34 Beckenham Road Beckenham Kent BR3 4TU United Kingdom	
Registrars	The Belize Bank Limited 60 Market Square P.O. Box 1768 Belize City Belize Central America	Capita Registrars (Jersey) Limited 12 Castle Street St Helier Jersey JE2 3RT Channel Islands

## **KEY INFORMATION ON THE COMPANY**

*The following information should be read in conjunction with the full text of this document from which it is derived.*

### **THE BUSINESS**

Shellproof aims to invest in either one or more businesses. Its investment targets will include established businesses with good management teams, solid growth prospects and the potential for capital appreciation over the medium term. These businesses may have been set up by entrepreneurs who have good strategic plans and need financial backing to develop their business.

### **HISTORY**

Shellproof, a strategic investment company, was incorporated in Belize on 3 March 2008 as an international business company under the IBCA. On incorporation, the Company's one issued Shellproof Share was held by Carlisle. On 14 March 2008 Carlisle subscribed for an additional 7,999,999 Shellproof Shares for a total cash subscription consideration of £3,999,999.50.

On the same date, it was announced that final agreement had been reached on the terms of the Merger between Carlisle and Impellam (as more fully described in the Circular).

As part of the consideration for the Merger, the Carlisle Dividend was declared by Carlisle on 14 March 2008 and was satisfied on 4 April 2008 by the transfer by Carlisle of 7,759,206 Shellproof Shares held by Carlisle to Qualifying Carlisle Shareholders of record on 3 April 2008 in proportion to their respective shareholdings in Carlisle. The remaining 240,794 Shellproof Shares held by Carlisle were placed with new investors outside of the United States at a price of 50 pence for each Shellproof Share in order to fund the cash payments to be made to Non-Qualifying Carlisle Shareholders (as described in more detail in paragraph 1 of Part I of this document).

Shellproof's major shareholder is Lord Ashcroft who, as at 24 April 2008 (being the latest practicable date prior to publication of this document) held 6,093,616 Shellproof Shares, which equates to approximately 76.2 per cent. of the issued and outstanding Shellproof Shares.

### **INVESTING STRATEGY**

Shellproof will focus its search for either privately or publicly owned investment targets in the business and consumer services sectors, with a focus in particular on the support services sector including business process outsourcing, facilities services and property services, although the Directors are likely to be presented with opportunities in other sectors. Shellproof will use its own management resources and outside advisers and services to identify and assess potential targets.

Shellproof will focus its search for investment targets predominantly in Western Europe, including the United Kingdom, and elsewhere in English speaking countries, including, but not limited to, the United States and Canada. In such geographical areas and business sectors, the Directors, together with their advisers, have the appropriate financial, legal and technical expertise and experience to evaluate a potential target and actively conduct a suitable level of due diligence into possible acquisitions.

### **FINANCIAL INFORMATION**

Shellproof has not yet traded, generated any revenue or made any investments. Shellproof has no borrowings and is not raising any additional capital on Admission.

Following receipt of the subscription consideration of £4,000,000 for 8,000,000 Shellproof Shares, the Company placed the proceeds into an interest bearing deposit account.

## **PART 1**

### **INFORMATION ON THE COMPANY**

#### **1. INTRODUCTION**

Shellproof, a strategic investment company, was incorporated in Belize on 3 March 2008 as an international business company under the IBCA.

Shellproof aims to invest in either one or more businesses. Its investment targets will include established businesses with good management teams, solid growth prospects and the potential for capital appreciation over the medium term. These businesses may have been set up by entrepreneurs who have good strategic plans and need financial backing to develop their business. As at 24 April 2008 (being the latest practicable date prior to the publication of this document) the Company has made no investments. Further details of the Company's investing strategy are set out in paragraph 2 below.

On incorporation, the Company's one issued Shellproof Share was held by Carlisle. On 14 March 2008, Carlisle subscribed for an additional 7,999,999 Shellproof Shares for a total cash subscription consideration of £3,999,999.50.

On the same date, it was announced that final agreement had been reached on the terms of the Merger between Carlisle and Impellam (as more fully described in the Circular).

As part of the consideration for the Merger, the Carlisle Dividend was declared by Carlisle on 14 March 2008 and was satisfied on 4 April 2008 by the transfer by Carlisle of 7,759,206 Shellproof Shares held by Carlisle to Qualifying Carlisle Shareholders of record on 3 April 2008 in proportion to their respective shareholdings in Carlisle.

Neither Carlisle US Shareholders nor Small Shareholders received Shellproof Shares pursuant to the Carlisle Dividend. Carlisle US Shareholders will instead receive a cash payment of the US\$ equivalent as at the date of distribution of £17 for every 100 Carlisle Shares registered in their name as at 4.30 p.m. (London time) on the Record Date. Similarly, Small Shareholders will receive £17 in cash for every 100 Carlisle Shares registered in their name as at 4.30 p.m. (London time) on the Record Date, with the exception of Small Shareholders who are also Carlisle US Shareholders, who will receive the US\$ equivalent as at the date of distribution of £17 in cash for every 100 Carlisle Shares registered in their name as at 4.30 p.m. (London time) on the Record Date. In order to fund these cash payments the Shellproof Shares to which Non-Qualifying Carlisle Shareholders would otherwise have been entitled were sold to places outside of the United States at a price of 50 pence for each Shellproof Share.

Accordingly, as at 24 April 2008 (being the latest practicable date prior to publication of this document), the issued share capital of Shellproof is held as to approximately 97 per cent. by Carlisle Shareholders and as to approximately 3 per cent. by the places referred to above who have had placed with them (a) the Shellproof Shares to which Non-Qualifying Carlisle Shareholders would otherwise have been entitled and (b) unallocated fractional shares arising from the initial allocation of Shellproof Shares and (c) the balance of unallocated Shellproof Shares arising from the dividend allocation calculation. These investors who acquired Shellproof Shares by way of the placing include Directors or persons connected to the Directors and Carlisle Shareholders also receiving Shellproof Shares by way of part satisfaction of the Carlisle Dividend.

The Company's major shareholder is Lord Ashcroft who, as at 24 April 2008 (being the latest practicable date prior to publication of this document) held 6,093,616 Shellproof Shares, which equates to approximately 76.2 per cent. of the issued and outstanding Shellproof Shares.

#### **2. INVESTING STRATEGY**

Shellproof aims to invest in either one or more businesses. Its investment targets will include established businesses with good management teams, solid growth prospects and the potential for capital value appreciation over the medium term. These businesses may have been set up by

entrepreneurs who have good strategic plans and need further financial backing to develop their business. It is expected that Shellproof would be an active investor in any business or businesses it acquires. Shellproof will focus its search for either privately or publicly owned investment targets in the business and consumer services sectors, with a focus in particular on the support services sector including business process outsourcing, facilities services and property services, although the Directors are likely to be presented with opportunities in other sectors. Shellproof will use its own management resources and outside advisers and services to identify and assess potential targets.

Shellproof will focus its search for investment targets predominantly in Western Europe, including the United Kingdom, and elsewhere in English speaking countries, including, but not limited to, the United States and Canada. In such geographical areas and business sectors, the Directors, together with their advisers, have the appropriate financial, legal and technical expertise and experience to evaluate a potential target and actively conduct a suitable level of due diligence into possible acquisitions. The Directors have significant prior experience of successfully executing transactions as directors of an investing company admitted to trading on AIM. Further details of the Directors' experience are set out in paragraph 3 below.

