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This document, which comprises an admission document required by the AIM Rules for Companies, has been prepared in connection with the proposed application for admission of the Enlarged Issued Share Capital and the CLS to trading on AIM, a market of London Stock Exchange plc. This document is an admission document drawn up in accordance with the AIM Rules for Companies and does not constitute a prospectus for the purposes of Section 85(1) of the FSMA or the Guernsey Financial Services Commission Registered Collective Investment Scheme Rules 2008.

The Company and the Directors, whose names appear on page 4 of this document, accept responsibility for the information contained in this document including collective and individual responsibility for the compliance with the AIM Rules for Companies. To the best of the knowledge of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and contains no omission likely to affect its import.

For the purposes of Rule 19.2 of the Takeover Code, each member of the EWMG Concert Party accepts responsibility for the information contained in this document relating to each of them as members of the EWMG Concert Party. To the best of the knowledge and belief of each member of the EWMG Concert Party, having taken all reasonable care to ensure that such is the case, the information contained in this document for which he or she is responsible is in accordance with the facts and contains no omission likely to affect its import.

Application will be made for the Enlarged Issued Share Capital and the CLS to be admitted to trading on AIM. 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. 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. Neither the Enlarged Issued Share Capital nor the CLS are traded on any other market or Recognised Investment Exchange and, save for the application for admission to AIM, no such applications have been made or will be made. It is expected that admission to AIM will become effective and that dealings in the Enlarged Issued Share Capital and the CLS will commence on AIM on or around 7 May 2014.

THE WHOLE TEXT OF THIS DOCUMENT SHOULD BE READ AND IN PARTICULAR YOUR ATTENTION IS DRAWN TO THE RISK FACTORS SET OUT IN PART II OF THIS DOCUMENT.

EW Group Limited

(Incorporated in Guernsey and registered with number 42316)

Acquisition of European Wealth Management Group Limited

Waiver of Rule 9 of the Takeover Code

Amendments to Memorandum

Amendment to the Investment Policy and Objective

Adoption of New Articles

Share Capital Reorganisation

Admission of the Enlarged Issued Share Capital to trading on AIM

Admission of the CLS to trading on AIM

Change of Name

and

Notice of Extraordinary General Meeting

on Admission

Issued Share Capital

13,172,942 Ordinary Shares

Issued CLS

£5,750,390

Nominated Adviser and Broker

Daniel Stewart & Company plc

The Company is a Registered Closed-ended investment scheme registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and the Registered Collective Investment Scheme Rules 2008 issued by the Guernsey Financial Services Commission (the “Commission”). The Commission takes no responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it. A registered collective investment is not permitted to be directly offered to the public in Guernsey but may be offered to regulated entities in Guernsey or offered to the public by entities appropriately licenced under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended.

Daniel Stewart, which is regulated in the UK by the Financial Conduct Authority, is acting for the Company as nominated adviser and broker for the purposes of the AIM Rules for Nominated Advisers and the AIM Rules for Companies. Daniel Stewart is not acting for any other person and will not be responsible to any person for providing the protections afforded to its customers or for advising any other person on the contents of any part of this document. Daniel Stewart is not making any representation or warranty, express or implied, as to the contents of this document. The responsibilities of Daniel Stewart, as the nominated adviser, are owed solely to the London Stock Exchange and are not owed to the Company or any Director or to any other person, in respect of any decision to acquire New Ordinary Shares or CLS in reliance on any part of this document or otherwise.

This document does not constitute an offer to sell, or solicitation of an offer to buy, shares or convertible securities in any jurisdiction in which such an offer or solicitation is unlawful and, in particular, is not for distribution or issue into the United States, Australia, Canada, Japan, South Africa or the Republic of Ireland. Neither the New Ordinary Shares nor the CLS have been, nor will be, registered in the United States under the United States Securities Act of 1933, as amended, or under the securities laws of Australia, Canada, Japan, South Africa or the Republic of Ireland. Accordingly, they may not be offered or sold, directly or indirectly, within the United States, Australia, Canada, Japan, South Africa or the Republic of Ireland or to, or for the account or benefit of, any person in, or any national, citizen or resident of, the United States, Australia, Canada, Japan, South Africa or the Republic of Ireland. The distribution of this document outside the UK may be restricted by law and therefore persons outside the UK into whose possession this document comes should inform themselves about and observe any restrictions as to the New Ordinary Shares, the CLS and the distribution of this document.

There is set out at the end of this document a Notice of an Extraordinary General Meeting of the Company to be held at Roseneath, The Grange, St Peter Port, Guernsey GY1 2QJ at 9.00 a.m. on 6 May 2014. A Form of Proxy for use at the Extraordinary General Meeting is enclosed. To be valid, Forms of Proxy should be completed and signed in accordance with the instructions printed thereon and returned as soon as possible and, in any event, so as to be received by the Company’s registrars, Capita at PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, by not later than 9.00 a.m. on 4 May 2014. Pursuant to regulation 41 of the Uncertificated Securities (Guernsey) Regulations 2009, the time by which a person must be entered in the register of members in order to have the right to attend and vote at the meeting is 9.00 a.m. on 4 May 2014, being a maximum of 48 hours prior to the meeting. Completion and return of a Form or Proxy will not preclude a member from attending and voting at the meeting should they so wish.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Admission Document publication date	16 April 2014
Latest time and date for receipt of Forms of Proxy	9.00 a.m. on 4 May 2014
Date of the Extraordinary General Meeting	6 May 2014
Capital Reorganisation Record Date	5.30 p.m. on 6 May 2014
Admission effective and commencement of dealings on AIM in the Enlarged Issued Share Capital and in the CLS	7 May 2014
Expected date for CREST accounts to be credited in relation to New Ordinary Shares	7 May 2014
Despatch of definitive share certificates in relation to New Ordinary Shares	19 May 2014
Expected date for CREST accounts to be credited in relation to CLS	7 May 2014
Despatch of definitive certificates in relation to CLS	19 May 2014

All future dates referred to in this document are subject to change at the discretion of the Company and Daniel Stewart. All times are UK times unless otherwise specified.

ADMISSION STATISTICS

Number of Existing EWG Shares in issue at the date of this document	633,712,300
Approximate number of New Ordinary Shares in issue following the Capital Reorganisation but before the issue of the Consideration Shares	10,561,858
Number of Consideration Shares	2,611,084
Enlarged Issued Share Capital immediately following Admission	13,172,942
Consideration Shares as a proportion of the Enlarged Issued Share Capital	19.8 per cent.
Last Market Price	1.2p
Theoretical Post Consolidation Price	72p
Market capitalisation of the Company on Admission at the Last Market Price	£7.6 million
Amount of CLS in issue immediately following Admission	£5,750,390
Fully diluted number of New Ordinary Shares in issue following Admission assuming conversion of all CLS and the Options	22,512,330
New Ordinary Share AIM symbol	EWG
New Ordinary Share ISIN	GG00BKY4K072
CLS AIM symbol	EWGL
CLS ISIN	GG00BKY4JY43

DIRECTORS, SECRETARY AND ADVISERS OF THE COMPANY

Directors	Paul Michael Everitt (<i>Executive Director</i>) Roger Parry (<i>Executive Director</i>) Alan John Morton (<i>Non-Executive Director</i>) Timothy John Revill (<i>Non-Executive Director</i>) Kishore Kumar Gopaul (<i>Non-Executive Director</i>) Roderick Gentry (<i>Non-Executive Director</i>)
Proposed Director	Kenneth (“Buzz”) West (<i>Non-Executive Director</i>)
Company Secretary	Fund Corporation of the Channel Islands Limited Roseneath The Grange St Peter Port Guernsey, GY1 2QJ
Registered Office	Roseneath The Grange St Peter Port Guernsey, GY1 2QJ
Principal Place of Business	Roseneath The Grange St Peter Port Guernsey, GY1 2QJ Website: www.ewgrouplimited.com
Nominated Adviser and Broker	Daniel Stewart & Company plc Becket House 36 Old Jewry London, EC2R 8DD United Kingdom
Auditors to the Company	Chantrey Vellacott DFK LLP Russell Square House 10-12 Russell Square London, WC1B 5LF United Kingdom
Reporting Accountant	James Cowper LLP 1 Fetter Lane London, EC4A 1BR United Kingdom
Legal Advisers to the Company	Laytons Solicitors LLP 2 More London Riverside London, SE1 2AP United Kingdom
Legal Advisers to the Nominated Adviser	Morgan, Lewis & Bockius Condor House 5-10 St. Paul’s Churchyard London, EC4M 8AL United Kingdom

**Guernsey Legal Advisers to the
Company**

Mourant Ozannes
1 Le Marchant Street
St Peter Port
Guernsey
GY1 4HP

Registrars

Capita Registrars (Guernsey) Limited
Mont Crevelt House
Bulwer Avenue
St Sampson
Guernsey
GY2 4LH

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this document:

“2006 Act”	the Companies Act 2006 of the United Kingdom, as amended;
“Acquisition”	the proposed acquisition by the Company of the entire issued and to be issued share capital of EWMG, not already owned by the Company, under the terms of the SPA;
“Admission”	the Equity Admission and the CLS Admission;
“Admission Agreement”	the agreement entered into on 16 April 2014, between (i) EWG (ii) the Directors, (iii) the Proposed Director, and (iv) Daniel Stewart, conditional <i>inter alia</i> on the approval of the Acquisition by Existing Shareholders at the Extraordinary General Meeting and Admission;
“Admission Date”	the date of Admission;
“Admission Document” or “this document”	this admission document;
“AIM”	the market of that name operated by the London Stock Exchange;
“AIM Rules”	together, the AIM Rules for Companies and the AIM Rules for Nominated Advisers;
“AIM Rules for Companies”	the AIM Rules for Companies published by the London Stock Exchange, as amended from time to time;
“AIM Rules for Nominated Advisers”	the AIM Rules for Nominated Advisers published by the London Stock Exchange, as amended from time to time;
“Amended Memorandum”	the memorandum of incorporation of the Company, as amended pursuant to the Resolutions;
“Articles”	the articles of association of the Company as at the date of this document;
“AUM”	assets under management, being the market value of assets that an asset manager manages;
“Board” or “Directors”	the directors of the Company, whose names are set out on page 4 of this document;
“Business Day”	a day (other than Saturday or Sunday) on which banks are open for general business in London and Guernsey;
“Capita”	Capita Registrars (Guernsey) Limited;
“Capital Reorganisation”	the proposed creation of the New Ordinary Shares and the New Deferred Shares, the consolidation and conversion of every whole block of 60 Existing EWG Shares into one New Ordinary Share and one New Deferred Share, and the compulsory redemption of all remaining Existing EWG Shares in issue after such consolidation and conversion;
“Capital Reorganisation Record Date”	the date upon which the Capital Reorganisation Date takes effect;

“certificated” or “in certificated form”	not in uncertificated form (that is, not in CREST);
“Closing Price”	the closing middle-market quotation of an Existing EWG Share as derived from the Daily Official List published by the London Stock Exchange;
“CLS”	£10,000,000 nominal of 10 per cent. convertible unsecured loan stock, constituted by the CLS Instrument, issued in units of £10 each;
“CLS Admission”	the admission of the CLS to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules for Companies;
“CLS Conversion Shares”	the New Ordinary Shares which would be allotted to the CLS Holders in the event of full conversion of the CLS;
“CLS Holders”	the holders of CLS from time to time;
“CLS Instrument”	the debt security instrument, as summarised in Part VII of this document;
“CNG”	CNG Participations & Gestion S.A. of 13 Cours de Rive, 1204 Geneva, Switzerland;
“Company” or “EWG”	EW Group Limited, a company incorporated in Guernsey with registered number 42316;
“Completion”	completion of the Acquisition in accordance with the terms of the SPA, including fulfilment or waiver of the Conditions;
“Conditions”	the conditions to the Acquisition being, including the Resolutions being passed at the Extraordinary General Meeting;
“Consideration Shares”	2,611,084 New Ordinary Shares to be issued fully paid to the EWMG Shareholders pursuant to the Acquisition;
“Conversion”	conversion of the CLS into New Ordinary Shares in accordance with the terms of the CLS Instrument;
“Courvoisier”	Courvoisier & Associés S.A., a Swiss financial services and wealth management company based in Geneva whose registered office is 25 Boulevard Helvétique, 1207 Geneva, Switzerland, of which Kishore Gopaul is a director;
“Courvoisier Concert Party”	together Courvoisier, CNG and Kishore Gopaul;
“CREST”	the electronic paperless transfer and settlement system to facilitate the transfer of title of shares in uncertificated form and operated by Euroclear;
“CREST Regulations”	the Uncertificated Securities (Guernsey) Regulations, 2009;
“Daniel Stewart” or “Nomad”	Daniel Stewart & Company plc;
“Disclosure and Transparency Rules”	the Disclosure Rules and Transparency Rules made by the FCA under Part VI of FSMA;
“Dividend Announcement Date”	being either 1 May or 1 November in any year, or if the relevant day shall not be a Business Day, the next following Business Day;

“EFP”	European Financial Planning Limited, a wholly owned subsidiary of EWMG;
“EIM”	European Investment Management Limited, a wholly owned subsidiary of EWMG;
“Enlarged Group”	the Company and its subsidiary undertakings as at the date of Admission;
“Enlarged Issued Share Capital”	the issued voting share capital, post the Capital Reorganisation, of the Company as enlarged by the Acquisition;
“Equity Admission”	the admission of the Enlarged Issued Share Capital to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules for Companies;
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST;
“EWMG”	European Wealth Management Group Limited, a company incorporated and registered in England and Wales with company number 06931031 whose registered office is Ellenborough House, Wellington Street, Cheltenham, Gloucestershire GL50 1YD;
“EWMG Concert Party”	the concert party comprising of Alan John Morton, Rebecca Linda Morton, Lauren Camilla Morton, Alan James Morton, Roderick Gentry, Susan Jane Roughley, Geoffrey Gordon Dearing, George Alan Robb, Jonathan Alexander Robb, Judith Olivia Robb and Moira Ann Robb;
“EWMG Directors”	Roderick Gentry, Alan John Morton, Geoffrey Gordon Dearing, George Alan Robb, Kishore Kumar Gopaul, Simon Gilbert Ray and Susan Jane Roughley, together the directors of EWMG;
“EWMG Group”	EWMG and its subsidiary undertakings;
“EWMG Shares”	ordinary shares of £0.01 each and deferred shares of £0.01 each in the capital of EWMG;
“EWMG Shareholders”	the holders of EWMG Shares other than the Company;
“Existing EWG Shares”	the ordinary shares of 0.1p each in the capital of the Company, prior to the Capital Reorganisation;
“Existing Shareholders”	the holders of Existing EWG Shares;
“FCA”	the Financial Conduct Authority of the United Kingdom;
“Form of Proxy”	the form of proxy which is enclosed with this document for use by holders of Existing EWG Shares in connection with the Extraordinary General Meeting;
“FSMA”	the Financial Services and Markets Act 2000, as amended, including any regulations made pursuant thereto;
“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting of the Company to be held at Roseneath, The Grange, St Peter Port, Guernsey, GY1 2QJ on 6 May 2014;
“Group”	the Company and the Subsidiaries;
“Guernsey Companies Law”	The Companies (Guernsey) Law, 2008;

“Hearth Investments”	Hearth Investments Limited, incorporated in the Isle of Man, is trustee of the Revill Family Settlement, of which Tim Revill is a potential beneficiary;
“HMRC”	HM Revenue & Customs;
“Independent Directors”	Tim Revill, Roger Parry and Paul Everitt;
“Independent Shareholders”	Existing Shareholders excluding the EWMG Concert Party, and the Courvoisier Concert Party;
“Interest Period”	the period from a Dividend Announcement Date to the day preceding the next Dividend Announcement Date, save that the first Interest Period shall be from the date of the CLS Instrument until 31 October 2014; for the avoidance of doubt the last Interest Period shall be from 1 November 2016 to 30 April 2017;
“ISIN”	International Securities Identification Number;
“Last Market Price”	the Closing Price on 15 April 2014, being the last practical date prior to the posting of this document;
“London Stock Exchange”	London Stock Exchange plc;
“Memorandum”	the memorandum of association of the Company as at the date of this document;
“New Articles”	the new articles of incorporation of the Company to be adopted pursuant to the Resolutions;
“New Deferred Shares”	the new deferred shares of 1p each in the capital of the Company created by the New Articles and into which Existing EWG Shares will be consolidated and converted pursuant to the Capital Reorganisation;
“New Ordinary Shares”	the new ordinary shares of 5p each in the capital of the Company created by the New Articles and into which Existing EWG Shares will be consolidated and converted pursuant to the Capital Reorganisation;
“Nominated Adviser Agreement”	the agreement dated 16 April 2014 between (i) the Company, (ii) the Directors and (iii) Daniel Stewart, further details of which are set out in Part VIII of this document;
“Notice of EGM”	the notice of the Extraordinary General Meeting as set out at the end of this document;
“Official List”	the Official List of the UKLA;
“Options”	the existing options in EWMG which will be rolled over into EWG in connection with the Acquisition, further details of which are set out in paragraph 1.2 of Part III of this document;
“Panel”	the Panel on Takeovers and Mergers;
“Proposed Director”	Kenneth (“Buzz”) West;
“Proposals”	the various proposals, including the Acquisition, the Waiver, the amendments to the Memorandum, the adoption of the New Articles, the Capital Reorganisation and the change of name of the Company, to be voted on at the Extraordinary General Meeting;

“QCA Guidelines”	the Corporate Governance Guidelines for AIM Companies issued by the Quoted Companies Alliance in September 2010 as the same may be modified or updated from time to time;
“RDR”	Retail Distribution Review;
“Record Date”	the last Friday of either May and/or November in any year (as the case may be);
“Redemption Date”	9 June 2017;
“Resolutions”	the resolutions to be proposed at the Extraordinary General Meeting (and each a “Resolution”) as set out in the Notice of EGM;
“Shareholders”	holders of Existing EWG Shares (prior to the Capital Reorganisation) or New Ordinary Shares (following the Capital Reorganisation) from time to time;
“SPA”	the share purchase agreement entered into on 16 April 2014 in relation to the Acquisition, between (i) EWG and (ii) the EWMG Shareholders and (iii) CNG;
“Subsidiaries”	the subsidiaries of the Company;
“Takeover Code”	the City Code on Takeovers and Mergers as published by the Panel;
“Theoretical Post Consolidation Price”	the theoretical value of the offer for EWMG post the Consolidation occurring being 60 times the last Market Price;
“Total Consideration”	the Consideration Shares and CLS to be issued to the EWMG Shareholders and CNG pursuant to the SPA;
“UKLA”	the United Kingdom Listing Authority, being the FCA, acting in its capacity as the competent authority for the purposes of FSMA;
“UK Corporate Governance Code”	the UK Corporate Governance Code published in June 2010 by the Financial Reporting Council;
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland;
“uncertificated” or “in uncertificated form”	recorded on the relevant register of New Ordinary Shares (or, as the case may be, CLS) as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
“Waiver”	the waiver (further details of which are set out in Part III of this document) granted by the Panel, conditional upon the approval of the Independent Shareholders voting on a poll, of the obligations of each of the EWMG Concert Party to make a general offer under Rule 9 of the Takeover Code which may otherwise arise as a consequence of: <ul style="list-style-type: none"> (a) the issue of the Consideration Shares to the EWMG Concert Party, or (b) the exercise of the conversion rights attaching to the CLS issued to such person pursuant to the Acquisition by any member of the EWMG Concert Party, or (c) the exercise by any member of the EWMG Concert Party of any Option held by such person;
“Whitewash Resolution”	Resolution 8 in the notice of Extraordinary General Meeting; and
“£”, “GBP” and “p”	United Kingdom pounds sterling and pence.

PART I

LETTER FROM THE CHAIRMAN

EW Group Limited

(incorporated in Guernsey and registered with number 42316)

Directors:

Paul Everitt (*Executive Director*)
Roger Parry (*Executive Director*)
John Morton (*Non-Executive Director*)
Tim Revill (*Non-Executive Director*)
Kishore Gopaul (*Non-Executive Director*)
Rod Gentry (*Non-Executive Director*)

Registered Office:

Roseneath
The Grange
St Peter Port
Guernsey
GY1 2QJ

Proposed Director:

Kenneth (“Buzz”) West (*Non-Executive Director*)

To the Existing Shareholders

Dear Shareholder,

Acquisition of European Wealth Management Group Limited
Waiver of Rule 9 of the Takeover Code
Amendments to Memorandum
Amendment to the Investment Policy and Objective
Adoption of New Articles
Share Capital Reorganisation
Admission of the Enlarged Issued Share Capital to trading on AIM
Admission of the CLS to trading on AIM
Change of Name
and
Notice of Extraordinary General Meeting

1. Introduction

The Company today announced the conditional acquisition of all of the issued shares in EWMG not already owned by EWG. The consideration is in the form of both New Ordinary Shares and CLS and values the whole of EWMG at approximately £13.45 million. The Acquisition is a reverse takeover under the AIM Rules for Companies and, as such, requires the approval of Existing Shareholders.

The Acquisition will also result in the EWMG Concert Party being interested in at least 30 per cent. of the Company’s voting rights attached to shares in the Company and, as such, the Acquisition is conditional upon, *inter alia*, the approval by the Independent Shareholders of the Waiver.

The Company is also proposing changes to its Memorandum, the adoption of the New Articles, a reorganisation of its share capital and a change to its name, all of which require the approval of the Existing Shareholders.

Implementation of the proposals set out above will require a material change to the Company’s investment objective and policy.

The purpose of this document is to set out the reasons for the Acquisition; to convene the Extraordinary General Meeting, to be held at Roseneath, The Grange, St Peter Port, Guernsey, GY1 2QJ on 6 May 2014 at 9.00 a.m., to consider and, if thought fit, approve the Resolutions and also for the application by the Company for the admission to trading on AIM of the Enlarged Issued Share Capital and the CLS. The Notice of EGM is set out at the end of this document.

2. Background to and reasons for the Acquisition

The Background

The Company was founded in 2004, under the name Equity Pre-IPO Investments Limited, and admitted to AIM in February 2005. The original strategic aim of the Company was to achieve capital growth through the purchase, holding and sale of minority stakes in private companies which were considering an initial public offering. In 2009, the Company undertook a strategic review of its investments which resulted in several board changes, a change of strategy and a change of name to Kingswalk Investments Limited.

In the early part of 2012, the Board concluded that the financial services sector had the potential to deliver strong growth with a number of high quality businesses offering attractive investment opportunities.

The Directors and the Proposed Director believe that the increase in asset management and financial planning regulation coupled with the fact that individuals are today taking more interest and control over their own financial affairs means that building an integrated financial services business that embraces the latest technology could attract significant premiums, if well executed.

In April 2012, the Company (at this time still named Kingswalk Investments Limited) acquired a 33.33 per cent. stake in EWMG, identifying it as an excellent platform to exploit this opportunity. In January 2013, the Company changed its name to EW Group Limited to reflect the Company's interest in financial and wealth services, and in the EWMG Group in particular.

In recognition of the continued success of, and its commitment to, its investment in EWMG, the Company further increased its holding to 48.8 per cent. in March 2013. The Company also provided additional financial support for EWMG through £2.5 million of loans provided over the same period. These loans were used to provide working capital, repay debtors and to provide cash for acquisitions.

The Company's commitment to its strategy has been validated by the strong performance of the EWMG Group. Since the original investment was made in April 2012, the EWMG Group has grown its aggregated funds under management and influence from approximately £0.15 billion to over £0.71 billion today, this represents an increase of nearly five fold over the period, which has delivered a material uplift in the value of the Company's investment in EWMG.

The Opportunities for EWMG within the UK Market

According to the Investment Management Association ("IMA"), UK AUM are at record levels, and the UK remains the second largest asset management centre in the world after the United States of America. They go on to report that, as at 31 December 2012, £5.2 trillion in total assets was managed in the UK and that this generated revenues of £13 billion for IMA members alone. Retail and private clients represented 17 per cent. and 1.6 per cent. respectively, with institutional clients accounting for 81 per cent. of total assets.

However, the much publicised difficulties that faced the industry following the global financial crisis in 2008 have led the Directors and Proposed Director to identify a number of themes which they believe will continue to be central to growing a successful wealth management business in a post RDR environment, most notably:

1. the need for an appropriate integration of investment management and financial planning disciplines to deliver a unified wealth management service where personal service is key;
2. the ability to respond effectively to changes in both regulatory environment and industry developments; and
3. the ability to maintain profitability at times when operating margins come under pressure.

Further, the Directors and Proposed Director believe that the changes announced regarding pensions in the UK Budget, on 19 March 2014, could result in a significant opportunity for financial services companies.

The Directors and the Proposed Director also believe that the increasing regulation and compliance requirements for small and medium-size investment management companies and financial advisory firms has created significant consolidation opportunities. EWMG has a clearly established track record of supplementing its organic growth with profitable acquisitions. The Directors and Proposed Director believe

that the Enlarged Group will be in a good position, with improved access to capital markets, to exploit further such consolidation opportunities.

3. Summary of the principal terms of the Acquisition

Based on the Theoretical Post Consolidation Price, the Acquisition values EWMG at approximately £13.45 million with the value of the Total Consideration being approximately £7.1 million.

Under the terms of the SPA, most EWMG Shareholders will receive a mixture of New Ordinary Shares and CLS. For each EWMG Share held, an EWMG Shareholder who has elected to receive a mixture of New Ordinary Shares and CLS will receive approximately 1.3694 New Ordinary Shares and approximately £1 of CLS. Courvoisier and CNG have each elected to receive the whole of their respective considerations in the form of CLS. Thus the Total Consideration will be satisfied through the issue of 2,611,084 New Ordinary Shares (amounting to approximately £1.88 million at the Theoretical Post Consolidation Price) and the issue of £5,218,420 nominal of CLS.

The Consideration Shares will represent 19.8 per cent. of the Enlarged Issued Share Capital. EWMG Shareholders, in aggregate, are currently interested in 47.5 per cent. of the current issued ordinary share capital of EWG. On Admission, their aggregate percentage holding will increase to 57.9 per cent.

Certain members of the EWMG Concert Party and of the Courvoisier Concert Party have loans to EWMG amounting to £530,431 in aggregate. Conditional upon the Acquisition being approved, these loans will be exchanged for £531,970 of CLS. Thus the total amount of CLS to be issued and admitted to trading will be £5,748,820 nominal.

Further details on the CLS can be found in Part VII of this document and further details on the SPA may be found in paragraph 9.1 of Part VIII of this document.

4. Information on the EWMG Group

History

The EWMG Group is a fast growing private wealth management business which was founded in 2009 and commenced trading in 2010. Its core services are financial planning, corporate pension advisory and investment management in both equity and fixed interest instruments. The EWMG Group was set up to be RDR compliant EFP has opted for Independent Adviser status and EIM has opted for Restricted Financial Adviser status. Its client base currently ranges from individuals with up to £7 million of assets to invest to institutions investing up to £68 million. It has its headquarters in London and regional offices in Brighton, Cheltenham, Worcester, Wokingham and East Malling. The EWMG Group currently has 54 employees as well as using the services of 11 consultants.

The founding shareholders that still support the Company are George Robb, Rod Gentry, John Morton, Geoff Dearing, Susan Roughley and Courvoisier. George Robb was a founder shareholder and former chairman of Aberdeen Asset Management plc and Managing Director of Asset Management Investment Company plc. Rod Gentry was formerly Chief Executive of Ashcourt Holdings Limited, a subsidiary of Syndicate Asset Management plc (now Ashcourt Rowan Plc), with FUM at the time of over £1.5 billion. John Morton is a former Chief Executive of Ashcourt Holdings plc and Syndicate Asset Management plc which grew at the time to having AUM of over £5 billion. Geoff Dearing is a former Chairman of Ashcourt Holdings plc. Susan Roughley was a director of Ashcourt Holdings Limited and Courvoisier is a Swiss private wealth management company headquartered in Geneva.

Since incorporation, the EWMG Group has completed four acquisitions. The first acquisition was of Mathews, Smith (Financial Consultants) Limited, a Maidstone-based (Kent) independent financial adviser, in March 2011, and the second was of the funds under management and the staff of Aventus Capital Management, a Cheltenham-based investment management business previously owned by law firm Rickerbys LLP, in January 2012. The third acquisition was Ernest Noad & Associates Limited, a London based independent financial adviser with an office in Bromley, the business of which has subsequently been merged into the Kent office near East Malling. Then, in October 2012, EFP acquired the 'Bradley Stuart'

business, a highly regarded financial planning business with clients including some well-known names in British industry. This deal significantly increased the EWMG Group's presence in the South West of England.

The EWMG Group's Strategy

The EWMG Group's strategy is to deliver a strong wealth management proposition through a personalised service to clients which integrates investment management with financial planning. In addition, the EWMG Group has invested in an IT platform capable of high volume trading and enhanced portfolio modelling to improve its client offering.

Through the two key operating subsidiaries, EIM and EFP, both of which are authorised and regulated by the FCA, the EWMG Group has sought to avoid reliance upon a small number of clients and provides investment management and financial planning services to businesses, charities and trustees, individuals and their families, institutions and professional intermediaries.

EWMG's turnover is split broadly evenly between its financial planning and investment management businesses. A more detailed summary of the two operating subsidiaries is set out below:

EIM

EIM is a member of the London Stock Exchange and is the investment management arm of EWMG providing institutional style investment management for private clients, trusts, pension funds and charities. It also manages money on behalf of third party independent financial advisers. EIM currently has approximately £430 million of AUM split between approximately £220 million of, mainly discretionary, equity investments and approximately £210 million of fixed interest investments.

EIM has five portfolio models approved by its investment management committee ranging from 100 per cent. fixed interest to 100 per cent. equity. Underlying each model are pre-approved investment portfolios from which each investment manager can select, dependent on the investment preferences and risk profiles of the client. The Trustee Managed Portfolio Indices ("TMPI") prepared by the Society of Trust and Estate Practitioners for the end of 2014 analyse the performance of their members in three categories – 'Low', 'Medium', and 'High' risk. The TMPI report that EIM's models have significantly out performed its peer group in each of these categories by 6.21 per cent., 6.45 per cent. and 4.13 per cent. for 2013, and by 15.20 per cent., 9.66 per cent. and 6.72 per cent. respectively for the preceding three years.

EIM classifies revenue into two main categories, management fees and dealing income, although there are sub-categories of services across each of these as set out below:

- Advisory Investment Management.
- Discretionary Investment Management.
- Stockbroking.
- Treasury Management.

In January 2014, EIM became the promoter of a Dublin-based UCITs, an umbrella structure. The fund has been renamed the European Wealth Investment Fund Limited and currently has three sub funds, being a bond fund and two equity funds. The Sterling Bond Fund is managed by EIM's fixed interest team and the two equity funds are currently managed by Hume Capital Management Limited.

EIM operates out of the Brighton, Cheltenham and London offices and currently has 23 staff as well as using the services of 4 consultants. Its revenue in the year to 31 December 2013 was approximately £3.0 million.

EFP

EFP currently acts for 1,381 private clients and 35 corporate pension schemes ranging in size from 10 to 4,500 members, with aggregate funds under advice of approximately £280 million. EFP provides advice to clients covering three core services – financial planning, corporate pension advisory and tax planning.

Corporate pension advisory (obtained through the Bradley Stuart acquisition) is the most significant revenue stream for EFP, generating approximately £1.7 million in 2013. Fees charged are based on the number of members within a scheme. Financial planning and tax planning contribute £0.65 million and £0.50 million to overall EFP revenue respectively.

The financial planning services include:

- Business and shareholder protection.
- Employee benefits.
- Retirement planning.
- Regular savings and cashflow planning.

Tax planning services include:

- Lifetime tax planning.
- HMRC approved structures.
- Inheritance tax planning.
- Tax returns.

Corporate pension advisory and tax planning services include:

- Auto-enrolment and group pension plans and director/shareholder pension plans.
- Death in service schemes.
- Key man shareholder protection.

EFP operates predominantly out of the East Malling, Wokingham and Worcester offices with smaller numbers of staff based in other offices. EFP currently has 21 employees as well as using the services of 5 consultants. Its revenue in the year to 31 December 2013 was approximately £2.8 million.