The Directors anticipate that they will identify an appropriate investment target within approximately the next 18 months. No such investment has been identified yet. If an appropriate investment target is not found within 5 years of the date of Admission, Shellproof will return any remaining funds to Shellproof Shareholders.

The Company intends to invest its cash resources in a target business or businesses but may also issue further Shellproof Shares either in exchange for an ownership position in the investee business or to raise additional funds for an acquisition.

The Directors will review the Company's investment strategy on an annual basis and, subject to their review and in the absence of unforeseen circumstances, the Company intends to adhere to the above investment policies. As required by the AIM Rules for Companies and until the Company is substantially invested, the Company will seek shareholder approval annually for its investment strategy. Should the Company make an investment that is not in accordance with its investment strategy, such an investment would be conditional on the approval of Shellproof Shareholders. Shellproof Shareholders should note that, owing to his controlling interest in Shellproof Shares, Lord Ashcroft could determine the outcome of any such process.

Changes to the investment policies may be prompted, *inter alia*, by changes in government policies or economic conditions which alter or introduce additional investment opportunities.

It is the intention of the Company to invest its funds as far as practicable in accordance with the investment strategy, objectives and policies outlined in this document. However, due to market and other investment considerations, it may take some time before the cash resources of the Company are invested. Pending investment, the funds have been deposited with the Belize Bank International Limited, a related party.

Under Rule 14 of the AIM Rules for Companies, any acquisition which the Company proposes entering into which would depart substantially from the investment strategy described in this document will be considered a reverse takeover for the purposes of the AIM Rules of Companies, and completion of any such acquisition is required to be conditional on the consent of Shellproof Shareholders being given in a general meeting. Shellproof Shareholders should note that, owing to his controlling interest in Shellproof Shares, Lord Ashcroft could determine the outcome of any such process.

Investors should note that where a transaction is considered to be a reverse takeover for the purposes of the AIM Rules for Companies and the Shellproof Shareholders approve any such transaction, trading on AIM in the Shellproof Shares will be cancelled and re-admission to AIM will be required to be sought in the same manner as any other applicant applying for admission of its securities for the first time. Trading in the Shellproof Shares will normally be suspended

following the announcement of any such transaction until the Company has published a re-admission document in respect of the Company.

### **3. DIRECTORS**

The Directors are as follows:

**Peter Gaze**

Age 56

Peter Gaze has been a director of Shellproof since its incorporation on 3 March 2008. He is a director and Chief Financial Officer of BB Holdings Limited and is a non-executive director of Carlisle. He is a fellow of the Institute of Chartered Accountants in England and Wales, having trained with the international accounting firm of PricewaterhouseCoopers in London.

**Philip Johnson**

Age 51

Philip Johnson has been a director of Shellproof since its incorporation on 3 March 2008. He is a director and Chief Executive Officer of BB Holdings Limited and is a non-executive director of Carlisle. Prior to joining BB Holdings Limited, he spent ten years in a variety of commercial roles, including over seven years with Lonrho plc, having previously qualified as a chartered accountant. He has previously been a director of Bombshell Limited, Seashell Group Limited and Seashell II Limited, each of which were investing companies which have successfully consummated a transaction.

**Philip Osborne**

Age 46

Philip Osborne has been a director and company secretary of Shellproof since its incorporation on 3 March 2008. He is a solicitor and a member of the Law Society of England and Wales. He has also worked as a legal adviser to the London Stock Exchange and The Securities Association in the United Kingdom and for the international law firms of Clifford Chance and S.J. Berwin & Co. He is a member of the Belize Bar and the country representative for Belize of the International Bar Association. He is a director and company secretary of BB Holdings Limited and a non-executive director of Carlisle. He has previously been a director of Bombshell Limited, Seashell Group Limited and Seashell II Limited, each of which were investing companies which have successfully consummated a transaction.

**Andrew Wilson**

Age 48

Andrew Wilson has been a director of Shellproof since its incorporation on 3 March 2008. He is currently a non-executive director of Watford Leisure plc. Previously he was an investment banker with UBS Warburg specialising in mergers and acquisitions. He has previously been a director of Bombshell Limited, Seashell Group Limited and Seashell II Limited, each of which were investing companies which have successfully consummated a transaction.

### **4. CURRENT TRADING AND PROSPECTS**

The Company has not traded since the date of its incorporation and its trading and prospects for the 12 months following Admission will be dependent on the Directors identifying appropriate investments and successfully acquiring an interest in any such investments.

The costs in respect of Admission have been met by Carlisle.

## 5. FINANCIAL INFORMATION

The Company was incorporated on 3 March 2008 with one issued Shellproof Share, which was held by Carlisle. On 14 March 2008, Carlisle subscribed for an additional 7,999,999 Shellproof Shares for a total cash subscription consideration of £3,999,999.50. The Company placed the proceeds into an interest bearing deposit account.

As at 24 April 2008 (being the latest practicable date prior to the publication of this document) Shellproof has no borrowings. Shellproof is not raising any additional capital on Admission.

The Company's accounting reference date is 31 March. The first audited financial statements of Shellproof will be prepared for the period from 3 March 2008 (being the date of incorporation) to 31 March 2009. The Company will also publish half-yearly reports.

## 6. REASONS FOR ADMISSION TO AIM

Shellproof has a shareholder base similar to that of Carlisle prior to completion of the Merger and the Directors expect the Shellproof Shareholders to want to have the opportunity to trade freely in Shellproof Shares.

Following Admission, Shellproof Shareholders will have access to a market for buying and selling Shellproof Shares (subject always to the risk factors set out in Part 2 of this document).

The Directors believe that the ability to issue quoted Shellproof Shares, which may be freely traded, to potential vendors may facilitate the Company's proposed investment strategy and thereby enhance value for Shellproof Shareholders.

## 7. DIVIDEND POLICY

The Shellproof Shares rank *pari passu* for all dividends or other distributions declared, paid or made in respect of the share capital of the Company.

The Directors may realise value for Shellproof by disposing of its future investment through the market, by way of trade sale or flotation on an appropriate market or by distribution *in specie* to Shellproof Shareholders.

The Company has not yet developed any investment or trading activities. The Directors will determine the dividend policy of the Company after the acquisition of any future investments.

## 8. DIRECTORS' DEALINGS

The Directors will comply with Rule 21 of the AIM Rules for Companies relating to trading in the Company's securities and will take all reasonable steps to ensure that any future applicable employees of the Company also comply with Rule 21.

**In accordance with Rule 7 of the AIM Rules for Companies, each of the Directors and related parties has entered into a lock-up agreement, further details of which can be found in paragraph 7(d) of Part 4 of this document, with the Company and the Nominated Adviser pursuant to which each has agreed not to dispose of any interest in Shellproof Shares immediately following Admission for a period of 12 months following Admission, save as permitted by the AIM Rules for Companies.**

## 9. ADMISSION, SETTLEMENT AND DEALINGS

Application has been made for the Shellproof Shares to be admitted to trading on AIM, and it is expected that trading in the Shellproof Shares will commence on 7 May 2008.

As the Company is not a UK company, the Shellproof Shares cannot be held or transferred directly in CREST. However, Shellproof Shares may be held electronically through CREST by way of **Depository Interests**.

Depository Interests are independent uncertificated securities constituted under English law which will represent Shellproof Shares on a one for one basis. They will be issued by Capita IRG Trustees Limited upon application by Shellproof Shareholders, against deposit of the underlying Shellproof Shares. Shellproof Shares represented by the Depository Interests will be registered in the Company's register of members in the name of a trustee, who will hold Shellproof Shares on trust for the investors who hold the Depository Interests which represent such Shellproof Shares.