5. Summary financials

The following summary financial information relating to EWMG has been extracted, without material adjustment, from the historical financial information presented in Part V of this document.

	<i>Year ended 31 December 2011 £m</i>	<i>Year ended 31 December 2012 £m</i>	<i>Year ended 31 December 2013 £m</i>
Revenue	0.8	2.5	5.8
Gross Profit	0.6	2.3	4.7
Loss after tax	(1.0)	(0.4)	(1.0)
Net liabilities	(1.1)	(0.1)	(0.2)

6. Current trading

The last six months of 2013 were an important period for the EWMG Group as the expansion of the business continued with the hiring of a number of income-generating staff. Inevitably, the cost of taking these people on together with the continued building of the EWMG Group's infrastructure had an effect on the short term financial performance with EWMG moving from a maiden profit at the half year to a small loss at year end.

The total costs of these developments and other non-recurring items totalled £660,000 in 2013. The Directors and Proposed Director believe that the investment will bear fruit during the course of 2014 and provide the EWMG Group with the structure to accommodate further growth as they believe that there will be a continued rationalisation within the industry, a trend of which they believe EWMG is ideally placed to take advantage.

The strategy of the EWMG Group has been to keep all custody and client reporting functions in-house. As a result, the Directors and Proposed Director believe that some 70 per cent. of the Enlarged Group's overhead will be fixed, therefore any additional revenue will have a disproportionate effect on the profitability of the Enlarged Group.

7. Strategy and future prospects of the Enlarged Group

The Directors and Proposed Director intend to adopt EWMG's strategy of both organic and acquisitive growth which has resulted in the four fold increase in the EWMG Group's AUM over the last 2 years.

EWMG has identified a number of potential acquisition targets and intends to pursue further growth opportunities through strategic acquisitions funded by a mixture of equity and debt, although no specific proposals have extended beyond preliminary discussions.

Together with the search for acquisitions, EWMG has recently formed a business development committee. This committee has been established to develop the European Wealth brand and reputation through effective marketing of its services to clients and the wider industry.

8. Working capital

The Directors and the Proposed Director are of the opinion, having made due and careful enquiry, that, taking into account the Company's and EWMG's available working capital resources, the Enlarged Group has sufficient working capital available to it for its present requirements, that is for at least 12 months from the date of Admission.

9. Change to the Company's investment objective and policy

In order for the Company to implement the Acquisition it is necessary under Guernsey law to amend its investment objective and policy.

The current investment policy of the Company is to invest in companies operating in a wide range of sectors, including financial services, property and support services. Assets that the Company can invest in can be both quoted or unquoted and the size of the investment can be both minority stakes and wholly owned subsidiaries.

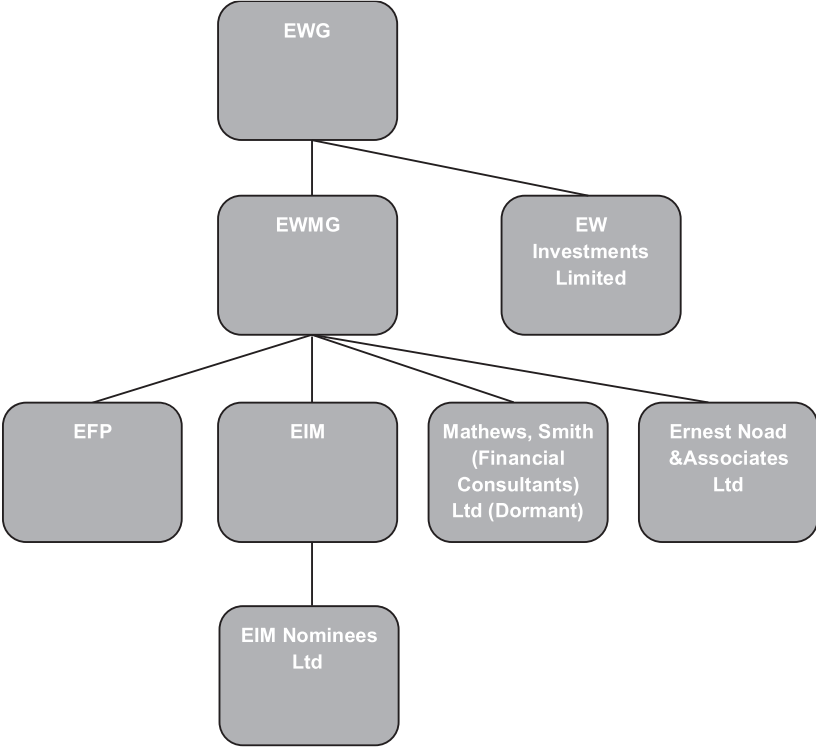
Resolution 4 proposes that the Company's investment objective and strategy should be amended to invest solely in EWMG. Post Admission, the Company will become a holding company.

Should Resolution 4 be approved the Company shall apply to the Commission to have its declaration by the Commission as a Registered Closed-ended collective investment scheme cancelled for lack of spread of investment risk.

10. Organisational Structure

The Company is currently classified as an investing company under the AIM Rules. Post Admission, EWG will act as a holding company with EWMG operating as a 100 per cent. owned operating subsidiary.

The corporate structure following Admission will be as follows:



Following Admission, the Enlarged Group will no longer be an investing company under the AIM Rules.

11. Directors and Senior Management

The Board currently comprises Paul Everitt, Roger Parry, John Morton, Tim Revill, Kish Gopaul and Rod Gentry.

On Admission, Roger Parry will retire from the Board, Buzz West will join the Board as a non-executive director, Paul Everitt will become a non-executive director with Rod Gentry becoming an executive director and John Morton becoming executive Chairman.

On Completion, the Company will become the sole ultimate owner of three FCA authorised entities, therefore meaning that the remaining Directors and Proposed Director will all need to be approved by the FCA. Approval has been secured for Rod Gentry, John Morton and Kish Gopaul and the requisite forms have been submitted for Paul Everitt, Tim Revill and Buzz West. It is hoped that such approval will be forthcoming prior to Admission but, in the event that this is not the case, then the Director or Proposed Director concerned will be required to step down from the Board, temporarily, until the approval is received.

11.1 Directors

Paul Michael Everitt (aged 45) (Executive Director)

Mr Everitt is qualified as a chartered accountant and has 20 years’ experience in the finance industry, having previously acted as Head of Fund Services for Barclays’ offshore operations, with responsibility for their fund administration teams.

He is the co-founder and managing director of Fund Corporation, a Guernsey-based administration firm. He has a wide-ranging practical experience in Guernsey and the UK, in particular with international fund structures.

He is a director of a number of other AIM-traded companies and investment funds including Global Mutual Fund PCC Limited, Zenith International Bond Fund Limited and Hume Global Investors PCC Limited.

Ian Roger (“Roger”) Parry (44) (Executive Director)

Mr Parry is a chartered accountant who worked at Phoenix Equity Partners and Barclays Wealth before setting up Fund Corporation with Paul Everitt. Mr Parry is a director of Fund Corporation and specialises in international fund structures.

He is a director of Central Nexus Fund Limited and Strategic Capital Partners PCC Limited.

With effect from Admission, Roger Parry will be stepping down as a result of the de-authorisation of the Company as a regulated company in Guernsey.

Alan John (“John”) Morton (54) (Non-Executive Director and Chairman)

Mr Morton is executive chairman and a founder shareholder of EWMG and an executive director of EIM and EFP. He is a member of EWMG’s investment management committee and a member of the UK Equity Group.

John was previously the Chief Executive of Syndicate Asset Management plc, having previously been the Chief Executive of Ashcourt Holdings plc.

Prior to that, he was the Investment Director of Brachers.

John has over 32 years’ experience of managing institutional and private client portfolios. He also has many years’ experience of mergers and acquisitions within the wealth management industry.

On Admission, John will become Executive Chairman of the Enlarged Group.

Timothy (“Tim”) John Revill (63) (Non-Executive Director)

Mr Revill qualified as a chartered accountant in 1974 with PKF in London.

In 1978, he established his own practice in the Isle of Man. In 1982, he moved to Gibraltar to open the Gibraltar and Spanish offices of his partnership, which he managed until 1989, when he participated in a management buy-out of the Spanish office and established Fidecs Group S.A.

In 2007, Fidecs Group was reversed into STM Group plc, which was simultaneously listed on AIM. He held the position of Chief Executive Officer of STM Group plc from 27 March 2007 until his retirement on 9 March 2010.

Kishore (“Kish”) Kumar Gopaul (61) (Non-Executive Director)

Mr Gopaul has 32 years’ experience in international finance and investment. He is the Vice Chairman and Managing Partner of Courvoisier, a 20.4 per cent. shareholder in EWMG, having previously held executive roles at Citibank.

Mr Gopaul is also Vice Chairman of CNG, Vice Chairman of Courvoisier Capital, and Chairman of Merchant Bridge (Switzerland).

Mr Gopaul serves as a non-executive director of EWMG.

Roderick (“Rod”) Gentry (55) (Non-Executive Director)

Mr Gentry is a director and the Group Chief Executive of EWMG. He oversees all of EWMG’s investment, commercial and operational activities and is the Chair of EWMG’s investment management committee and a member of the UK Equity Group.

Previously, he was the Chief Executive of Ashcourt Holdings Limited, and oversaw its development as it reached AUM of £1.5 billion.

Rod has over 20 years’ experience in the wealth management industry.

11.2 **Proposed Director**

Kenneth (“Buzz”) Reginald Dawson West (59) (Non-Executive Director)

Mr West is a British-Cypriot national who served as an officer in the Welsh Guards from 1972 to 1977. Mr West worked for Reuters plc, first as general manager East Mediterranean (based in Beirut), then sales director EMEA and finally CEO for the Middle East and Africa (based in Bahrain) until 1995. He was Chairman of MXM Security Ltd from 1995 to 1997 and a director of Ceravision Limited from 1995 to 2002. Mr West also served as Chairman of Ashcourt Rowan plc until 2012.

Mr West serves as senior non-executive director for Hume Securities plc, senior independent non-executive director at Norcon plc and Chairman of the UK Loss adjusting company, GAB Robins UK Limited.

11.3 **Senior Management**

Along with John Morton, Rod Gentry and Kish Gopaul the other directors of EWMG are:

Geoffrey (“Geoff”) Dearing (65)

Geoff is a director of EWMG, EIM and EFP. He has a wealth of experience in law and investment management. He was previously Chairman of Ashcourt Holdings Limited, and was senior partner of Brachers, a large law firm in the South East of England. Geoff lectures extensively on anti-money laundering, risk management, regulation and compliance.

George Robb (71)

George is the senior non-executive director of EWMG. He has over 40 years’ experience in the asset management sector, having been a founding shareholder and later chairman of Aberdeen Asset Management PLC and managing director of Asset Management Investment Company PLC. He has extensive experience on the boards of public and private companies. He is also non-executive chairman of The ECU Group and of Broadband Cloud Solutions Limited and a director of several other companies.

Susan Roughley (50)

Susan Roughley is the director of Human Resources of EWMG, EIM and EFP and is based in the East Malling office. Prior to joining EWMG, she was a director of Ashcourt Holdings Limited, having previously been the Human Resources Manager. Before this she worked for Lloyds of London with responsibility for their front office HR function covering 1,100 employees.

Simon Ray (46)

Simon is a director and the Chief Operating Officer of EIM and is based in Cheltenham. He is responsible for the day to day operational side of the investment business and is also an authorised investment manager. He was previously the head of Aventus Capital Management, and has over 20 years’ experience in investment management.

11.4 **Employees**

On Admission, the Enlarged Group will have 54 full time employees and use the services of 11 consultants.

12. **Corporate governance**

Due to the size and nature of the Company, it does not currently comply with the full provisions of the UK Corporate Governance Code. However, the Directors and the Proposed Director recognise the importance of sound corporate governance and intend to follow, as far as practicable, the QCA Guidelines. The only major deviation from the QCA Guidelines is the appointment of John Morton as Executive Chairman. With the Board’s main focus likely to be securing new acquisitions both in the UK and overseas, the Directors and Proposed Director believe that the division between chief executive and chairman will work better at the

subsidiary level in the short term. The Directors and Proposed Director recognises that as the Company grows, there will be a point in the future when such a structure will be sub optimal, at which point the roles of chief executive and chairman will be separated.

The Directors and Proposed Director will be responsible for formulating, reviewing and approving the Enlarged Group's strategy, budgets and corporate activities. Following Admission, the Directors and the Proposed Director intend to hold Board meetings at least four times a year and at other times as and when required. The Company has established an audit committee, a remuneration committee and a nomination committee with effect from Admission.

Details of the committees are set out below.

12.1 *Audit Committee*

The audit committee will be chaired by Tim Revill and will also be comprised of Kish Gopaul. The audit committee is responsible for providing formal and transparent arrangements for considering how to apply suitable financial reporting and internal control principles having regard to good corporate governance and for monitoring external audit functions including the cost-effectiveness, independence and objectivity of the Company's auditors.

12.2 *Remuneration Committee*

The remuneration committee will be chaired by Buzz West and will also be comprised of Paul Everitt. The remuneration committee is responsible for establishing a formal and transparent procedure for developing policy on executive remuneration and to set the remuneration packages of individual Directors. This includes agreeing with the Board the framework for remuneration of the Executive Chairman, all other executive Directors, the Company Secretary and such other members of the executive management of the Company as it is designated to consider. It is also responsible for determining the total individual remuneration packages of each Director including, where appropriate, bonuses, incentive payments and share options. No Director will play a part in any decision about his own remuneration.

12.3 *Nomination Committee*

The nomination committee will be chaired by Kish Gopaul and will also be comprised of Buzz West. The nomination committee is responsible for considering Board appointments, reviewing Board structure, size and composition and identifying the need for Board appointments by reference to the balance of skills, knowledge and experience on the Board and the scale of the Enlarged Group.

12.4 *Share Dealing Code*

The Company has adopted and will operate a share dealing code for Directors and applicable employees in order to ensure compliance with Rule 21 of the AIM Rules for Companies and will take proper steps to ensure compliance by the Directors and those employees.

13. Dividend and interest policy

New Ordinary Shares

The Board's objective is to grow the Enlarged Group's business and increase shareholder value. Future income generated by the Enlarged Group is likely to be re-invested to implement its growth strategy. In view of this, it is unlikely that the Board will recommend a dividend in the early years following Admission. The Board intends to commence the payment of dividends at a suitable date in the future when it becomes commercially prudent to do so, having regard to the Company's distributable profits and funds required to finance future growth and subject always to the provisions of Guernsey Companies Law.

CLS

Interest shall be payable at a rate of 10% per annum on any outstanding CLS until their proper conversion or redemption. This interest will be payable half-yearly in arrears in respect of the preceeding Interest Period.

Further information on the particulars of the CLS is set out in Part VII of this Document.

14. Share option scheme

The Directors and Proposed Director believe that it is important that the key personnel of the Enlarged Group are appropriately and properly incentivised.

The Company established a share option scheme in 2007, under which options have been granted over 800,000 shares at an exercise price of 26p per Existing EWG Share.

As at the date of this document, EWMG had unexercised options over 52,855 shares at exercise prices ranging from £nil to £5.00. On completion of the Acquisition, these options will be exchanged for new options over New Ordinary Shares. The exact number of Options will be determined by the mid-market closing price on the day of Admission, such that the market value of the Options being received is the same as the value of options in EWMG being exchanged (“Acquisition Value”). Based on the value per EWMG share received by the EWMG Shareholders in respect of the Acquisition, the Acquisition Value is £1.146 million. Assuming the mid market closing price on the date of Admission is the same as the Theoretical Post Consolidation Price (in other words there has been no change in the price from the date of this document) then the Company will need to issue 1,592,410 Options (being £1.146 million as divided by £0.72), representing approximately 12 per cent. of the Enlarged Issued Share Capital.

An announcement will be released on 8 May 2014 which will state the final Options figure based on the mid market closing price on the date of Admission.

It is the intention of the Directors and Proposed Director to review the existing option scheme post Admission following which eligible persons may be granted further options at the discretion of the Remuneration Committee.

Paragraph 1.2 of Part III illustrates how the number of Options to be issued will vary with a change in the mid market price on the date of Admission.

Further details on the existing options and the options to be transferred from EWMG are set out in paragraphs 4.9 and 4.10 of Part VIII of this document.

15. Change of Name

Resolution 9 will be proposed at the Extraordinary General Meeting to change the name of the Company to European Wealth Group Limited. The change of name will take effect after the Guernsey registrar of companies approves the application to change the Company’s name.

The ticker for the New Ordinary Shares, EWG, will remain unchanged. The ticker for the CLS will be EWGL.

16. Changes to Memorandum

By way of background, the Guernsey Companies Law was introduced in Guernsey on 1 July 2008 as a complete revision of Guernsey’s companies law. The Memorandum, adopted on incorporation of the Company, was drafted to comply with the requirements of the Companies (Guernsey) Law, 1994 to 1996, as amended. It is proposed that the Company amend its Memorandum to reflect certain changes brought in by the Guernsey Companies Law and to enable the Company to be operationally more flexible.

The Amended Memorandum will reflect, amongst other things, the following changes:

- (i) references to the term “Memorandum of Association” will be replaced with the term ‘Memorandum of Incorporation’;
- (ii) references to the Company’s authorised share capital will be deleted;
- (iii) the Company will be stipulated as being a “non-cellular company”; and
- (iv) the objects of the Company will be replaced in their entirety with the statement that the “objects of the Company are unlimited”.

In order to effect the proposed amendments to the Memorandum, Existing Shareholders will be asked to approve Resolution 1.

The Company had been previously advised that it was not necessary to formally delete the reference to authorised share capital in its then memorandum of association. New advice has now been received that this should have occurred and hence the share issues since 14 May 2012 have been issued and allotted in excess of this authorised share capital. Resolution 2 is proposed to retrospectively ratify these issues.

17. New Articles

It is proposed that the Company adopt the New Articles. A copy of the New Articles (together with a comparison showing the changes from the Articles) will also be available on the Company's website: www.ewgrouplimited.com.

The changes to the Articles are required in order to:

1. create the New Ordinary Shares and New Deferred Shares;
2. create the necessary consolidation and conversion mechanism to give effect to the Capital Reorganisation; and
3. create a compulsory redemption mechanism in order that all Existing EWG Shares not subject to the Capital Reorganisation may be compulsorily redeemed at the same time as the Capital Reorganisation.

The New Articles will otherwise be in the same form as the Articles except that they will be called "Articles of Incorporation" rather than "Articles of Association" in order to be compliant with the Guernsey Companies Law. The rights attaching to the New Ordinary Shares will be identical in all respects to those of the Existing EWG Shares except for the change in nominal value.

In order to adopt the New Articles, Existing Shareholders will be asked to approve Resolution 3.

Further details of the New Articles are set out in paragraph 5.2.2 of Part VIII.

18. Capital Reorganisation

The Capital Reorganisation is being proposed primarily because the Company currently has a relatively large number of issued shares and the Directors and Proposed Director believes that the Capital Reorganisation will result in a share price and nominal value more appropriate for a company of EWG's size. This may assist in reducing volatility, thereby enabling a more consistent valuation of the Enlarged Group. Accordingly, the Directors have decided that, subject to the adoption of the New Articles (which will create the new classes of New Ordinary Shares and New Deferred Shares and necessary consolidation, conversion and redemption mechanics), a share reorganisation will be effected by:

1. the consolidation and conversion of each block of 60 Existing EWG Shares into one New Ordinary Share and one New Deferred Share; and
2. where any Existing Shareholder's holding of Existing EWG Shares is not divisible by 60, the compulsory redemption of all of the remaining unconsolidated Existing EWG Shares held by that Existing Shareholder.

Holdings of Existing EWG Shares which are not exactly divisible by 60, will be rounded down to the nearest whole number of New Ordinary Shares and Deferred Shares following the Capital Reorganisation. Fractional entitlements, whether arising from holdings of fewer or more than 60 Existing EWG Shares, will be reclassified as being redeemable at the option of the Company and then redeemed.

The Existing EWG Shares are admitted to CREST. Application will be made for the New Ordinary Shares, including those arising from the Capital Reorganisation and the Consideration Shares, to be admitted to CREST, all of which may then be held and transferred by means of CREST.

New Ordinary Shares arising as a result of the Capital Reorganisation in respect of Existing EWG Shares held in uncertificated form, i.e. in CREST, will be credited to the relevant CREST accounts on 7 May 2014, and definitive share certificates in respect of the New Ordinary Shares arising as a result of the Capital Reorganisation in respect of Existing EWG Shares held in certificated form will be dispatched to relevant shareholders by first class post by 19 May 2014. No temporary documents of title will be issued. Share certificates in respect of Existing EWG Shares will cease to be valid on 7 May 2014 and, pending delivery of share certificates in respect of New Ordinary Shares, transfers will be certified against the register. The record date of the Capital Reorganisation is 6 May 2014.

The rights attaching to the New Ordinary Shares will be identical in all respects to those of the Existing EWG Shares except for the change in nominal value.

The New Deferred Shares will have no voting rights and will not carry any entitlement to attend general meetings of the Company, nor will they be admitted to AIM or any other market. They will carry only the right to participate in the assets available for distribution among members of the Company on a winding-up, up to the nominal amount of such New Deferred Shares. In addition, they will have no right to participate in any dividend or other distribution. The Board will have the right at any time, subject to the Guernsey Companies Law, to redeem all of the New Deferred Shares of any member, upon which the member shall be entitled to payment by the Company of 1p in full settlement of the redemption and cancellation of all such member's New Deferred Shares.

Accordingly, the New Deferred Shares will, for all practical purposes, be valueless and it is the Board's intention, at an appropriate time, to redeem the New Deferred Shares in accordance with the redemption mechanism described above. No certificates will be issued in respect of the New Deferred Shares.

The Notice set out at the end of this document contains Resolutions to give effect to the proposed Capital Reorganisation. The Capital Reorganisation is conditional upon the approval of the Existing Shareholders at the Extraordinary General Meeting as required by the Guernsey Companies Law and the Articles.

19. Admission, settlement and CREST

The Acquisition constitutes a reverse takeover under the AIM Rules for Companies and is therefore dependent on the approval of the Existing Shareholders being given at the Extraordinary General Meeting. Subject to the passing of the Resolutions, application will be made to the London Stock Exchange for the Enlarged Issued Share Capital and the CLS to be admitted to trading on AIM. Admission of the Enlarged Issued Share Capital and the CLS to trading on AIM is expected to take place on or around 7 May 2014.

The New Ordinary Shares and the CLS will be eligible for CREST settlement. Accordingly, settlement of transactions in New Ordinary Shares and CLS following Admission may take place within the CREST system if the relevant Shareholder (or CLS Holder) so wishes.

CREST is a voluntary system and Shareholders (or CLS Holders) who wish to receive and retain certificates will be able to do so.

It is expected that, subject to the satisfaction of the Conditions, the Consideration Shares and CLS will be registered in the respective names of the EWMG Shareholders and CNG and issued either:

- in certificated form, where the relevant EWMG Shareholder or CNG so elects, with the relevant share certificates and loan stock certificates expected to be despatched by post, at their risk, by 19 May 2014; or
- in CREST, where the relevant EWMG Shareholder or CNG so elects (but only if they are a member (as defined in the CREST Regulations) in relation to CREST), with delivery (to the designated CREST account) of the relevant Consideration Shares and CLS expected to take place on 7 May 2014.

Notwithstanding the election by any EWMG Shareholder or CNG as to the form of delivery of the Consideration Shares and the CLS, no temporary documents of title will be issued. All documents or

remittances sent by or to the EWMG Shareholders or CNG or as they may direct will be sent through the post at their risk.

Pending the despatch of definitive share certificates and loan stock certificates (as applicable), instruments of transfer will be certified against the register.

20. Orderly market arrangements

At Admission, the Directors, Proposed Director, the EWMG Concert Party and the Courvoisier Concert Party will hold or be interested in, directly and indirectly, an aggregate of 7,563,153 New Ordinary Shares, representing approximately 57.4 per cent. of the Enlarged Issued Share Capital and approximately 93.2 per cent of the CLS in issue.

The Directors, Proposed Directors, the EWMG Concert Party and the Courvoisier Concert Party have agreed for the period of one year following Admission they shall only dispose of any interest in New Ordinary Shares or CLS that they may have on Admission (or subsequently acquire) in accordance with orderly market principles with prior written notice to the Company's nominated adviser and broker, such disposal to be made through the Company's broker, except in certain restricted circumstances.

Details of the orderly market arrangements are set out in paragraph 9.7 of Part VIII of this document.

21. Takeover Code

The Takeover Code is issued and administered by the Panel. The Takeover Code applies to all takeovers and merger transactions, however effected, where the offeree company is, *inter alia*, a listed or unlisted public company resident in the UK, the Channel Islands or the Isle of Man and to certain categories of private limited companies. The Company is such a company and, therefore, Existing Shareholders are entitled to the protection afforded by the Takeover Code.

Under Rule 9 of the Takeover Code, where any person acquires, whether by a series of transactions over a period of time or otherwise, an interest (as defined in the Takeover Code) in shares which, taken together with shares in which he is already interested or in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, that person is normally required to make a general offer to all the remaining shareholders to acquire their shares.

Similarly, Rule 9 of the Takeover Code also provides that when any person, together with persons acting in concert with him, is interested in shares which, in aggregate, carry more than 30 per cent. of the voting rights of such company, but does not hold shares carrying 50 per cent. or more of such voting rights, a general offer will normally be required if any further interest in shares is acquired by any such person. Note 4 of Rule 9 of the Takeover Code further provides, among other things, that where any person who, together with persons acting in concert with him, holds over 50 per cent. of the voting rights of a company acquires further shares, then an obligation to make a general offer to the other shareholders to acquire the balance of their shares will not normally arise.

An offer under Rule 9 must be in cash (or accompanied by a cash alternative) and must be at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the company in question during the 12 months prior to the announcement of the offer.

Under the Takeover Code, a concert party arises when persons, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition by any of them of shares, in a company, to obtain or consolidate control of that company. Under the Takeover Code, "control" means an interest, or aggregate interest, in shares carrying 30 per cent. or more of the voting rights of a company, irrespective of whether the interest or interests give de facto control.

The obligation that would otherwise arise to make a general offer under Rule 9 of the Takeover Code can be waived when that obligation arises on account of an issue of new shares and provided that, among other things, this waiver is approved by a vote on a poll of independent shareholders at a general meeting. Accordingly, as set out below, the approval of Independent Shareholders is being sought for the waiver.

The members of the EWMG Concert Party, who are the founding shareholders of EWMG and associated family members, are deemed to be acting in concert for the purposes of the Takeover Code. The EWMG Concert Party comprises Alan John Morton, Rebecca Linda Morton, Lauren Camilla Morton, Alan James Morton, Roderick Gentry, Susan Jane Roughley, Geoffrey Gordon Dearing, George Alan Robb, Jonathan Alexander Robb, Judith Olivia Robb and Moira Ann Robb.

Further details regarding the members of the EWMG Concert Party can be found in paragraph 1 of Part III of this document.

The EWMG Concert Party currently holds in aggregate 153,926,500 Existing EWG Shares, representing 24.29 per cent. of the issued share capital of EWG as at the date of this document. Following the Acquisition, the EWMG Concert Party will hold in aggregate 4,632,789 New Ordinary Shares, representing 35.17 per cent. of the issued voting share capital of EWG, which, without a waiver of the obligations under Rule 9 of the Takeover Code, would oblige one or more members of the EWMG Concert Party to make a general offer to Existing Shareholders under Rule 9 of the Takeover Code.

Following the Acquisition and assuming the conversion of all CLS and exercise of all options held by the EWMG Concert Party, the EWMG Concert Party would together hold in aggregate 8,577,821 New Ordinary Shares, representing a maximum (if no other New Ordinary Shares were issued by the Company, whether pursuant to the conversion of any other CLS or otherwise) of 50.11 per cent. of the issued New Ordinary Shares, as enlarged by the conversion of such CLS and exercise of Options, which, without a waiver of the obligations under Rule 9 of the Takeover Code, would oblige the members of the EWMG Concert Party to make a general offer to Existing Shareholders under Rule 9 of the Takeover Code.

The EWMG Concert Party's existing shareholdings in EWG, their proposed interest in the Enlarged Issued Share Capital immediately following Admission and their proposed interest assuming the conversion of CLS and exercise of options to reach their respective maximum holdings are set out in the table below.

Name	Current interests in EWG		Consideration Shares issued	Proposed interests in EWG on Admission ¹		Rights to subscribe		Maximum % of ordinary issued share capital ¹⁰
	No. of Existing EWG Shares	% of existing issued share capital		Proposed interests in EWG on Admission	% of ordinary issued share capital	Options ⁸	CLS ⁹	
Alan John Morton ¹	46,490,445	7.34	721,918	1,496,758	11.4	512,174	933,722	17.20
Rebecca Linda Morton ²	2,620,000	0.41	0	43,666	0.33	0	0	0.26
Lauren Camilla Morton	1,868,376	0.29	0	31,139	0.24	0	0	0.18
Alan James Morton	868,376	0.14	0	14,472	0.11	0	0	0.08
Roderick Gentry ³	40,912,000	6.46	763,982	1,445,848	11.0	512,174	977,958	17.15
Susan Jane Roughley ⁴	12,091,266	1.91	245,873	447,393	3.40	60,256	319,916	4.83
Geoffrey Gordon Dearing ⁵	6,293,013	0.99	127,737	232,620	1.77	69,294	150,666	2.64
George Alan Robb ⁶	37,816,357	5.97	207,844	838,116	6.36	198,844	207,847	7.27
Moira Ann Robb	1,500,000	0.24	0	25,000	0.19	0	0	0.15
Jonathan Alexander Robb	666,667	0.11	0	11,111	0.08	0	0	0.06
Judith Olivia Robb	2,800,000	0.44	0	46,666	0.35	0	0	0.27
TOTAL	153,926,500	24.29	2,067,354	4,632,789	35.17	1,352,743	2,590,109	50.11

Notes:

1. Alan John Morton holds 19,181,114 Existing EWG Shares in his own name, 25,486,944 Existing EWG Shares in his SIPP account and 1,822,387 Existing EWG Shares in a discretionary trust fund.
2. Rebecca Linda Morton holds 1,225,000 Existing EWG Shares in her own name and 1,395,000 Existing EWG Shares in her SIPP account.
3. Roderick Gentry holds 23,972,374 Existing EWG Shares in his own name and 16,939,626 Existing EWG Shares in his SIPP account.
4. Susan Jane Roughley holds 8,929,523 Existing EWG Shares in her own name, 567,000 Existing EWG Shares in a nominee account and 2,594,743 Existing EWG Shares in her SIPP account.
5. Geoffrey Gordon Dearing holds 1,500,000 Existing EWG Shares in his own name and 4,793,013 Existing EWG Shares in his SIPP account.
6. George Alan Robb holds 7,444,928 Existing EWG Shares in his own name and 30,371,429 Existing EWG Shares in two SIPP accounts.
7. Post Capital Reorganisation as explained in paragraph 18 of this Part I, The above table does not include any interests in Deferred Shares, since these carry no voting rights and are expected to be redeemed after Admission as permitted under the New Articles.

8. The number of Options to be granted will depend on the closing mid market price on the day of Admission. The number in the table above assumes that this price is the Theoretical Post Consolidation Price, in other words, there has been no change in the price from the date of this document. This is for illustrative purposes only. Further information is set out in paragraph 1.2 of Part III of this document.
9. The CLS are convertible at increasing conversion prices as set out in Part VII of this document. The table assumes that the members of the EWMG Concert Party convert at the earliest opportunity, being the lowest conversion price and resulting in the maximum number of New Ordinary Shares that may be issued under the CLS.
10. Percentages assume no other additional New Ordinary Shares are issued by EWG following Admission and no other party converts their CLS or options holding.