Holders of Depository Interests will be entitled to receive notices of meetings and other notices issued by the Company, exercise the voting rights attached to the underlying Shellproof Shares and receive all dividends paid by the Company from time to time to Shellproof Shareholders.

This means that from a practical perspective, the Depository Interests can be credited to the same member account as all the other CREST investments of any particular investor. Shellproof Shares held through Depository Interests will be held and transferred in the same way as other companies' securities participating in CREST. The Depository Interests are expected to have the same security code (ISIN) as the underlying Shellproof Shares which, following Admission, will be admitted to trading on AIM.

CREST is a voluntary system and Shellproof Shareholders who wish to settle in materialised form can continue to trade by means of stock transfer forms and hold paper share certificates.

In general, the Depository Interests held in uncertificated form under CREST will be subject to the rules, regulations and procedures governing CREST and its system members from time to time. Ownership of a Depository Interest held in uncertificated form under CREST may only be transferred in compliance with procedures of CREST in effect from time to time.

## **10. CORPORATE GOVERNANCE**

Following Admission, the Company will be subject to the continuing requirements of the AIM Rules for Companies, but will not be subject to, and will not comply with, the UK Combined Code on Corporate Governance.

## **11. FURTHER INFORMATION**

Your attention is drawn to the additional information set out in Part 4 of this document.

**PART 2**  
**RISK FACTORS**

**An investment in the Company involves a high degree of risk. Accordingly, in relation to any investment decision concerning Shellproof Shares you are advised to consult a person authorised under the Financial Services and Markets Act 2000 who specialises in the acquisition of shares and other securities.**

**The risks set out below are the risks which the Directors currently consider to be material but are not the only risks relating to the Company. There may be additional material risks that the Directors do not currently consider to be material or of which the Directors are not aware. In addition to the other information contained in this document, the following risk factors affecting the Company should be considered carefully.**

**It should be noted that this list is not exhaustive and that other risk factors may apply. In particular, the Company's performance is likely to be affected by changes in the market and/or economic conditions and in legal, accounting, regulatory and tax requirements.**

**1. RISK FACTORS THAT ARE SPECIFIC TO SHELLPROOF**

***(a) Trading History***

The Company was incorporated on 3 March 2008 and, as at 24 April 2008 (being the latest practicable date prior to publication of this document) has made no investments. The Company, therefore, has no operating history or trading record. The Company's prospects should be considered in light of the risks associated with companies in the early stages of their development.

***(b) Prospective Investments***

The value of an investment in the Company is dependent upon the Company making an investment in a business and upon the performance of that business following its acquisition by the Company. There can be no guarantee that a suitable investment will be available or that the Company will successfully identify and invest in any business.

***(c) Foreign Exchange Risk***

Although the Company is incorporated in Belize, its reporting and functional currency is pounds sterling. An investment may be made by the Company in a business outside the United Kingdom. The assets of any such foreign investment may be denominated in currencies other than pounds sterling. The value of any such investment would, therefore, be affected by any fluctuations in foreign exchange rates. Any adverse fluctuation in foreign exchange rates against pounds sterling could have a material adverse effect on the Company's earnings, financial position and its ability to pay dividends.

***(d) Governmental and regulatory factors***

The Company intends to invest in privately or publicly owned businesses predominately in Western Europe, including the United Kingdom, and elsewhere in English speaking countries, including, but not limited to, businesses in the United States and Canada. Governmental actions concerning the economies of those countries where the businesses in which the Company invests operate could have a significant effect on private sector entities such as the businesses in which the Company has invested and/or on the Company itself, and on market conditions, prices and returns on equity securities, including those of the Company.

The Company's results of operations and the value of the Shellproof Shares may be affected by inflation, currency devaluation, interest rates, changes in government policy (including foreign investment policy and taxation), social instability and other political, economic or diplomatic developments in or affecting Belize or other countries where the businesses in which the

Company invests operate. The Company cannot provide assurance that future developments in the Belizean or other relevant economies, over which the Company has no control, may not adversely affect the operations of the Company.

**(e) Belize**

While Belize has a long history of mostly peaceful co-existence with neighbouring countries, and has a stable democracy with successive governments that have encouraged foreign investment, it has a longstanding territorial dispute with Mexico and Guatemala (which borders its southern regions) which remains unresolved. However, diplomatic relations were restored in 1991.

Belize has been an independent country since 1981. Prior to its independence, Belize (formerly known as British Honduras) was a colony of the United Kingdom and since its independence, Belize has been engaged in a programme of developing its industries and economic infrastructure and making improvements in basic social services.

**(f) Dependence on Directors**

The Company's performance is dependent on the ability of its Directors to identify suitable investments. The businesses in which the Company will invest may themselves also be heavily dependent on a number of key personnel.

**(g) Further Equity Issues**

The Company may in the future seek to raise further equity funds through the issue of additional Shellproof Shares. Any additional share issue may have a dilutive effect on existing shareholdings.

## **2. RISK FACTORS THAT ARE MATERIAL TO THE SHELLPROOF SHARES**

**(a) Trading on AIM and Liquidity**

The share prices of publicly quoted companies can be volatile. The price of shares is dependent upon a number of factors, some of which are general or market specific, others of which are sector specific and others of which are specific to the Company. It may be the case that the market price of the Shellproof Shares does not fully reflect the underlying net asset value of the Company.

Although the Shellproof Shares will be traded on AIM, this should not be taken as implying that there will always be a liquid market in the Shellproof Shares. In addition, the market for shares in smaller public companies is less liquid than for larger public companies and the majority shareholding of Lord Ashcroft, which is described in below, may also affect the liquidity of the market for Shellproof Shares. Therefore, an investment in Shellproof Shares may be difficult to realise and the share price may be subject to greater fluctuations than might otherwise be the case.

The Shellproof Shares will be quoted on AIM rather than on the Official List of the UK Listing Authority. An investment in shares quoted on AIM may carry a higher risk than an investment in shares quoted on the Official List as the AIM Rules for Companies are less demanding than the rules of the Official List. Investors should be aware that the value of the Shellproof Shares may be volatile and may go down as well as up and investors may not recover their original investment.

**(b) Control of the Company**

The Company's major shareholder is Lord Ashcroft who as at 24 April 2008 (being the latest practicable date prior to publication of this document) held 6,093,616 Shellproof Shares, which equates to approximately 76.2 per cent. of the issued and outstanding Shellproof Shares.

Consequently, pursuant to the articles of association of the Company, Lord Ashcroft will retain the power to elect all of the Directors and to determine the outcome of any action requiring shareholder approval, including changes to the Company's investing strategy and any

acquisitions (whether or not undertaken with a related party) classified as a reverse takeover under the AIM Rules for Companies.

In addition, Lord Ashcroft will be able to enforce the drag-along rights contained in the Company's articles of association in the event that a bona fide arm's length offer is made to acquire the entire issued share capital of the Company on the same terms to all Shellproof Shareholders by a person who is not a Shellproof Shareholder, or a connected person to a Shellproof Shareholder. Further details of the drag-along rights are set out in paragraph 6(b)(ix) of Part 4 of this document.

**(c) *Belizean Law***

Your attention is drawn to paragraph 6 of Part 4 of this document detailing the rights attaching to the Shellproof Shares contained in the memorandum and articles of association of the Company and the rights enjoyed by shareholders generally under the IBCA. You should note the IBCA imposes fewer obligations and restrictions on Shellproof than would be the case were it a public company incorporated in England and Wales and subject to the UK Companies Acts. For example, the IBCA imposes no obligation on Shellproof to hold general meetings and the share capital of the Company may be increased and reorganised without the prior approval of Shellproof Shareholders. However, in accordance with the AIM Rules for Companies, an acquisition by the Company which is classed as a reverse takeover must be approved by the Shellproof Shareholders at a general meeting.

**The foregoing factors are not exhaustive and do not purport to be a complete explanation of all the risks and significant considerations involved in investing in the Company.**

## PART 3

### ACCOUNTANTS' REPORT AND FINANCIAL INFORMATION ON SHELLPROOF

(A) Set out below is the Accountants' Report on the Financial Information of Shellproof Limited.



PricewaterhouseCoopers LLP  
1 Embankment Place  
London WC2N 6RH

The Directors  
Shellproof Limited  
60 Market Square  
Belize City  
Belize  
Central America  
  
Cenkos Securities plc  
6.7.8 Tokenhouse Yard  
London EC2R 7AS  
United Kingdom

25 April 2008

Dear Sirs

#### **Shellproof Limited**

#### **Introduction**

We report on the special purpose financial information set out in Part 3(B) of this document. This special purpose financial information has been prepared for inclusion in the admission document dated 25 April 2008 (the "Admission Document") of Shellproof Limited (the "Company") on the basis of the accounting policies set out in note 2. This report is required by Schedule Two of the AIM Rules for Companies published by the London Stock Exchange plc (the "AIM Rules") and is given for the purposes of complying with that Schedule and for no other purpose.

#### **Responsibilities**

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

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

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this

report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules, 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 special purpose financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the special purpose financial information and whether the accounting policies are appropriate to the Company'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 special purpose financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

### **Opinion**

In our opinion, the special purpose financial information gives, for the purposes of the Admission Document dated 25 April 2008, a true and fair view of the state of affairs of the Company as at the date stated and of its cash flows for the period then ended 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 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 omissions likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

PricewaterhouseCoopers LLP  
Chartered Accountants

(B) Set out below is the Financial Information on Shellproof Limited.

### **Special purpose financial information on Shellproof Limited**

The balance sheet of Shellproof Limited as at 14 March 2008 is as follows:

	<i>£'000</i>
<b>Current assets</b>	
Cash and cash equivalents (note 5)	4,000
<b>Total assets</b>	<u>4,000</u>
<b>Represented by</b>	
Share capital (note 4)	4,000
<b>Total shareholders' equity</b>	<u>4,000</u>

### **Cash flow statement for the period ended 14 March 2008**

On incorporation Shellproof issued one ordinary share of 50 pence and on 14 March 2008 Shellproof issued 7,999,999 ordinary shares of 50 pence each for an aggregate cash consideration of £4 million (note 5). There were no other cash flows in the period 3 March 2008 (date of incorporation) to 14 March 2008.

### **Notes to the special purpose financial information**

#### **1. Basis of preparation**

The special purpose financial information set out above is based on the financial records of Shellproof as at 14 March 2008. The special purpose financial information has been prepared in accordance with the requirements of the AIM Rules for Companies and the accounting policies set out in note 2 below.

No income statement has been prepared, as Shellproof has not yet commenced trading at the balance sheet date and had not earned or incurred any income or expenses. In addition, there has been no other recognised income or expenses to that date.

The Directors of Shellproof are responsible for preparing the special purpose financial information in accordance with International Financial Reporting Standards as adopted by the European Union.

Shellproof was incorporated in Belize on 3 March 2008 (registered number 70,859). Save for entering into the agreements referred to in paragraph 7 of Part 4 of the Admission Document, Shellproof has not commenced trading. In addition, Shellproof has prepared no financial statements for presentation to its members and has not declared or paid a dividend in the period.

#### **2. Accounting policies**

The balance sheet has been prepared in UK pounds sterling in accordance with International Financial Reporting Standards as adopted by the European Union, including interpretations from the International Financial Reporting Interpretations Committee. The preparation of the special purpose financial information has not required the application of significant estimates or judgements by management.

#### **3. Costs**

The costs incurred by Shellproof in respect of the proposed admission to AIM will be met by Carlisle Group Limited.

#### **4. Share capital**

Shellproof was incorporated with an authorised share capital of £50 million comprising 100 million ordinary shares of 50 pence each.

On incorporation, one ordinary share was allotted to Carlisle Group Limited for cash and fully paid.

On 14 March 2008, Shellproof allotted to Carlisle Group Limited a further 7,999,999 ordinary shares for cash and fully paid.

#### **5. Cash and cash equivalents**

The cash is currently held in an interest bearing deposit account at Belize Bank International Limited, a related party. Belize Bank International Limited is a wholly owned subsidiary of BB Holdings Limited, a company controlled by Lord Ashcroft, KCMG. In addition, certain of the directors of Shellproof Limited are also directors of BB Holdings Limited.

## PART 4

### ADDITIONAL INFORMATION

#### 1. RESPONSIBILITY

The Company and the Directors, whose names appear on page 5 of this document, accept full responsibility, both individually and collectively, for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and contains no omission likely to affect the import of such information. This document, which constitutes an AIM admission document, has been drawn up for such purpose in accordance with the AIM Rules for Companies. A copy of this document has been delivered to the London Stock Exchange as required by the AIM Rules for Companies.

#### 2. SHELLPROOF

- (a) Shellproof was incorporated as an international business company in Belize on 3 March 2008 with registered number 70,859 under the IBCA and is subject to the provisions of the IBCA. The Shellproof Shares were created and issued under the IBCA.
- (b) The liability of the members of Shellproof is limited. Shellproof has no subsidiaries.
- (c) The registered office of Shellproof is 60 Market Square, P.O. Box 1768, Belize City, Belize, Central America (Tel: +501 277 132/3/4/5).

#### 3. SHARE CAPITAL AND INTERESTS

- (a) The authorised share capital of the Company is 100,000,000 ordinary shares of 50 pence each.
- (b) The issued share capital of the Company on incorporation was one Shellproof Share registered in the name of Carlisle.
- (c) On 14 March 2008, Carlisle subscribed for a total of 7,999,999 Shellproof Shares for a total cash subscription consideration of £3,999,999.50. All of the Shellproof Shares in issue are fully paid.
- (d) The Shellproof Shares rank *pari passu* in all respects, including the right to receive all dividends and other distributions declared, made or paid on the Shellproof Shares from the date of this document. The Company's major shareholders do not have different voting rights.
- (e) Following Admission, the Shellproof Shares may be held in either certificated or uncertificated form by way of Depositary Interests (further details of which are contained in paragraph 9 of Part 1 of this document).
- (f) Save as disclosed in this document:
  - (i) no share or loan capital of the Company has been issued or is proposed to be issued;
  - (ii) no person has any preferential subscription rights for any share capital of the Company;
  - (iii) no share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option; and
  - (iv) no commissions, discounts, brokerages or other special terms have been granted by the Company since its incorporation in connection with the issue or sale of any share or loan capital of the Company.