The Panel has agreed, however, subject to the approval (on a poll) of the Independent Shareholders at the Extraordinary General Meeting, to waive the obligation for the EWMG Concert Party (or any member of it) to make a general offer that would otherwise be required as a result of:

- (a) the issue of New Ordinary Shares in connection with the Acquisition; or
- (b) any subsequent conversion by any member of the EWMG Concert Party of any CLS issued to such person pursuant to the Acquisition; or
- (c) any exercise by any member of the EWMG Concert Party of any Option held by any member of the EWMG Concert Party.

Following the Acquisition and assuming the conversion of all CLS by members of the EWMG Concert Party at the earliest opportunity (i.e. the first Dividend Announcement Date on 3 November 2014) and exercise of all options held by the EWMG Concert Party, the EWMG Concert Party would hold more than 50 per cent. of the Enlarged Issued Share Capital. In these circumstances, for so long as the members of the EWMG Concert Party continue to be treated as acting in concert, the EWMG Concert Party may increase their aggregate interest in shares in the Company, without incurring any obligation under Rule 9 to make a general offer (provided that no individual member of the EWMG Concert Party will be able to increase his or her percentage interests in shares through or between a Rule 9 threshold without the Panel's consent).

Further details concerning members of the EWMG Concert Party are set out in Part III of this document.

Following Admission, the Courvoisier Concert Party will hold £3,492,500 of CLS which, if converted and assuming no other CLS or options are converted or exercised, could result in the Courvoisier Concert Party holding approximately 42 per cent. of the Enlarged Issued Share Capital. The Courvoisier Concert Party has written to the Company declaring that it will not convert its holding of CLS if such conversion would result in the Courvoisier Concert Party holding at least 30 per cent. of the Company's voting rights. In the event that any member of the Courvoisier Concert Party does convert its holding, and this results in the Courvoisier Concert Party holding at least 30 per cent. of the Company, then they would be required to make a mandatory offer under Rule 9 of the City Code.

22. Related Party Transaction

The EWMG Shareholders and CNG are a 'related party' as defined by the AIM Rules for Companies and are entering into the SPA in relation to the Acquisition. Further, the Acquisition is a related party transaction for the purposes of AIM Rule 13. The Independent Directors consider, having consulted with Daniel Stewart, that the terms of the Acquisition are fair and reasonable insofar as the Existing Shareholders are concerned.

23. Extraordinary General Meeting

Attached to this document you will find the Notice of EGM, which is to be held at Roseneath, The Grange, St Peter Port, Guernsey, GY1 2QJ on 6 May 2014 at 9.00 a.m., for the purpose of considering and, if thought fit, passing the Resolutions.

Resolution 1 will be to amend the Memorandum in order to take account of certain changes in Guernsey law and also take account of the proposed changes in the other Resolutions.

Resolution 2 will be to confirm and ratify (so far as possible) certain irregularities in previous reorganisations of the Company's share capital.

Resolution 3 will be to change the Articles, including, *inter alia*, the ability to re-organise the share capital and create the Ordinary Share and Deferred Share classes.

Resolution 4 will be to modify the Company's investment objective and strategy to invest solely in EWMG.

Resolution 5 will be to consolidate each 60 share block of Existing EWG Shares held by the Existing Shareholders into one Ordinary Share and one Deferred Share and redeem at par any Existing EWG Shares held by an Existing Shareholder and not within a block divisible by 60.

Resolution 6 will be to grant the Directors the authority to issue and allot shares, including the Consideration Shares and also to disapply pre-emption rights over such shares.

Resolution 7 will be to approve the Acquisition.

Resolution 8, the Whitewash Resolution, seeks to approve the waiver of the obligation contained in Rule 9 of the Takeover Code with respect to the EWMG Concert Party. Resolution 8 will be conducted by way of a poll and may only be voted on by the Independent Shareholders.

Resolution 9 will be to change the name of the Company to European Wealth Group Limited.

Resolutions 5, 6, 7 and 8 will be ordinary resolutions. Resolution 8 will be conducted by way of a poll and may only be voted on by the Independent Shareholders. Resolution 1, 2, 3, 4 and 9 are special resolutions and require 75 per cent. of the vote to pass.

24. Action to be taken

You will find enclosed with this document a Form of Proxy. Whether or not you intend to be present at the Extraordinary General Meeting, you are asked to complete the Form of Proxy in accordance with the instructions printed on it so as to be received by the Company's registrars, Capita, as soon as possible but in any event not later than 9.00 a.m. on 4 May 2014. The completion and return of the Form of Proxy will not preclude you from attending and voting in person at the Extraordinary General Meeting should you so wish.

25. Irrevocable undertakings

Insofar as they are interested in Existing EWG Shares, the Directors and Proposed Director and persons connected with them have given irrevocable undertakings to the Company to vote in favour of the ordinary Resolutions 5, 6 and 7 and vote in favour of the special Resolutions 1, 2, 3, 4 and 9 to be proposed at the Extraordinary General Meeting (and, where relevant, to procure that such action is taken by the relevant registered holders if that is not them) in respect of their entire beneficial holdings totalling, in aggregate, 283,608,692 Existing EWG Shares, representing approximately 44.8 per cent. of the total number of Existing EWG Shares in issue.

In addition, certain other Existing Shareholders have given irrevocable undertakings to the Company to vote in favour of the ordinary Resolutions 5, 6 and 7 and vote in favour of the special Resolutions 1, 2, 3, 4 and 9 to be proposed at the Extraordinary General Meeting (and, where relevant, to procure that such action is taken by the relevant registered holders if that is not them) in respect of their holdings totalling, in aggregate, 109,561,871 Existing EWG Shares, representing approximately 17.3 per cent. of the total number of Existing EWG Shares in issue.

In total, therefore, the Company has received irrevocable undertakings to vote in favour of the ordinary Resolutions 5, 6 and 7 and vote in favour of the special Resolutions 1, 2, 3, 4 and 9 to be proposed at the Extraordinary General Meeting in respect of holdings totalling, in aggregate 393,170,563 Existing EWG Shares, representing approximately 62.0 per cent. of the total number of Existing EWG Shares in issue.

The EWMG Concert Party and the Courvoisier Concert Party are precluded from voting on the Whitewash Resolution. The Company has received irrevocable undertakings from the Independent Directors and certain other Independent Shareholders to vote in favour of Resolution 8 to be proposed at the Extraordinary General Meeting in respect of holdings totalling, in aggregate 141,142,800 Existing EWG Shares, representing

approximately 37.0 per cent. of the total number of Existing EWG Shares in issue, excluding those held by the EWMG Concert Party and the Courvoisier Concert Party.

Further details of these irrevocable undertakings are set out in paragraph 9.18 of Part VIII in this document.

26. Recommendation

The Directors and Proposed Director have irrevocably undertaken to vote in favour of the Resolutions with respect to their own beneficial shareholdings.

The Independent Directors, who have been so advised by Daniel Stewart, who in providing its advice has taken into account the commercial assessment of Directors, consider that the terms of the Proposals are fair and reasonable insofar as the Independent Shareholders are concerned and in the best interests of the Company and the Existing Shareholders as a whole.

Accordingly, the Independent Directors unanimously recommend that you vote in favour of Resolution 8 as they have irrevocably undertaken to do in respect of their own beneficial holdings of 77,720,613 Existing EWG Shares, representing approximately 12.3 per cent. of the total number of Existing EWG Shares in issue.

Yours faithfully,

Tim Revill
Independent Director

PART II

RISK FACTORS

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

In addition to the information set out in this document, the following risk factors should be considered carefully in evaluating whether to make an investment in the Company. The following factors do not purport to be an exhaustive list or explanation of all the risk factors involved in investing in the Company and they are not set out in any order of priority. In particular, the Company's performance might be affected by changes in market and economic conditions and in legal, regulatory and tax requirements.

Additionally, there may be further risks of which the Directors are not aware or believe to be immaterial which may, in the future, adversely affect the Company's business and the market price of the New Ordinary Shares and/or the CLS.

The New Ordinary Shares and the CLS should be regarded as a speculative investment and may not be suitable for all recipients of this document. An investment in New Ordinary Shares and/or the CLS should only be made by those with the necessary expertise to fully evaluate the investment. Potential investors are accordingly advised to consult a person authorised under FSMA who specialises in advising in investments of this kind before making any investment decisions. A prospective investor should consider carefully whether an investment in the Company is suitable in light of his personal circumstances and the financial resources available to him.

Forward-looking statements

This document includes "forward-looking statements", which include all statements other than statements of historical facts including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations and any statements preceded by, followed by or that include forward-looking terminology such as the words "targets", "plan", "project", "believes", "estimates", "aims", "intends", "can", "may", "expects", "forecasts", "anticipates", "would", "should", "could" or similar expressions or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. Among the important factors that could cause the Company's actual results, performance or achievements to differ materially from those in forward-looking statements include factors in this section entitled "Risk Factors" and elsewhere in this document. 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 in relation 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. As a result of these factors, the events described in the forward-looking statements in this document may not occur. Prospective investors should be aware that these statements are estimates, reflecting only the judgement of the Company's management and prospective investors should not rely on any forward-looking statements.

RISK FACTORS RELATING TO THE BUSINESS AND OPERATIONS OF THE ENLARGED GROUP

Dependence on Key Personnel

The Enlarged Group's performance is dependent on its current and future management team and the management teams of the companies in which the Enlarged Group will invest. The loss of any of its existing directors or key employees or a failure to recruit additional directors and/or senior executives could, therefore, significantly reduce the Enlarged Group's ability to make successful acquisitions or manage the Enlarged Group and its operations effectively.

Reputation

The ability of the Enlarged Group to attract new business and to retain its existing clients depends in part upon the maintenance of its reputation in the market. The industry in which the Enlarged Group operates demands a high level of integrity. Client trust is paramount and the Group is thus susceptible to adverse market perception. Any fraud, mismanagement or failure to satisfy the Enlarged Group's responsibilities to its clients, any negative publicity resulting from such activities or the accusation of such actions associated with the Enlarged Group, could have a material adverse effect on the financial condition, results or operations of the Company.

Furthermore, after recent downturns in equity markets and the resulting heightened media and consumer interest in the financial services industry, any negative publicity associated with the Enlarged Group could damage the Company's reputation and could have a material adverse effect on the financial condition, results or operations of the Company.

Regulatory consideration

Asset management is subject to regulation by the FCA. The EWMG Group operates in a market which is subject to rapid regulatory change. There may be a change in government regulation or policies in the financial services industry, which could have a material adverse effect on the Enlarged Group's activities.

If the EWMG Group, for whatever reason, lost its regulatory permissions, it would be unable to continue operating in its current form.

The future performance of the Enlarged Group cannot be guaranteed

There is no certainty and no representation or warranty is given by any person that the Enlarged Group will be able to achieve any returns referred to in this document. The financial operations of Enlarged Group may be adversely affected by general economic conditions, by conditions within the UK banking market generally or by the particular financial condition of other parties doing business with the Company.

Prospective acquisitions may fail to deliver expected performance

There can be no guarantee that suitable companies or businesses will be available for the Company to successfully identify and acquire in the future.

The asset management sector has a number of large businesses operating within it, together with many of medium size and a substantial number of small operations. The Company therefore will face competition to acquire other operations. A number of competitors are larger and have greater resources than the Company and may prevent the successful implementation of the Company's business plan.

Employee misconduct

The Enlarged Group is exposed to the risk of employee misconduct. This could include binding the Enlarged Group to transactions that present unacceptable risks or that exceed authorised limits or hiding unsuccessful or unauthorised activities from the Enlarged Group. Employees could misuse confidential information, resulting in regulatory sanctions that could seriously damage the Enlarged Group's reputation.

The measures that the Enlarged Group takes to prevent and detect employee misconduct may not be effective in all cases. The Enlarged Group will maintain professional indemnity insurance, but there can be no guarantee that cover thereunder would be sufficient to cover any loss suffered by the Enlarged Group.

Third party service providers

Aspects of the Enlarged Group's business will rely upon certain third party service providers. A deterioration or interruption in the performance of these service providers could impair the quality and timing of the Enlarged Group's services. Furthermore, if contracts with any of these service providers are terminated, the Enlarged Group may not find alternative suppliers on equivalent terms or on a timely basis.

Risk of loss of business continuity

The Enlarged Group's business operations, information systems and processes are vulnerable to damage or interruption from fires, power loss, telecommunication failures, bomb threats, explosions or other forms of terrorist activity and other natural and man-made disasters. These systems may also be subject to sabotage, vandalism, theft and other similar misconduct. The same is true of third party service providers on which the Enlarged Group depends.

The Enlarged Group has in place disaster recovery plans covering current business requirements. However, if the disaster recovery plans are found to be inadequate, there could be an adverse impact on the Group's financial condition, results or operations.

Adequacy of systems and controls

The Enlarged Group's ability to maintain financial controls and provide high quality service to customers depends, in part, on the efficient and uninterrupted operation of its management information systems, including its computer systems. There can be no assurance that these systems will function as designed. Any damage to, failure of or inability to upgrade appropriately, its management information systems, could result in interruptions to the Enlarged Group's financial controls and client services. Such interruption could have a material adverse effect on the financial condition, results or operations of the Enlarged Group.

Future funding requirements

Funding may be required in the future to implement the Enlarged Group's strategy. The Enlarged Group may attempt to raise additional funds through equity or debt financings or from other sources to implement this strategy. Any additional equity financing may be dilutive to holders of New Ordinary Shares and any debt financing, if available, may require restrictions to be placed on the Enlarged Group's future financing and operating activities. The Enlarged Group may be unable to obtain additional financing on acceptable terms or at all if market and economic conditions, the financial condition or operating performance of the Group or investor sentiment (whether towards the Enlarged Group in particular or towards the market sector in which the Enlarged Group operates) are unfavourable. The Enlarged Group's inability to raise additional funding may hinder its ability to implement its strategy, grow in the future or to maintain its existing levels of operation.

Competition risks

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

RISK FACTORS RELATING TO THE INDUSTRY

Increasing regulation

The Enlarged Group is engaged in activities which are regulated by the FCA. The Enlarged Group may, therefore, be required from time to time to review and update its regulatory permissions and the status of its authorised persons to ensure that its existing and new activities, as they develop, are consistent with the

Enlarged Group's regulatory permissions. Failure to do so could lead to public reprimand, the imposition of fines, the revocations of permissions or authorisations and/or other regulatory sanctions, any of which could lead to adverse publicity and reputational damage and could have a material adverse effect on the continued conduct of the Enlarged Group's business.

There may, in the future, be changes to, or new laws and regulations that govern the operations of the Enlarged Group. The Company cannot predict the full effect that any proposed or future law or regulation may have on the financial condition or results or operations of the Enlarged Group. It is possible that the Enlarged Group may be adversely affected by changes in the applicable laws or regulations.

Stock market conditions

The Enlarged Group's business will be partially dependent on stock market conditions. Adverse market conditions may have a significant negative effect on the Enlarged Group's operations.

CONSIDERATIONS RELATING TO THE NEW ORDINARY SHARES

Investment in AIM securities and liquidity of the Company's shares

An investment in companies whose shares are traded on AIM is perceived to involve a higher degree of risk and be less liquid than an investment in companies whose shares are listed on the Official List. AIM is a market designed primarily for emerging or smaller companies. The rules of this market are less demanding than the Official List. The future success of AIM and liquidity in the market for New Ordinary Shares cannot be guaranteed. In particular, the market for New Ordinary Shares may become or may be relatively illiquid and therefore, such New Ordinary Shares may be or may become difficult to sell.

The market for the Company's shares following Admission may be highly volatile and subject to wide fluctuations in response to a variety of factors, which could lead to losses for Shareholders. These potential factors include amongst others: any additions or departures of key personnel, litigation and press, newspaper and/or other media reports.

Prospective investors should be aware that the market price of the New Ordinary Shares may go down as well as up and that the market price of the New Ordinary Shares may not reflect the underlying value of the Company. Investors may, therefore, realise less than or lose all of their investment.

Trading market for the New Ordinary Shares

The share price of emerging companies can be highly volatile and shareholdings illiquid. The market price of the New Ordinary Shares may be subject to wide fluctuations in response to many factors, some specific to the Company and its operations and others to AIM in general including, but not limited to, variations in the operating results of the Enlarged Group, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, general economic conditions or legislative changes in the Enlarged Group's sector. In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for the New Ordinary Shares. The trading of the New Ordinary Shares on AIM should not be taken as implying that there will be a liquid market for the New Ordinary Shares and there is no guarantee that an active market will develop or be sustained after Admission. It may be more difficult for an investor to realise his investment in the Company than in a company whose shares are quoted on the Official List.