- (g) The Directors' direct and indirect interests, all of which are beneficial save where otherwise stated, in Shellproof Shares, as at 24 April 2008 (being the latest practicable date prior to publication of this document) are as follows:

<i>Director</i>	<i>Number of Shellproof Shares</i>	<i>Percentage of issued share capital at date of this document</i>
Peter Gaze	78,998	1.0%
Philip Johnson	70,668	0.9%
Philip Osborne	57,476	0.7%
Andrew Wilson	Nil	Nil

As at 24 April 2008 (being the latest practicable date prior to publication of this document) so far as the Directors are aware, those persons who have a direct or indirect notifiable interest in the Company's capital or voting rights under the IBCA are as follows:

<i>Name</i>	<i>Shellproof Shares</i>	<i>Percentage of issued share capital at date of this document</i>
Lord Ashcroft	6,093,616	76.2%

- (h) No Director or any member of a Director's family has a related financial product referenced to Shellproof Shares.
- (i) Save as disclosed in this paragraph 3, and so far as the Directors are aware, there are no persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.
- (j) The ISIN number for both the Shellproof Shares and the Depositary Interests representing the Shellproof Shares is expected to be BZP8598Z1062.

#### **4. DIRECTORS**

- (a) The current directorships and partnerships of the Directors and the directorships and partnerships held by them over the previous five years are as follows:

<i>Name</i>	<i>Directorships and Partnerships</i>
Peter Michael Reeder Gaze	<p><i>Current:</i></p> <p>BB Holdings Limited</p> <p>BB International Limited</p> <p>Belize Hotels Limited</p> <p>Belize Leisure Holdings Limited</p> <p>Belize Leisure Limited</p> <p>BHI Services Limited</p> <p>Carlisle Group Limited</p> <p>Cockleshell Limited</p> <p>Flying Lion Limited</p> <p>Kenard Investments Limited</p> <p>Mertone Limited S.A.</p> <p>Nutshell Limited</p> <p>Rosewood Enterprises Limited</p> <p>Shellproof Limited</p> <p>Shellshock Limited</p> <p>Springwood Investment Limited</p> <p>The Villa Hotel Limited</p>

<i>Name</i>	<i>Directorships and Partnerships</i>
Peter Michael Reeder Gaze (cont.)	<p><i>Past:</i></p> <p>Aaxis Holdings S.a.r.l  Aaxis Investments S.a.r.l  Aaxis Limited  CMS Operations New Jersey, Inc.  Coastal States Industries, Inc.  Esco Exterminating Services, Inc.  Excel Enterprises, Inc.  Harrington Services Inc.  Key Services, Inc.  OneSource Acquisition Corporation  OneSource Acquisition 2, Inc.  OneSource Acquisition 5, Inc.  OneSource Aviation, Inc.  OneSource Building Services, Inc.  OneSource Business Holdings, Inc.  OneSource Customer Care Centre, Inc.  OneSource Energy Services, Inc.  OneSource Facility Services, Inc.  OneSource Finance (Iceland) Limited  OneSource Finance, S.A.  OneSource Franchise Holdings, Inc.  OneSource Franchise System, Inc.  OneSource Holdings, Inc.  OneSource Holdings (Bermuda) Limited  OneSource Landscape &amp; Golf Services, Inc.  OneSource Maintenance, Inc.  OneSource Mall Services, Inc.  OneSource Management, Inc.  OneSource Metal &amp; Marble, Inc.  OneSource N.Y., Inc.  OneSource Painting, Inc.  OneSource Performance, Inc.  OneSource Pest Control, Inc.  OneSource Property Holdings, Inc.  OneSource Security Holdings, Inc.  OneSource Services Inc Limited  OneSource Security Services, Inc.  OneSource Services Corporation  OneSource Services Holdings, Inc.  OneSource Services Inc.  The Maintenance Company, Inc.  Total Building Maintenance, Inc.</p>

*Name*

Philip Charles Johnson

*Directorships and Partnerships*

*Current:*

BB Holdings Limited  
Belize Bank International Limited  
Carlisle Group Limited  
Cockleshell Limited  
Nutshell Limited  
Port of Belize Limited  
Shellproof Limited  
Shellshock Limited  
The Belize Bank Limited  
The Belize Bank (Turks and Caicos) Limited  
The Belize Ports Limited

*Past:*

B.B. International Limited  
Belize Electricity Limited  
Bombshell Limited  
Caribbean International Investment Limited  
First Financial Payment Systems Limited  
OneSource Services Inc.  
Seashell Group Limited  
Seashell II Limited

Philip Thomas Osborne

*Current:*

Ariel International Development Inc.  
BB Holdings Limited  
B.B. International Limited  
BB Services Limited  
BB Holdings Services Limited  
BHI (BVI) Limited  
BHI Services Limited  
BHI (Tower) Limited  
Bougainvillea Investments Limited  
Bougainvillea Operations Limited  
Capitol Group Limited  
Carduco Limited  
Caribbean International Investment Limited  
Carlisle Group Limited  
Cockleshell Limited  
House of ENO, Ltd.  
Indigo Selection Holdings PTY Limited  
Indigo Selection PTY Limited  
Intercommunications Technologies Limited  
Kenard Investments Limited  
L.I. Holdings Limited  
Nutshell Limited  
Oxford Investments (Belize) Limited  
Private Investment Limited  
Prize Holdings International Limited  
Rapid Reef Holdings Limited  
Sagis Investments Limited  
Seagrass Holdings Limited  
Sea Transportation Holdings Limited  
Shellproof Limited

*Name*

*Directorships and Partnerships*

Philip Thomas Osborne (cont.)

Shellshock Limited  
The Belize Ports Limited

*Past:*

Aaxis Limited  
Belize Electricity Limited  
Belize Telecommunications Limited  
Bombshell Limited  
Carlisle Facilities Services Limited  
Criswood Limited  
International Prospects Investments Limited  
OneSource Holdings (Bermuda) Limited  
OneSource Services Inc Limited  
Quebec Inc.  
Seashell Group Limited  
Seashell II Limited  
Tertian Holdings Limited

Andrew Stephen Wilson

*Current:*

Artefacts Partners Limited  
Cockleshell Limited  
Digital Marketing Group plc  
Global Health Partner plc  
Impellam Group plc  
Jolie Investments Limited  
Nutshell Limited  
Pluto Developments Limited  
Priory Investment Holdings Limited  
Retail Merchant Services Limited  
Shellproof Limited  
Shellshock Limited  
Strand Associates Limited  
The Corporate Services Group plc  
The Watford Association Football Club Limited  
Watford Leisure plc

*Past:*

Bombshell Limited  
Capiro Healthcare UK Limited  
Global Health Partner UK Limited  
Oshea Holdings Limited  
Professional Staff Limited  
Southern Cross Equityco Limited  
Southern Cross Healthcare Holdings Limited  
Specialised Risk Management Holdings Limited  
Seashell Group Limited  
Seashell II Limited  
Thomas Rivers Limited  
UK Healthcare Properties Limited  
Wraith plc

- (b) None of the Directors:
- (i) is, save as disclosed in paragraph (a) above, currently a director of a company or a partner in a partnership or has been a director of a company or a partner in a partnership within the five years immediately preceding the date of this document; or
  - (ii) has any unspent convictions for any indictable offences; or
  - (iii) has been declared bankrupt or has made any voluntary arrangement with his creditors; or
  - (iv) has been a director of a company at the time of or within the 12 months preceding any receivership, compulsory liquidation, creditors' voluntary liquidation, administration or voluntary arrangement of that company or any composition or arrangement with its creditors generally or any class of creditors; or
  - (v) has been a partner in a partnership at the time of or within the 12 months preceding any compulsory liquidation, administration or voluntary arrangement of that partnership; or
  - (vi) has had any asset which has been subject to receivership or has been a partner in a partnership at the time of or within the 12 months preceding an asset of the partnership being subject to a receivership; or
  - (vii) has been the subject of any public criticisms by any statutory or regulatory authorities (including recognised professional bodies) or has ever been 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.
- (c) None of the Directors is, or will be at the date of Admission, party to a service agreement with the Company and no Director is entitled to any remuneration or benefits in kind from the Company and there are no proposals or arrangements to enter into any such agreement. There are no arrangements in place for the provision of benefits to the Directors upon termination of employment and there are no proposals or arrangements to enter into any such agreement.

## **5. TAXATION**

### **(a) Belize taxation**

Save in relation to dividends or other distributions paid by Shellproof to Shellproof Shareholders who are persons resident in Belize, under the IBCA, no withholding tax will be imposed upon payments of dividends by Shellproof and all dividends or other distributions paid by Shellproof to Shellproof Shareholders are exempt from income tax in Belize. Dividends or other distributions paid by Shellproof to Shellproof Shareholders who are persons resident in Belize may be subject to withholding tax (presently at the rate of 15 per cent.) and may be subject to income tax by direct assessment.

Similarly, no stamp duty is payable with respect to instruments transferring Shellproof Shares unless made to a person resident in Belize as beneficial owner. For this purpose, a "person resident in Belize" means a person who ordinarily resides in Belize or carries on business from an office or fixed place of business within Belize, but does not include a company incorporated under the IBCA.

### **(b) UK Taxation**

The statements set out below are intended only as a general guide to current UK law and HM Revenue and Customs published practice and apply to UK residents holding their Shellproof Shares beneficially as investments and do not apply to certain other categories of person such as dealers. The summary does not purport to be a complete analysis of all the potential UK tax consequences of holding Shellproof Shares and is prepared on the basis of the circumstances as at Admission. If you are in any doubt as to your tax position

or if you may be subject to tax in another jurisdiction you are strongly recommended to consult an appropriate professional adviser. This summary is based upon UK law and HM Revenue and Customs published practice as in effect at the date of this document, each of which may be subject to change, perhaps with retrospective effect.

**(c) *UK taxation of dividends on Shellproof Shares***

In the event that Shellproof pays dividends on Shellproof Shares, UK resident Shellproof Shareholders who receive the dividend will generally be liable to UK income tax or corporation tax on the gross amount of any such dividends.

UK resident individual Shellproof Shareholders should note that draft legislation in respect of proposed changes to the taxation of personal dividends has been introduced in the Finance Bill 2008 and that it has been announced that further changes will be made in the Finance Bill 2009. If the proposals published in the Finance Bill 2008 are enacted in their current form, with effect from 6 April 2008, individuals in receipt of dividends from non UK-resident companies that are brought into charge to tax would be entitled to a non-payable tax credit of one-ninth of the distribution in the same manner as individuals who receive such dividends from UK-resident companies.

**(d) *UK taxation of capital gains on a disposal of Shellproof Shares or Depositary Interests***

A disposal of Shellproof Shares or Depositary Interests by a holder who is resident or ordinarily resident in the United Kingdom or who is not UK resident but carries on a trade, profession or vocation in the United Kingdom through a branch or agency (in the case of an individual) or permanent establishment (in the case of a company) to which the Shellproof Shares are attributable, may, subject to any available exemption or relief, give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of capital gains.

Special rules apply to disposals by individuals at a time when they are temporarily not resident or ordinarily resident in the United Kingdom.

UK resident individual Shellproof Shareholders should note that draft legislation has been published in the Finance Bill 2008 relating to significant proposed changes to the CGT regime including the abolition of taper relief and the introduction of a single rate of charge to CGT at 18 per cent. (for the 2008/2009 tax year).

**(e) *UK stamp duty and stamp duty reserve tax (SDRT)***

No UK register of the Shellproof Shares will be kept in the UK so, provided any instrument of transfer is executed and kept outside the UK, no stamp duty will need to be paid in respect of any transfer of Shellproof Shares.

However, SDRT will be payable at 0.5 per cent. of the consideration for any agreement to transfer a Depositary Interest representing Shellproof Shares.

## **6. MEMORANDUM AND ARTICLES OF ASSOCIATION AND THE IBCA**

- (a) The memorandum of association of Shellproof (the **Memorandum**) provides that its principal objects are to engage in any act or activity that is not prohibited under any law for the time being in force in Belize including, but not limited to, carrying on the business of an investment company. The objects of Shellproof are set out in full in clause 4 of the Memorandum which is available for inspection at the address specified in paragraph 11(b) of this Part 4. The Memorandum provides that Shellproof must not carry on any business or engage in any activity contrary to section 5 of the IBCA. This includes carrying on business with persons resident in Belize or issuing its shares directly to such persons.
- (b) Set out below is a summary of certain provisions of the articles of association of Shellproof (the **Articles**) and of the IBCA, which are subject, in certain instances, to variations which

may be made by the Articles. Persons seeking a detailed explanation of any provisions of Belizean law or the differences between it and the laws of England and Wales or any jurisdiction with which they may be more familiar are recommended to seek specific legal advice.

(i) ***General meetings and voting rights***

General meetings may be held (in Belize or elsewhere) at the discretion of the Directors or on the requisition of members holding more than 50 per cent. of the votes. A member entitled to attend and vote at a meeting of Shellproof is entitled to appoint a proxy to attend and vote instead of him.

Under the Articles and the IBCA, a resolution of members (a **Resolution**) is a resolution approved at a duly constituted meeting by a simple majority or a written resolution of an absolute majority of the members, or in each case such larger majority as may be specified in the Articles. The Articles provide that where a Resolution is consented to in writing, notice of such Resolution need not be given to Shellproof Shareholders.

(ii) ***Disclosure of interests in Shellproof Shares***

A member served with a notice of disclosure pursuant to the Articles, but who has failed to provide information requested in the requisite period, may be served a notice by the Board to state that they shall not be entitled, in respect of those Shellproof Shares, to vote (either personally or by proxy) at any meeting of Shellproof, or to receive any dividend or other distribution.

The restrictions shall continue for the period specified by the Directors, up to one year after the date of service of notice to the member that they are not entitled to vote or receive payments in respect of the Shellproof Shares. This notice can be re-served in the event of continued non-compliance.

(iii) ***Alteration of capital***

(A) Shellproof may at any time by a Resolution or by resolution of the Directors increase its share capital.

(B) Shellproof may by Resolution or by resolution of the Directors divide its share capital into several classes and attach to the classes any special rights, privileges or conditions, consolidate all or any of its share capital into a smaller number of shares, divide all or any of its shares into a larger number of shares, alter the par value of any shares, cancel any shares which, at the date of the passing of the Resolution, have not been taken up, or agreed to be taken up, by any person and diminish the amount of its capital by the amount of the shares so cancelled, and change the currency denomination of its share capital.

(C) Subject to the provisions of the IBCA, the Company may by Resolution, or by resolution of the Directors, reduce its share capital or share premium account. Under the IBCA, the capital may be reduced by returning surplus capital, cancelling any capital that has been lost, or by transferring from capital to surplus account an amount required to purchase, redeem or otherwise acquire shares in the Company, provided that the Directors determine that, immediately after the reduction, the Company will be able to satisfy its liabilities as they become due in the ordinary course of its business and that the realisable value of the assets of the Company would be not less than its total liabilities, other than deferred taxes, as shown in the books of account, and its remaining capital. The IBCA enables a company to purchase, redeem or otherwise acquire and hold its own shares, but only out of surplus or in exchange for newly issued shares of equal value, and provided that its directors determine that the company will be solvent, as mentioned above.