Dilution of shareholders' interest as a result of additional equity fundraising

The Enlarged Group may need to raise additional funds in the future to finance, amongst other things, working capital, expansion of the business, new developments relating to existing operations or new acquisitions. If additional funds are raised through the issuance of new equity or equity-linked securities of the Company other than on a pro rata basis to existing Shareholders (and holders of CLS), the percentage ownership of the existing Shareholders (and the percentage of the total New Ordinary Shares then in issue which holders of CLS would be able to acquire pursuant to the conversion of their CLS) may be reduced. Shareholders or holders of CLS may also experience subsequent dilution and/or such securities may have preferred rights, options and pre-emption rights senior to the New Ordinary Shares and/or the CLS.

Dividends

There can be no assurance as to the level of future dividends. Subject always to the provisions of Guernsey Companies Law, the declaration, payment and amount of any future dividends of the Company are subject to the discretion of the Shareholders or, in the case of interim dividends, to the discretion of the Directors, and will depend upon, amongst other things, the Company's earnings, financial position, cash requirements, availability of profits, as well as provisions for relevant laws or generally accepted accounting principles from time to time.

CONSIDERATIONS RELATING TO THE CLS

Investment in the CLS and liquidity of the CLS

An investment in companies whose convertible loan stock is traded on AIM is perceived to involve a higher degree of risk and be less liquid than an investment in convertible debt instruments listed on the Official List. AIM is a market designed primarily for emerging or smaller companies. The rules of this market are less demanding than the Official List. The future success of AIM and liquidity in the market for the CLS cannot be guaranteed. In particular, the market for the CLS may become or may be relatively illiquid and, therefore, the CLS may be or may become difficult to sell.

The market for the CLS following Admission may be highly volatile and subject to wide fluctuations in response to a variety of factors, which could lead to losses for CLS Holders. These potential factors include amongst others: any additions or departures of key personnel, litigation and press, newspaper and/or other media reports.

Prospective investors should be aware that the market price of the CLS may go down as well as up and that the market price of the CLS may not reflect the underlying value of the Company. Investors may, therefore, realise less than or lose all of their investment. The market for the CLS may increase in illiquidity as the CLS convert into New Ordinary Shares, thereby leaving fewer CLS in issue.

Trading market for the CLS

The price of emerging companies can be highly volatile and shareholdings and holdings of convertible loan stock can be illiquid. The market price of the CLS may be subject to wide fluctuations in response to many factors, some specific to the Company and its operations and others to the AIM market in general including, but not limited to, variations in the operating results of the Enlarged Group, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, general economic conditions or legislative changes in the Enlarged Group's sector. In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for the CLS. The trading of the CLS on AIM should not be taken as implying that there will be a liquid market for the CLS and there is no guarantee that an active market will develop or be sustained after Admission.

GENERAL RISK FACTORS

General economic climate

Any economic downturn either globally or locally in any area in which the Enlarged Group operates may have an adverse effect on the demand for the Enlarged Group's services.

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

The Enlarged Group may be affected by general market trends which are unrelated to the performance of the Group itself. The Enlarged Group's success will depend on market acceptance of the Enlarged Group's products and there can be no guarantee that this acceptance will be forthcoming. Market opportunities targeted by the Enlarged Group may change and this may have a significant negative effect on the Enlarged Group's operations.

Taxation

The attention of potential investors is drawn to paragraph 10 of Part VIII of this document headed "Taxation". The tax rules, including stamp duty provisions and their interpretation relating to an investment in the Enlarged Group may change during the life of the Enlarged Group.

The levels of, and reliefs from, taxation may change. The tax reliefs referred to in this document are those currently available and their value depends upon the individual circumstances of investors. Any change in the Enlarged Group's tax status or the tax applicable to holding New Ordinary Shares and/or CLS or in taxation legislation or its interpretation, could affect the value of the investments held by the Group, affect the Enlarged Group's ability to provide returns to Shareholders and/or holders of CLS and/or alter the post-tax returns to Shareholders and/or holders of CLS. Statements in this document concerning the taxation of the Group and its investors are based upon current tax law and practice which is subject to change.

Investors should therefore consider carefully whether investment in the Company is suitable for them, in light of the risk factors outlined above, their personal circumstances and the financial resources available to them.

PART III

RULE 9 WAIVER INFORMATION

The parties described in this Part III are deemed to be acting in concert under the terms of the Takeover Code.

1. EWMG Concert Party

Alan John (“John”) Morton

John Morton is executive Chairman and a founder shareholder of EWMG, and executive Chairman of EIM and EFP. He also serves as a non-executive director of EWG.

John Morton, Susan Roughley, Roderick Gentry and Geoffrey Dearing have worked together in the past at Ashcourt Rowan plc. John Morton worked with George Robb at Aberdeen Asset Management plc.

Rebecca Linda Morton

Rebecca Linda Morton is the wife of John Morton.

Lauren Camilla Morton

Lauren Camilla Morton is the adult daughter of John Morton.

Alan James (“James”) Morton

James Morton is the adult son of John Morton.

Roderick Gentry

Roderick Gentry is the Group Chief Executive and founder shareholder of EWMG. He also serves as a non-executive director of EWG.

Previously, he was the Chief Executive of Ashcourt Holdings Limited, and oversaw its development as it reached AUM of £1.5 billion, where he worked alongside John Morton, Susan Roughley and Geoffrey Dearing.

Susan Jane Roughley

Susan Roughley is the director of Human Resources and founder shareholder of EWMG, EIM and EFP. Prior to joining EWMG, she was a director of Ashcourt Holdings Limited, having previously been the Human Resources Manager.

Susan worked alongside John Morton, Geoffrey Dearing and Roderick Gentry at Ashcourt Rowan.

Geoffrey Gordon Dearing

Geoffrey Dearing is a non-executive director and founder shareholder of EWMG, EIM and EFP.

He was previously Chairman of Ashcourt Holdings plc, where he worked alongside John Morton, Susan Roughley and Roderick Gentry.

George Alan Robb

George Robb is the senior non-executive director and founder shareholder of EWMG.

He was previously Chairman of Aberdeen Asset Management plc where he worked with John Morton.

Jonathan Alexander Robb

Jonathan Alexander Robb is the adult son of George Alan Robb.

Judith Olivia Robb

Judith Olivia Robb is the adult daughter of George Alan Robb.

Moira Ann Robb

Moira Ann Robb is the wife of George Alan Robb.

- 1.1 At Admission, the EWMG Concert Party will hold an interest in 4,632,789 New Ordinary Shares, representing 35.17 per cent. of the Enlarged Issued Share Capital. Details of each member of the EWMG Concert Party's existing interests in EWG, their proposed interest on Admission and assuming the full conversion of CLS and full exercise of Options to reach their respective maximum holdings are set out in the table below:

<i>Name</i>	<i>Current interests in EWG</i>			<i>Proposed interests in EWG on Admission⁷</i>		<i>Rights to subscribe</i>		<i>Maximum % of ordinary issued share capital¹⁰</i>
	<i>No. of Existing EWG Shares</i>	<i>% of existing share capital</i>	<i>Consideration Shares issued</i>	<i>Proposed interests in EWG on Admission</i>	<i>% of ordinary issued share capital</i>	<i>Options⁸</i>	<i>CLS⁹</i>	
Alan John Morton ¹	46,490,445	7.34	721,918	1,496,758	11.4	512,174	933,722	17.20
Rebecca Linda Morton ²	2,620,000	0.41	0	43,666	0.33	0	0	0.26
Lauren Camilla Morton	1,868,376	0.29	0	31,139	0.24	0	0	0.18
Alan James Morton	868,376	0.14	0	14,472	0.11	0	0	0.08
Roderick Gentry ³	40,912,000	6.46	763,982	1,445,848	11.0	512,174	977,958	17.15
Susan Jane Roughley ⁴	12,091,266	1.91	245,873	447,393	3.40	60,256	319,916	4.83
Geoffrey Gordon Dearing ⁵	6,293,013	0.99	127,737	232,620	1.77	69,294	150,666	2.64
George Alan Robb ⁶	37,816,357	5.97	207,844	838,116	6.36	198,844	207,847	7.27
Moira Ann Robb	1,500,000	0.24	0	25,000	0.19	0	0	0.15
Jonathan Alexander Robb	666,667	0.11	0	11,111	0.08	0	0	0.06
Judith Olivia Robb	2,800,000	0.44	0	46,666	0.35	0	0	0.27
TOTAL	153,926,500	24.29	2,067,354	4,632,789	35.17	1,352,743	2,590,109	50.11

Notes:

1. Alan John Morton holds 19,181,114 Existing EWG Shares in his own name, 25,486,944 Existing EWG Shares in his SIPP account and 1,822,387 Existing EWG Shares in a discretionary trust fund.
2. Rebecca Linda Morton holds 1,225,000 Existing EWG Shares in her own name and 1,395,000 Existing EWG Shares in her SIPP account.
3. Roderick Gentry holds 23,972,374 Existing EWG Shares in his own name and 16,939,626 Existing EWG Shares in his SIPP account.
4. Susan Jane Roughley holds 8,929,523 Existing EWG Shares in her own name, 567,000 Existing EWG Shares in a nominee account and 2,594,743 Existing EWG Shares in her SIPP account.
5. Geoffrey Gordon Dearing holds 1,500,000 Existing EWG Shares in his own name and 4,793,013 Existing EWG Shares in his SIPP account.
6. George Alan Robb holds 7,444,928 Existing EWG Shares in his own name and 30,371,429 Existing EWG Shares in two SIPP accounts.
7. Post Capital Reorganisation as explained in paragraph 18 of this Part I. The above table does not include any interests in Deferred Shares, since these carry no voting rights and are expected to be redeemed after Admission as permitted under the New Articles.
8. The Options arise from the exchange of existing options in EWMG into new options in EWG. The exact number of Options to be issued will depend on the closing price of EWG on the day of Admission. For further details please see paragraph 1.2 below.
9. The CLS are convertible at increasing conversion prices as set out in Part VII of this document. The table assumes that the members of the EWMG Concert Party convert at the earliest opportunity being the lowest conversion price and resulting in the maximum number of New Ordinary Shares that may be issued under the CLS.
10. Percentages assume no other additional New Ordinary Shares are issued by EWG following Admission and no other party converts their CLS or options holding.

- 1.2 The market value of the Options, based on the closing mid market price of the New Ordinary Shares on the day of Admission (“Closing Price”), must be equal to the value of the options being exchanged, based on the Acquisition value per existing EWMG Share. The number of Options in the table in paragraph 1.1 above assumes the Closing Price is the same as the Theoretical Post Consolidation Price, in other words that there has been no change since the Last Price.

An announcement will be released on 8 May 2014, which will state the final Options figure based on the Closing Price.

The Table below illustrates how the number of Options to be issued will vary with a change in the Closing Price, and the resultant impact on the aggregate maximum position of the EWMG Concert Party.

<i>Price per Existing EWMG Share (i.e. pre Consolidation)¹</i>	<i>Closing Price (post Consolidation)</i>	<i>Total Number of Options to be granted</i>	<i>Number of Options to be granted to the EWMG Concert Party</i>	<i>Maximum Holding of the EWMG Concert Party</i>	<i>Maximum Percentage Holding (%)</i>
1.40p	£0.84	1,364,923	1,159,494	8,384,572	49.54
1.35p	£0.81	1,415,476	1,202,438	8,427,516	49.67
1.30p	£0.78	1,469,917	1,248,685	8,473,763	49.80
1.25p	£0.75	1,528,714	1,298,633	8,523,711	49.95
1.20p	£0.72	1,592,410	1,352,743	8,577,821	50.11
1.15p	£0.69	1,661,645	1,411,558	8,636,636	50.28
1.10p	£0.66	1,737,175	1,475,719	8,700,797	50.47
1.05p	£0.63	1,819,897	1,545,992	8,771,070	50.67
1.00p	£0.60	1,910,892	1,623,291	8,848,369	50.89

1. This table is for illustrative purposes only.

- 1.3 At Admission, the Directors will hold an interest in 5,872,970 New Ordinary Shares, representing 44.58 per cent. of the Enlarged Issued Share Capital. Details of each member of the Directors (excluding Alan John Morton and Roderick Gentry, who are disclosed above) existing interests in EWG, their proposed interest on Admission and assuming the conversion of CLS and exercise of options to reach their respective maximum holdings, are set out in the table below:

<i>Name</i>	<i>Current interests in EWG</i>		<i>Proposed interests in EWG on Admission²</i>		<i>Maximum interest in EWG assuming CLS conversion</i>	
	<i>No. of Existing EWG Shares</i>	<i>% of existing issued share capital</i>	<i>Proposed interests in New Ordinary Shares on Admission</i>	<i>% of ordinary issued share capital</i>	<i>Maximum interest in EWG</i>	<i>Maximum % of ordinary issued share capital³</i>
Kishore Gopaul	98,101,263	15.48	1,635,021	12.41	6,485,715	35.98
Timothy John Revill ¹	77,720,613	12.26	1,295,343	9.83	1,295,343	7.54
Paul Michael Everitt	0	0	0	0	0	0
Ian Roger Parry	0	0	0	0	0	0
TOTAL	175,821,876	27.74	2,930,364	22.25	7,781,058	43.52

Notes:

- These shares are legally owned by Hearth Investments Limited, incorporated in the Isle of Man, which is trustee of the Revill Family Settlement, of which Tim Revill is a potential beneficiary.
- Post Capital Reorganisation as explained in paragraph 18 of Part I. The above table does not include any interests in Deferred Shares, since these carry no voting rights and are expected to be redeemed after Admission as permitted under the New Articles.
- Percentages assume no other additional New Ordinary Shares are issued by EWG following Admission.

2. Disclosure of interests and dealing in shares

2.1 Definitions

- (a) “acting in concert” has the meaning attributed to it in the Takeover Code;
- (b) “arrangement” includes any indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing;
- (c) “connected person” means, in relation to any person, a person whose interest in shares is one in which the first mentioned person is also take to be interested pursuant to Part 22 of the 2006 Act;
- (d) “control” means an interest or interests in shares carrying in aggregate 30 per cent. or more of the voting rights of a company, irrespective of whether the holding or aggregate holding gives *de facto* control;
- (e) “dealing” or “dealt” includes the following:
 - (i) the acquisition or disposal of relevant securities, of the right (whether conditional or absolute) to exercise or direct the exercise of voting rights attaching to relevant securities, or of general control of relevant securities;
 - (ii) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including without limitation a traded option contract) in respect of any relevant securities;
 - (iii) subscribing or agreeing to subscribe for relevant securities (whether in respect of existing or new securities);
 - (iv) the exercise of any right of conversion or subscription, (whether in respect of new or existing relevant securities), of any relevant securities carrying conversion or subscription rights;
 - (v) the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to relevant securities;
 - (vi) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities; and
 - (vii) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;
- (f) “derivative” includes any financial product whose value in whole or in part is determined, directly or indirectly, by reference to the price of an underlying security;
- (g) “disclosure date” means 15 April 2014, being the latest practicable date prior to the publication of this document;
- (h) “disclosure period” means the period commencing on 15 April 2013, being the date 12 months prior to the date of publication of this document and ending on the disclosure date;
- (i) being “interested” in relevant securities includes where a person:
 - (i) owns relevant securities;
 - (ii) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to the relevant securities or has general control of them;
 - (iii) by virtue of any agreement to purchase, option or derivative, has the right or option to acquire relevant securities or call for their delivery or is under an obligation to take

delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise;

- (iv) is party to any derivative whose value is determined by reference to their price and which results, or may result, in his having a long position in them; or
- (v) takes any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;
- (j) “relevant securities” includes:
 - (i) shares and any other securities carrying voting rights;
 - (ii) equity share capital (or derivatives referenced thereto); and
 - (iii) securities carrying conversion or subscription rights in respect of any shares or securities in paragraphs (i) or (ii) above;
- (k) “short position” means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, agreement to sell or any delivery obligation or right to require any other person to purchase or take delivery.