(iv) ***Transfer of Shellproof Shares***

Subject to the IBCA, any Shellproof Share may be transferred by using a written transfer in any usual form or in any other form acceptable to the Directors. The form of transfer must be signed by or on behalf of the transferor and must contain the name and address of the transferee. The Directors may refuse to register a transfer of any Shellproof Share for several reasons, including if the transfer is in favour of more than four persons jointly.

(v) ***Directors***

(A) Each Director of Shellproof holds office for the term, if any, fixed by Resolution of the Company, or by a resolution of Directors, unless his term of office is precipitated by his earlier death, resignation, removal or disqualification. A Director may hold any other office or position (other than auditor) in Shellproof in conjunction with his office of director. The Directors are not required to hold shares in Shellproof in order to qualify for the office of director of Shellproof.

(B) The Directors shall be paid out of the funds of Shellproof by way of fees or such sums as the Board may from time to time determine. The Directors shall also be entitled to be repaid by Shellproof all such expenses as they may reasonably and properly incur in attending meetings of the Directors or of any committee of the Directors or general meetings of Shellproof or otherwise in or in connection with the performance of their duties. Any Director who serves on any committee of the Board or who in the Board's opinion performs services which go beyond their ordinary duties may be paid such extra remuneration as the Directors may determine.

(C) The Directors may at any time appoint one or more of the Directors to an executive office on such terms and for such periods as they may determine. Any person so appointed shall receive such remuneration as the Directors may determine.

(D) The Directors shall have power to pay and agree to pay gratuities, pensions or death or disability benefits to (or to any person in respect of) any Director, other officer or employee or ex-director, ex-officer or ex-employee and, for the purpose of providing any such gratuities, pensions or other benefits, to contribute to any scheme or fund or to pay premiums.

(E) Subject to the IBCA and applicable law, Directors and officers of Shellproof are entitled to be indemnified by Shellproof against all damages, losses, expenses and liabilities which they may sustain in the actual or purported exercise of their powers or otherwise in relation to or in connection with their duties, powers or office. Shellproof may maintain insurance against such liabilities.

(F) The Directors shall not be less than two and not more than fifteen in number.

(vi) ***Borrowing powers***

The Directors may exercise all the powers of Shellproof to borrow money and to mortgage or charge all or part of its undertaking, property and uncalled capital and to issue debentures and other securities whether outright or as collateral security for any liability or obligation of Shellproof or of any third party.

(vii) ***Dividends***

Under the IBCA, the Company may, by a resolution of its Directors, declare and pay dividends in money, shares or other property, but dividends may only be declared and paid out of surplus. A dividend may only be declared if the Directors first determine that, after the payment of the dividend, the solvency test referred to in paragraph 6(b)(iii)(C) of this Part 4 above will be satisfied.

Before declaring any dividend, the Directors may set aside such sum as they think proper as a reserve fund.

The Directors may capitalise reserves for distribution amongst the Shellproof Shareholders or any class of Shellproof Shareholders who would be entitled to that amount, if distributed by way of dividend, on the basis that it is applied in paying up amounts unpaid on any Shellproof Shares, or paying up in full unissued shares, debentures or other obligations of the Company. Whenever the Board makes a capitalisation issue of shares it may, subject to the rights attached to any particular class of shares, also decide to offer any Shellproof Shareholder the right to receive cash in lieu of all or some part of his entitlement, in an amount determined by the Board. The Board may also, subject to the same limitation, provide Shellproof Shareholders with a right to elect to receive further shares, credited as fully paid, instead of cash in respect of all or any dividend, in which case the Board may determine the basis of allotment and other incidental matters.

The Articles further provide that if payment for a dividend or other sum payable in respect of a Shellproof Share is left uncashed or returned to the Company and, after reasonable enquiries, the Company is unable to establish any new address or account for that person, or payment is left uncashed or returned on two consecutive occasions, the Company may suspend the payment of dividends until notified of an address or account. All dividends or other distributions in respect of a Shellproof Share which are unclaimed for a period of two years from the date on which they become payable shall be forfeited and revert to the Company.

The Board may direct payment or satisfaction of any dividend or other distribution wholly or in part by the distribution of specific assets and, in particular, of paid up shares or debentures in another company.

(viii) ***Mergers and similar transactions***

The IBCA contains provisions enabling a company incorporated under it to merge or consolidate with or into another company, whether or not incorporated in Belize, subject to certain conditions. It also permits a company to migrate to another jurisdiction.

The IBCA stipulates that, subject to a company's memorandum and articles of association, members holding 90 per cent. of the voting rights of outstanding shares or of the outstanding shares of any class or series of shares on a merger or consolidation, may direct the company to redeem the shares held by the remaining members (whether or not the shares are by their terms redeemable).

The IBCA gives a dissenting shareholder the right to payment of the fair value of his shares upon a merger, unless the company is the surviving company and the member continues to hold the same or similar shares, and upon a consolidation.

(ix) ***Drag along rights***

(A) ***Bona fide arm's length offer by a third party***

If a bona fide arm's length offer is made to acquire the entire issued share capital of the Company on the same terms to all members by a person who is not a member, or a connected person to a member, and the offer is accepted by the holders of 51 per cent. or more in nominal value of the shares at the date of the offer then the holders of all shares not already owned by the person making the offer shall be bound to accept or be deemed to have accepted the offer in respect of their shares, provided that all obligations imposed on the selling shareholders are in all material respects identical and do not oblige a shareholder to give any representation, warranty or similar assurance except as to his right to sell the shares registered in his name.

(B) *Bona fide arm's length offer by a member of the Company or a connected person*

If a bona fide arm's length offer is made to acquire the entire issued share capital of the Company not already owned by the person making the offer on the same terms to all members by a person who is a member, or who is a connected person to a member, and the offer is accepted by the holders of 51 per cent. or more in nominal value of the shares at the date of the offer not already owned by the person making the offer and/or those members who are connected persons then the holders of all shares not already owned by the offeror shall be bound to accept or be deemed to have accepted the offer in respect of their shares provided that all obligations imposed on the selling shareholders are in all material respects identical and do not oblige a shareholder to give any representation, warranty or similar assurance except as to his right to sell the shares registered in his name.

(x) *Distribution of assets on winding up*

If Shellproof is wound up, whether voluntarily or otherwise, the liquidator may with the authority of a Resolution and any other sanction required by the IBCA divide among the members *in specie* any part of the assets of Shellproof and may, with the like authority, vest any part of the assets of Shellproof in trustees upon such trusts for the benefit of the contributories as the liquidator with the like authority shall think fit.

(xi) *Authorisation to allot unissued shares*

Under the IBCA, shares may only be issued fully paid. Except to the extent otherwise provided by Resolution or by resolution of the Directors, the unissued shares shall be at the disposal of the Directors who may offer, allot, issue, grant options over or otherwise deal with or otherwise dispose of them to such persons, on such terms and conditions, for such consideration and at such times as the Directors determine.

(xii) *Notices*

A notice or other document may be given by Shellproof to any member either personally or by sending it through the post addressed to the member at his registered address or by leaving it at that address addressed to the member. In the case of joint holders of a Shellproof Share, service or delivery of any notice or other document to one of the joint holders shall be sufficient service on or delivery to all the holders of the Shellproof Share.

Under the IBCA, an international business company may amend its memorandum or articles by Resolution or, where permitted by its memorandum or articles or by the IBCA, by a resolution of directors. The Memorandum provides that it may be amended by a resolution of the Board passed by a majority of the Directors then in office and eligible to vote on that resolution. The Articles provide that they may be revoked or amended by a resolution of the Board in any way, provided that such revocation or amendment is approved by a majority of Continuing Directors (defined as a Director who was a Director at the time of adoption of the Articles, or who subsequently became a Director having been appointed or recommended for election by a majority of such Directors).