2.2 *Disclosure of interests in Existing EWG Shares*

2.2.1. Interests, rights to subscribe and securities held by the EWMG Concert Party in EWG at the date of this Document are set out below.

<i>Name</i>	<i>Current interests in EWG</i>	
	<i>No. of Existing EWG Shares</i>	<i>% of existing issued share capital</i>
Alan John Morton ¹	46,490,445	7.34
Rebecca Linda Morton ²	2,620,000	0.41
Lauren Camilla Morton	1,868,376	0.29
Alan James Morton	868,376	0.14
Roderick Gentry ³	40,912,000	6.46
Susan Jane Roughley ⁴	12,091,266	1.91
Geoffrey Gordon Dearing ⁵	6,293,013	0.99
George Alan Robb ⁶	37,816,357	5.97
Moir Ann Robb	1,500,000	0.24
Jonathan Alexander Robb	666,667	0.11
Judith Olivia Robb	2,800,000	0.44
TOTAL	153,926,500	24.29

Notes:

- Alan John Morton holds 19,181,114 Existing EWG Shares in his own name, 25,486,944 Existing EWG Shares in his SIPP account and 1,822,387 Existing EWG Shares in a discretionary trust fund.
- Rebecca Linda Morton holds 1,225,000 Existing EWG Shares in her own name and 1,395,000 Existing EWG Shares in her SIPP account.
- Roderick Gentry holds 23,972,374 Existing EWG Shares in his own name and 16,939,626 Existing EWG Shares in his SIPP account.
- Susan Jane Roughley holds 8,929,523 Existing EWG Shares in her own name, 567,000 Existing EWG Shares in a nominee account and 2,594,743 Existing EWG Shares in her SIPP account.
- Geoffrey Gordon Dearing holds 1,500,000 Existing EWG Shares in his own name and 4,793,013 Existing EWG Shares in his SIPP account.
- George Alan Robb holds 7,444,928 Existing EWG Shares in his own name and 30,371,429 Existing EWG Shares in two SIPP accounts.

2.2.2 Interests, rights to subscribe and securities held by the Directors in EWG at the date of this Document are set out below.

<i>Name</i>	<i>Current interests in EWG</i>	
	<i>No. of Existing EWG Shares</i>	<i>% of existing issued share capital</i>
Kishore Kumar Gopaul ¹	98,101,263	15.48
Tim Revill ²	77,720,613	12.26
Alan John Morton ^{3*}	49,110,445	7.75
Roderick Gentry ^{4*}	40,912,000	6.46
Roger Parry	0	0
Paul Everitt	0	0
TOTAL	265,844,321	41.95

Notes:

* Also a member of the EWMG Concert Party

- Shares held by Courvoisier, Kishore Gopaul, a non-executive director of EWMG, is a director of Courvoisier.
- These shares are legally owned by Hearth Investments Limited, incorporated in the Isle of Man, which is trustee of the Revill Family Settlement, of which Tim Revill is a potential beneficiary.
- Alan John Morton holds 19,181,114 Existing EWG Shares in his own name, 25,486,944 Existing EWG Shares in his SIPP account and 1,822,387 Existing EWG Shares in a discretionary trust fund. He has a beneficial interest in 2,620,000 Existing EWG Shares held by Rebecca Morton. This figure does not include the Existing EWG Shares held by his adult children.
- Roderick Gentry holds 23,972,374 Existing EWG Shares in his own name and 16,939,626 Existing EWG Shares in his S IPP account.

2.3 Dealings in Existing EWG Shares

2.3.1 The following dealings in Existing EWG Shares by the EWMG Concert Party, their respective immediate families and related trusts, persons acting in concert with the Company or persons with whom the Company or persons acting in concert with the Company have an arrangement have taken place during the disclosure period:

<i>Name of Shareholder</i>	<i>Number of Existing EWG Shares</i>	<i>Nature of Transaction</i>	<i>Date</i>	<i>Price per Existing EWG Share (p)</i>
Roderick Gentry	1,600,000	Subscription of shares	16 April 2013	1
Roderick Gentry ¹	400,000	Subscription of shares	16 April 2013	1
M Y Morton Trust ²	600,000	Subscription of shares	16 April 2013	1
Lauren Camilla Morton	1,500,000	Subscription of shares	16 April 2013	1
Alan James Morton	500,000	Subscription of shares	16 April 2013	1
Alan John Morton ³	2,450,000	Subscription of shares	16 April 2013	1
Rebecca Linda Morton ⁴	500,000	Subscription of shares	16 April 2013	1
Moira Ann Robb	300,000	Subscription of shares	16 April 2013	1
George Alan Robb	1,200,000	Subscription of shares	16 April 2013	1
Susan Jane Roughley	400,000	Subscription of shares	16 April 2013	1
Susan Jane Roughley ⁵	500,000	Subscription of shares	16 April 2013	1
M Y Morton Trust	714,285	Share conversion	5 June 2013	0.7
Roderick Gentry ⁶	516,531	Purchase	25 June 2013	1.2
M Y Morton Trust	185,715	Purchase	25 June 2013	1.2
Alan John Morton ⁷	350,000	Purchase	25 June 2013	1.2
Alan John Morton ⁸	7,477,277	Purchase	25 June 2013	1.175
Roderick Gentry	1,600,000	Stock transfer to his own name	22 July 2013	N/a
Lauren Camilla Morton	1,500,000	Stock transfer from EIM Nominees to her own name	22 July 2013	N/a

<i>Name of Shareholder</i>	<i>Number of Existing EWG Shares</i>	<i>Nature of Transaction</i>	<i>Date</i>	<i>Price per Existing EWG Share (p)</i>
Alan James Morton	500,000	Stock transfer from EIM Nominees to his own name	22 July 2013	N/a
Geoffrey Gordon Dearing ⁹	2,467,754	Purchase	30 July 2013	1.2
Geoffrey Gordon Dearing ¹⁰	822,877	Purchase	31 July 2013	1.2
Roderick Gentry ¹¹	212,000	Purchase	31 July 2013	1.2
Alan John Morton ¹²	343,000	Purchase	31 July 2013	1.2
Rebecca Linda Morton ¹³	745,000	Purchase	31 July 2013	1.2
George Alan Robb	4,200,000	Stock sold to Investec SIPP account	10 September 2013	1.3
George Alan Robb	5,805,384	Stock transfer	13 September 2013	N/a
Roderick Gentry ¹⁴	2,000,000	Subscription of shares	7 October 2013	1
Rebecca Linda Morton	500,000	Subscription of shares	7 October 2013	1
M Y Morton Trust	300,000	Subscription of shares	7 October 2013	1
Alan John Morton ¹⁵	1,000,000	Subscription of shares	7 October 2013	1
M Y Morton Trust	22,387	Subscription of shares	9 October 2013	1
George Alan Robb	3,005,384	Stock transfer to Investec SIPP account	17 October 2013	N/a

Notes:

1. Shares purchased through Roderick Gentry's SIPP account.
2. John Morton is the beneficiary of the M Y Morton Trust.
3. Shares purchased through John Morton's SIPP account.
4. Shares purchased through Rebecca Morton's SIPP account.
5. Shares purchased through Susan Roughley's SIPP account.
6. Shares purchased through Roderick Gentry's SIPP account.
7. Shares purchased through John Morton's SIPP account.
8. Shares purchased through John Morton's SIPP account.
9. Shares purchased through Geoffrey Dearing's SIPP account.
10. Shares purchased through Geoffrey Dearing's SIPP account.
11. Shares purchased through Roderick Gentry's SIPP account.
12. Shares purchased through John Morton's SIPP account.
13. Shares purchased through Rebecca Morton's SIPP account.
14. Shares purchased through Roderick Gentry's SIPP account.
15. Shares purchased through John Morton's SIPP account.

2.3.2 The dealings in Existing EWG Shares by Kishore Gopaul, his immediate family and related trusts, persons acting in concert with him or persons with whom Kishore Gopaul or persons acting in concert with him have an arrangement have taken place during the disclosure period:

<i>Name of Shareholder</i>	<i>Number of Existing EWG Shares</i>	<i>Nature of Transaction</i>	<i>Date</i>	<i>Price per Existing EWG Share (p)</i>
Courvoisier ¹	6,375,000	Purchase	16 April 2013	1
Courvoisier	10,000,000	Loan conversion	5 June 2013	0.7
Courvoisier	7,477,277	Sale	25 June 2013	1.175
Courvoisier	289,589	Interest Payment	9 October 2013	1

Note:

1. Kishore Gopaul, a non-executive director of EWG, is a director of Courvoisier.

2.3.3 The dealings in Existing EWG Shares by the Independent Directors, their respective immediate families and related trusts, persons acting in concert with them or persons with whom Independent Directors or persons acting in concert with them have an arrangement have taken place during the disclosure period:

<i>Name of Shareholder</i>	<i>Number of Existing EWG Shares</i>	<i>Nature of Transaction</i>	<i>Date</i>	<i>Price per Existing EWG Share (p)</i>
Hearth Investments Limited ¹	42,857,143	Loan conversion	24 April 2013	0.7

Note:

1. Hearth Investments Limited, incorporated in the Isle of Man, is trustee of the Revill Family Settlement, of which Tim Revill is a potential beneficiary.

- 2.3.4 EWMG holds no Existing EWG Shares and there were no dealings in Existing EWG Shares by EWMG during the disclosure period.
- 2.4 At the close of business on the disclosure date, save as disclosed in paragraphs 1.1, 2.2.1 and 2.3.1:
- (a) no member of the EWMG Concert Party (including any members of their respective immediate families, related trusts or connected persons) has any interest in or a right to subscribe for, or has any short position in relation to any relevant securities of the Company;
 - (b) no person acting in concert with the EWMG Concert Party has any interest in, or right to subscribe for, or has any short position in relation to any relevant securities of the Company;
 - (c) no member of the EWMG Concert Party (including any members of their respective immediate families, related trusts or connected persons) nor any person acting in concert with the EWMG Concert Party has borrowed or lent any relevant securities of the Company, save for any borrowed shares which have either been on-lent or sold; and
 - (d) no member of the EWMG Concert Party (including any members of their respective immediate families, related trusts or connected persons) nor any person acting in concert with the EWMG Concert Party has dealt in relevant securities of the Company during the disclosure period.
- 2.5 At the close of business on the disclosure date, save as disclosed in paragraphs 1.1, 1.3, 2.2.1, 2.2.2, 2.3.2 and 2.3.3:
- (a) none of the Directors (including any members of such Directors' respective immediate families, related trusts or connected persons) has any interest in or a right to subscribe for, or has any short position in relation to any relevant securities of the Company;
 - (b) no person acting in concert with the Directors has any interest in, or right to subscribe for, or had any short position in relation to any relevant securities of the Company; and
 - (c) none of the Directors (including any members of their respective immediate families, related trusts or connected persons) nor any person acting in concert with the Directors nor the Company has borrowed or lent any relevant securities of the Company, save for any borrowed shares which have either been on-lent or sold.

3. Additional disclosures required by the Takeover Code

- 3.1 Save as disclosed in this document, none of the Directors have 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 Company and no contract or arrangement exists in which a Director is materially interested and which is significant in relation to the business of the Enlarged Group.
- 3.2 Save as disclosed in this document, there is no agreement, arrangement or understanding (including, without limitation, any compensation arrangement) which exists between any member of the EWMG Concert Party (or any person acting in concert with the EWMG Concert Party) and any of the Directors, recent directors of the Company, Existing Shareholders or recent Existing Shareholders or any person interested in or recently interested in shares in the Company which are connected with or dependent on the outcome of the Proposals.

3.3 There is no agreement, arrangement or understanding whereby the legal and/or beneficial ownership of any New Ordinary Shares or CLS to be issued to any member of the EWMG Concert Party pursuant to the Acquisition will be transferred to any other person as a result of the Proposals or otherwise.

4. EWMG Concert Party intentions regarding the Enlarged Group's business

The Board has determined the strategy of the Enlarged Group going forward and further details regarding the Enlarged Group's business and strategy are set out in Part I of this document.

As required by the Takeover Code, the EWMG Concert Party has confirmed to the Company that, save for the future intentions and strategy of the Enlarged Group as described in Part I of this document, it does not intend to make any changes regarding the future strategy of the Enlarged Group's business, the locations of the Enlarged Group's places of business, and the continued employment of the Enlarged Group's employees and management, including any material change in conditions of employment, including pension rights, and the deployment of the fixed assets of the Enlarged Group. The EWMG Concert Party intends to maintain the existing trading facility for the New Ordinary Shares and the CLS on AIM.

5. Market Quotations

The following table shows the Closing Price on the first business day of each of the six months immediately before the date of this document and on 15 April 2014 (being the latest practicable date prior to the publication of this document).

<i>Date</i>	<i>Closing Price (pence)</i>
1 November 2013	1.25
2 December 2013	1.25
2 January 2014	1.25
3 February 2014	1.225
3 March 2014	1.2
1 April 2014	1.15
15 April 2014	1.2

PART IV

FINANCIAL INFORMATION ON EWG

The financial information regarding EWG is not incorporated in this document following the grant of derogation by AIM with respect to Rule 28 of the AIM Rules for Companies. The Company has been admitted to AIM since 2005 and has been complying with its reporting requirements under the AIM Rules for Companies.

Your attention is drawn to the Company's audited report and accounts for the years ended 31 December 2011, 31 December 2012 and 31 December 2013 (together the "Accounts") all of which can be found at www.ewgrouplimited.com. The exact location and page number is listed below:

<i>Year end</i>	<i>location</i>	<i>Financial statements page reference</i>
31 December 2011	www.ewgrouplimited.com/EWMG_Acquisition	13 to 16
31 December 2012	www.ewgrouplimited.com/EWMG_Acquisition	14 to 17
31 December 2013	www.ewgrouplimited.com/EWMG_Acquisition	14 to 17

The financial information on the Company is included in the Company's financial statements and the notes to them and has been incorporated by reference in accordance with Rule 24.15 of the Code.

Existing Shareholders may request a hard copy of the Accounts from the Company's principal place of business at Roseneath, The Grange, St Peter Port, Guernsey GY1 2QJ or alternatively by telephone on + 44 1481 732 888. Hard copies of the Accounts will be dispatched as soon as possible and, in any event, within two business days of receipt of a request. Existing Shareholders who do not make a request will not be sent hard copies of the Accounts.

PART V

ACCOUNTANT'S REPORT AND FINANCIAL INFORMATION ON EUROPEAN WEALTH MANAGEMENT GROUP LIMITED

Section A: Accountant's report



1 Fetter Lane
London
EC4A 1BR

The Directors and Proposed Director on behalf of
EW Group Limited
Roseneath
The Grange
St Peter Port
Guernsey GY1 2QJ

Daniel Stewart & Company plc
Becket House
36 Old Jewry
London EC2R 8DD

16 April 2014

Dear Sirs

European Wealth Management Group Limited (“EWMG”) and its subsidiary undertakings (together, the “EWMG Group”)

Introduction

We report on the financial information of EWMG Group set out in Section B of Part V. This financial information has been prepared for inclusion in the admission document dated 16 April 2014 of EW Group Limited (“EWG”) (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 EWG are responsible for preparing the financial information in accordance with the basis of preparation set out in note 1 to the financial information.

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 EWMG Group as at 31 December 2011, 31 December 2012 and 31 December 2013 and of its results, cash flows and changes in equity for the years ended 31 December 2011, 31 December 2012 and 31 December 2013 in accordance with the basis of preparation set out in note 1 to the financial information.