(xiii) *The Disclosure and Transparency Rules*

The Articles require that, from Admission and for so long as the Company has any of its share capital admitted to trading on AIM, or any successor market, or any other market operated by the London Stock Exchange, every Shellproof Shareholder must comply with the notification and disclosure requirements set out in Chapter 5 of the Disclosure and Transparency Rules Sourcebook (as amended and varied from time to time) of the FSA Handbook as if the Company were classified as an "issuer" whose "Home State" is the United Kingdom.

Under the Disclosure and Transparency Rules, a Shellproof Shareholder is required to notify the Company of the percentage of its voting rights if the percentage of voting rights which he holds (directly or indirectly) reaches, exceeds or falls below 3 per cent., 4 per cent., 5 per cent., 6 per cent., 7 per cent., 8 per cent., 9 per cent., 10 per cent., and each 1 per cent. threshold thereafter up to 100 per cent. The notification must be made within four trading days of the Shellproof Shareholder learning of the acquisition or disposal leading to the increase or decrease in his shareholding. **Shellproof Shareholders are reminded that they must also comply with Rule 17 of the AIM Rules for Companies in respect of disclosure of significant shareholdings and Shellproof Shareholders are also urged to consider their notification and disclosure obligations carefully as a failure to make the required disclosure to the Company may result in disenfranchisement.**

## 7. MATERIAL CONTRACTS

The following contracts have been entered into or agreed by Shellproof otherwise than in the ordinary course of business since incorporation and are or may be material:

- (a) by an agreement (the **Nominated Adviser Agreement**) dated 21 April 2008 between the Company and the Nominated Adviser, the Company has appointed the Nominated Adviser to act as nominated adviser to the Company for the purposes of the AIM Rules for Companies. The appointment is with effect from Admission and will, unless terminated earlier as a result of a material breach of the agreement by either party, continue indefinitely until terminated by either party on 3 months' prior written notice. The Nominated Adviser Agreement contains certain undertakings and indemnities given by the Company in respect of, among other things, compliance with applicable laws and regulations and imposes an obligation on the Company to provide the Nominated Adviser with certain information while it remains its nominated adviser;
- (b) by an agreement (the **Depository Agreement**) to be entered into between the Company and Capita IRG Trustees Limited (the **Depository**), the Depository will agree to constitute and issue uncertificated depository interests representing Shellproof Shares (being the Depository Interests, further details of which are set out in paragraph 9 of Part 1 of this document) with a view to facilitating the indirect holding of, and settlement of transactions in, Shellproof Shares by participants in CREST. The Depository Agreement will contain warranties given by the Company in respect of, among other things, the Shellproof Shares and certain indemnities, including an indemnity in respect of any liability of the Depository arising from any claims from a holder of Depository Interests other than any liability arising from the Depository's negligence, bad faith or wilful default. The Depository Agreement will be terminable in the event of certain insolvency events occurring or by one party giving the other no less than 45 days' notice;
- (c) by an agreement (the **Offshore Registrar Agreement**) to be entered into between the Company and Capita Registrars (Jersey) Limited (the **Offshore Registrar**), the Company will appoint the Offshore Registrar to act as the registrar of the register of members in respect of the Shellproof Shares, which will be kept in Jersey. The Offshore Registrar Agreement will contain an indemnity in terms of which the Company will indemnify the Offshore Registrar from any liabilities which the Offshore Registrar may incur in the performance of its duties under the Offshore Registrar Agreement, except insofar as such liabilities are incurred as a result of the negligence, wilful default or fraud on the part of the Offshore Registrar. The Offshore Registrar Agreement will be terminable at the instance of either party on 3 months' written notice; and
- (d) by an agreement (the **Lock-Up Agreement**) dated 24 April 2008 among the Company, the Nominated Adviser, each of the Directors and Lord Ashcroft, each of the Directors and Lord Ashcroft have undertaken to the Company and the Nominated Adviser that, for a period of 12 months after Admission, they will not, save as expressly permitted by the

Lock-Up Agreement, offer, sell, contract to sell, grant any option to purchase or otherwise dispose of, any Shellproof Shares (or any interest therein) without the prior written consent of the Nominated Adviser. The Lock-Up Agreement specifically permits the Directors and Lord Ashcroft to transfer or dispose of Shellproof Shares in the following instances:

- (i) pursuant to an acceptance of a general offer made to all the holders of Shellproof Shares on terms which treat all such holders alike;
- (ii) pursuant to an intervening court order;
- (iii) by a nominee to the beneficial owner of the Shellproof Shares in question, or to another nominee, provided that the transferee, before registration of any such transfer of the Shellproof Shares, executes an undertaking in a form reasonably satisfactory to the Company and the Nominated Adviser agreeing to be bound by the provisions of the Lock-Up Agreement in relation to the Shellproof Shares in question; or
- (iv) pursuant to an offer by the Company to purchase or redeem any Shellproof Shares which is made on identical terms to all holders of Shellproof Shares.

## **8. WORKING CAPITAL**

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

## **9. LITIGATION**

There are no active, pending or threatened legal or arbitration proceedings against, or being brought by, Shellproof which are having, or may have, a significant effect on Shellproof's financial position. There have been no legal or arbitration proceedings against, or brought by, Shellproof having a significant effect on Shellproof's financial position since its incorporation on 3 March 2008.

## **10. GENERAL INFORMATION**

- (a) There are no patents or other intellectual property rights, licences or particular contracts which are of fundamental importance to Shellproof's business.
- (b) No persons (excluding professional advisers otherwise disclosed in this document and trade suppliers) have received, directly or indirectly, from Shellproof and no persons have entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from Shellproof on or after Admission:
  - (i) fees totalling £10,000 or more;
  - (ii) securities in Shellproof with a value of £10,000 or more; or
  - (iii) any other benefit with a value of £10,000 or more at the date of Admission.
- (c) Shellproof does not currently have any employees, and there are no arrangements or proposals in place to employ any persons.
- (d) Cenkos Securities plc, Fyshe Horton Finney Limited, Capita IRG Trustees Limited, The Belize Bank Limited and Capita Registrars (Jersey) Limited have given, and not withdrawn, their respective written consents to the issue of this document with the inclusion of the references to their respective names in the form and context in which they appear.
- (e) PricewaterhouseCoopers LLP has given and not withdrawn its written consent to the inclusion of its Accountants' Report set out in Part 3(A) of this document in the form and context in which it appears.

## **11. DOCUMENTS AVAILABLE FOR INSPECTION**

- (a) Copies of this document will be available free of charge to the public at the registered office of Cenkos Securities plc, 6.7.8 Tokenhouse Yard, London EC2R 7AS, United Kingdom and at the offices of the Company at 3rd Floor, 212 North Front Street, Belize City, Belize, Central America, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted), for at least one month from the date of Admission in accordance with Rule 3 of the AIM Rules for Companies.
- (b) Copies of the following documents will be available for inspection, during normal business hours, on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of Allen & Overy LLP, One Bishops Square, London E1 6AO, United Kingdom until Admission:
  - (i) the Memorandum and the Articles of the Company;
  - (ii) the material contracts referred to in paragraph 7 of this Part 4;
  - (iii) the IBCA; and
  - (iv) the consent letters referred to in paragraphs 10(d) and 10(e) of this Part 4.

Dated: 25 April 2008