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

James Cowper LLP

Chartered Accountants

James Cowper LLP is a limited liability partnership registered in England and Wales (with registered number OC342634)

Section B: Financial Information on EWMG Group

Consolidated Statements of Comprehensive Income

	Notes	Year ended 31 December		
		2011 £	2012 £	2013 £
Revenue	4	772,158	2,452,389	5,821,241
Cost of sales		(157,760)	(173,218)	(1,091,403)
Gross profit		614,398	2,279,171	4,729,838
Other administrative expenses		(1,544,858)	(2,852,142)	(5,080,145)
Amortisation and depreciation		(15,334)	(52,788)	(90,304)
Share-based payments	18	–	(81,137)	(31,121)
Total administrative expenses		(1,560,192)	(2,986,067)	(5,201,570)
Loss from operations	5	(945,794)	(706,896)	(471,732)
Finance cost	7	(81,001)	(152,922)	(398,622)
Loss before taxation		(1,026,795)	(859,818)	(870,354)
Taxation	8a	1,874	509,611	(82,002)
Loss on ordinary activities from continuing operations		(1,024,921)	(350,207)	(952,356)
Loss for the year and total comprehensive income		(1,024,921)	(350,207)	(952,356)
Loss per share (£)				
Basic and diluted*		(2.92)	(0.67)	(1.60)

Note:

* there is no dilutive effect of options in issue due to the loss reported.

Consolidated Statements of Changes in Equity

	<i>Share capital</i> £	<i>Retained earnings</i> £	<i>Other equity reserve</i> £	<i>Share premium</i> £	<i>Total</i> £
At 1 January 2011	200,000	(595,631)	–	–	(395,631)
Loss for the year	–	(1,024,921)	–	–	(1,024,921)
Issue of share capital	300,000	–	–	–	300,000
Transaction costs	–	–	(28,971)	–	(28,971)
At 31 December 2011	<u>500,000</u>	<u>(1,620,552)</u>	<u>(28,971)</u>	<u>–</u>	<u>(1,149,523)</u>
At 1 January 2012	500,000	(1,620,552)	(28,971)	–	(1,149,523)
Loss for the year	–	(350,207)	–	–	(350,207)
Issue of share capital	21,968	–	–	–	21,968
Share-based payment	6,055	75,082	–	–	81,137
Equity component of convertible loan notes	–	–	66,526	–	66,526
Shares to be issued	–	–	1,278,332	–	1,278,332
At 31 December 2012	<u>528,023</u>	<u>(1,895,677)</u>	<u>1,315,887</u>	<u>–</u>	<u>(51,767)</u>
At 1 January 2013	528,023	(1,895,677)	1,315,887	–	(51,767)
Loss for the year	–	(952,356)	–	–	(952,356)
Debt for equity exchange	61,991	–	–	760,009	822,000
Issue of share capital	16,864	–	(225,973)	209,109	–
Share-based payment	–	–	31,122	–	31,122
Transfer between reserves	–	–	28,971	(28,971)	–
At 31 December 2013	<u>606,878</u>	<u>(2,848,033)</u>	<u>1,150,007</u>	<u>940,147</u>	<u>(151,001)</u>

Consolidated Statements of Financial Position

	Notes	As at 31 December		
		2011 £	2012 £	2013 £
Assets				
Non-current assets				
Goodwill	9a	347,080	2,932,343	2,932,343
Other intangible assets	9b,9c	121,600	1,082,408	1,006,942
Property, plant and equipment	11	11,303	40,962	218,771
Deferred tax assets	8c	–	509,611	427,609
		<u>479,983</u>	<u>4,565,324</u>	<u>4,585,665</u>
Current assets				
Current tax assets	8b	1,589	–	–
Trade and other receivables	12	186,830	305,609	462,284
Cash and cash equivalents		204,543	57,523	185,876
Total current assets		<u>392,962</u>	<u>363,132</u>	<u>648,160</u>
Total assets		<u>872,945</u>	<u>4,928,456</u>	<u>5,233,825</u>
Liabilities				
Current liabilities				
Trade and other payables	13	402,357	924,823	1,067,751
Finance lease obligations		–	–	29,225
Loans and deferred consideration	14	76,000	680,274	4,178,256
Total current liabilities		<u>478,357</u>	<u>1,605,097</u>	<u>5,275,232</u>
Non-current liabilities				
Finance lease obligations		–	–	109,594
Loans and deferred consideration	14	1,544,111	3,375,126	–
		<u>1,544,111</u>	<u>3,375,126</u>	<u>109,594</u>
Total liabilities		<u>2,022,468</u>	<u>4,980,223</u>	<u>5,384,826</u>
Net liabilities		<u>(1,149,523)</u>	<u>(51,767)</u>	<u>(151,001)</u>
Equity				
Share capital	15	500,000	528,023	606,878
Equity reserve	16	(28,971)	1,315,887	1,150,007
Share premium account	16	–	–	940,147
Retained earnings	16	(1,620,552)	(1,895,677)	(2,848,033)
Equity attributable to equity holders of the parent		<u>(1,149,523)</u>	<u>(51,767)</u>	<u>(151,001)</u>

Consolidated Statements of Cash Flows

	Notes	Year ended 31 December		
		2011 £	2012 £	2013 £
Operating activities				
Loss before tax		(1,026,795)	(859,818)	(870,354)
Depreciation charges	11	8,934	9,596	14,838
Amortisation of capitalised loan arrangement costs		107,451	138,062	61,508
Amortisation of intangible assets	9	6,400	43,192	75,466
Share-based payment expense	18	–	81,137	31,121
Finance cost	7	81,001	152,922	398,622
(Increase) in trade and other receivables		(131,700)	(146,670)	(148,033)
Increase in trade and other payables		316,161	552,230	134,284
Net cash flow from operating activities		<u>(638,548)</u>	<u>(29,349)</u>	<u>(302,548)</u>
Investing activities				
Purchase of equipment, fixtures & fittings		(8,947)	(38,206)	(53,828)
Purchase of subsidiary undertakings, net of cash acquired		(256,802)	(744,205)	(568,845)
Net cash flows from investing activities		<u>(265,749)</u>	<u>(782,411)</u>	<u>(622,673)</u>
Financing activities				
Proceeds from issue of shares		300,000	–	–
Transaction costs of issue of shares		(28,971)	–	–
Proceeds from borrowings		776,000	1,328,000	2,117,114
Loan arrangement costs		(122,029)	(62,000)	–
Repayment of borrowings		–	(416,000)	(753,585)
Interest paid		(107,410)	(185,260)	(309,955)
Net cash flows from financing activities		<u>817,590</u>	<u>664,740</u>	<u>1,053,574</u>
Net (decrease)/increase in cash and cash equivalents		(86,707)	(147,020)	128,353
Cash and cash equivalents at 1 January		<u>291,250</u>	<u>204,543</u>	<u>57,523</u>
Cash and cash equivalents at 31 December		<u>204,543</u>	<u>57,523</u>	<u>185,876</u>

Notes to the Financial Information

1. Significant accounting policies

Basis of accounting

This financial information has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('Adopted IFRSs').

The financial information has been prepared on the historical cost basis except where fair values are used as stated below. The principal accounting policies adopted are set out below and have been applied consistently to all periods presented in this financial information.

New standards and interpretations

None of the new standards effective for the current period have any material impact on the EWMG Group. The following new standards have not been applied in the financial information, but will or may have an effect on the EWMG Group's future financial statements.

IFRS 9 Financial Instruments

IFRS 9 will eventually replace IAS 39 in its entirety. However, the process has been divided into three main components (classification and measurement, impairment, and hedge accounting) and it is considered unlikely that the new standard will be endorsed until all of these components are in their final form. Whilst the current standard is largely incomplete, its eventual adoption may result in changes to the classification and measurement of the EWMG Group's financial instruments, including any impairment thereof.

IFRS 10 Consolidated Financial Statements

IFRS 10 establishes principles for the preparation and presentation of consolidated financial statements when a reporting entity controls one or more investees. The standard was published to deal with divergence in practice when applying IAS 27 Consolidated and Separate Financial Statements and SIC-12 Consolidation – Special Purpose Entities. The Standards eventual adoption is unlikely to result in changes to the preparation and presentation of the EWMG Group's financial subsidiaries.

None of the other new standards interpretations and amendments not yet effective are expected to have a material effect on the EWMG Group's future financial statements.

Going concern

The EWMG Group is performing in line with the overall business plan. Having undertaken a detailed forward projection of the business, and cognisant also of the planned acquisition in 2014 of EWMG by EW which is listed on AIM, the Directors have a reasonable expectation that EWMG and its group have access to adequate resources to proceed in accordance with its objectives towards profitability and positive operating cash flows. Therefore the Directors believe it is appropriate to prepare the financial information on the going concern basis.

The Directors consider that the EWMG Group is sufficiently diversified and has no over-reliance on any one customer or supplier.

Basis of consolidation

The consolidated financial information incorporates the results and financial position of EWMG and entities controlled by EWMG (its subsidiaries) as of and for the years ended 31 December 2011, 2012 and 2013. Control is achieved where EWMG has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill.

The results of subsidiaries acquired during each period are included in the consolidated income statement from that date that control commences.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the EWMG Group.

All intra-group transactions balances, income and expenses are eliminated on consolidation.

Goodwill

Goodwill represents the excess of the cost of a business combination over the total acquisition date fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued. Contingent consideration is included in cost at its acquisition date fair value and in the case of contingent consideration classified as a financial liability, re-measured subsequently through profit or loss. Direct costs of acquisition are recognised immediately as an expense.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the consolidated statement of comprehensive income. Where the fair value of identifiable assets, liabilities and contingent liabilities exceeds the fair value of consideration paid the excess is credited in full to the consolidated statement of comprehensive income on the acquisition date.

On disposal of a subsidiary the amount of goodwill attributable is included in the determination of the profit or loss on disposal.

Property, plant and equipment

Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight line method on the following bases:

Equipment, fixtures and fittings	15%
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Assets under finance leases are depreciated over their expected useful lives on the same basis as owned assets or where shorter, over the term of the relevant lease.

Impairment of tangible and intangible assets including goodwill

At each balance sheet date the EWMG Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where the asset does not generate cash flows that are independent from other assets the EWMG Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Revenue recognition

Revenue represents the income receivable (excluding value added tax and trade discounts) in the ordinary course of business for services provided. The EWMG Group recognises its revenue as follows:

- Fees for consultancy services are recognised as the service is performed.
- Commissions are recognised when the service has been delivered.

Cost of sales

Cost of sales comprises the direct employment costs associated with front office staff plus any payments to third parties in respect of revenue share arrangements accounted for on an accruals basis.

Leasing

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the EWMG Group at their fair value or if lower at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Rentals payable under operating leases are charged to income on a straight line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight line basis over the lease term.

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. The EWMG Group does not operate a defined benefit retirement scheme.

Taxation

The tax charge or credit represents the sum of the tax currently payable or recoverable on EWMG Group results and deferred tax.

The taxable result differs from net results as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. Any liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax result nor the accounting result.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the EWMG Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement except when it relates to items charged or credited directly to equity in which case the deferred tax is also dealt with in equity.

Classification of financial instruments

Financial instruments issued by EWMG are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon EWMG to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to EWMG; and
- where the instrument will or may be settled in EWMG's own equity instruments it is either a non-derivative that no obligation to deliver a variable number of EWMG's own equity instruments or is a derivative that will be settled by EWMG exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of EWMG's own shares the amounts presented in this financial information for called up share capital and share premium account exclude amounts in relation to those shares.

Non-derivative financial instruments

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

Trade receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible into a known amount of cash and are subject to an insignificant risk of changes in value.

Borrowings

Interest-bearing loans are recorded on initial recognition at their fair value and are subsequently measured at amortised cost using the effective interest rate method. Finance charges including premiums payable on settlement or redemption and issue costs, are accounted for on an accruals basis to the income statement using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Trade payables

Trade payables are initially measured at their full value and are subsequently measured at amortised cost using the effective interest rate method.

Equity instruments

Equity instruments issued by the EWMG Group are recorded as the amount of proceeds received net of direct issue costs.

Provisions

Provisions are recognised when the EWMG Group has a present obligation as the result of a past event when it is probable that the EWMG Group will be required to settle that obligation. Provisions are recognised at the Directors' best estimate of the expenditure required to settle the EWMG Group's obligations.

Share-based payments

EWMG operates an equity-settled share option scheme. The economic cost of awarding share options to employees is recognised by recording an expense in the consolidated income statement equal to the fair value of the benefit awarded, fair value being determined by reference to an option pricing model. The expense is recognised in the consolidated income statement over the estimated vesting period of the award.

Deferred and contingent consideration

Deferred consideration due in respect of acquisitions, where the amount due is uncertain and contingent on future events is included in provisions at the fair value of the Directors' estimate of amounts due. Where deferred consideration is a fixed amount this is included at fair value in loans and deferred consideration.

Segment reporting

An operating segment is a component of the EWMG Group that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the EWMG Group's other companies. All operating segments' operating results are reviewed regularly by the Directors to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

2. Critical accounting judgements and key sources of estimation uncertainty

Critical judgements on applying the EWMG Group's accounting policies

In adopting IFRSs as the basis of selecting and applying appropriate EWMG Group accounting policies management has had regard to critical judgements and also key sources of estimation uncertainty. Critical judgements and key sources of estimation uncertainty have been identified as follows.

Other intangible assets

Acquired client relationships contracts and custodian rights are capitalised on the basis of the net discounted expected revenues and costs over their estimated lives. The Directors' estimates are based on historical rates of client and contract retention, historical rates of custodian activity, and related revenue generation. At their acquisition dates, client relationships, investment trust management, and unit trust management contracts are valued at a total of £850,000, and custodian rights are valued at £282,000. The Directors' estimated useful lives for these intangible assets are 15 years. Details are contained in note 9b and 9c.

Recognition and valuation of deferred tax assets

Deferred tax assets are recognised according to the Directors' assessment of the future availability of relevant taxable profits. The asset recognition in respect of trade losses carried forward assumes that the holding company will be able to levy a management charge on its subsidiary undertakings to fully utilise those losses. A corporate tax rate of 20% has been used as a reasonable estimate of future applicable rates. No asset has been recognised in respect of non-trade losses, as these are not expected to remain available following the change in control in 2014.

3. Operating segments

EWMG Group has two reportable segments, as described below, which are the EWMG Group's strategic business units. The strategic business units offer a different mix of products and services and are managed separately. For each of the strategic business units the Directors review internal management reports on at least a monthly basis. In 2011 the EWMG Group operated a single reportable segment.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the EWMG Group's Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. There is no inter-segment trading, and inter-segment transactions are

limited to management recharges which are eliminated in the table below. The EWMG Group has no other operating segments other than those shown below.

Revenue, group profit and ordinary activities before tax and net assets are analysed as follows:

	<i>Investment Management 2012 £</i>	<i>Financial Planning 2012 £</i>	<i>Total 2012 £</i>	<i>Investment Management 2013 £</i>	<i>Financial Planning 2013 £</i>	<i>Total 2013 £</i>
Group turnover						
<i>Continuing operations:</i>						
Ongoing	1,387,735	419,246	1,806,981	2,986,080	2,835,161	5,821,241
Acquisitions	473,742	171,666	645,408	–	–	–
	<u>1,861,477</u>	<u>590,912</u>	<u>2,452,389</u>	<u>2,986,080</u>	<u>2,835,161</u>	<u>5,821,241</u>
Profit/(loss)						
<i>Segment profit/(loss)</i>						
Ongoing	190,767	(78,638)	112,129	377,414	456,989	834,403
Acquisitions	289,616	(31,900)	257,716	–	–	–
	<u>480,383</u>	<u>(110,538)</u>	<u>369,845</u>	<u>377,414</u>	<u>456,989</u>	<u>834,403</u>
Central (unallocated) costs			<u>(1,076,741)</u>			<u>(1,306,135)</u>
Group operating loss			<u>(706,896)</u>			<u>(471,732)</u>
Interest payable and similar charges			<u>(152,922)</u>			<u>(398,622)</u>
Loss on ordinary activities before taxation			<u>(859,818)</u>			<u>(870,354)</u>
Net assets						
<i>Net assets by segment:</i>						
	<u>(125,868)</u>	<u>572,323</u>	<u>446,455</u>	<u>39,063</u>	<u>1,456,517</u>	<u>1,495,580</u>
	<u>(125,868)</u>	<u>572,323</u>	<u>446,455</u>	<u>39,063</u>	<u>1,456,517</u>	<u>1,495,580</u>
Unallocated net liabilities			<u>(498,222)</u>			<u>(1,646,581)</u>
Total net liabilities			<u>(51,767)</u>			<u>(151,001)</u>

4. Revenue

All revenue included in the income statement arises from continuing operations and substantially all arises in the United Kingdom. All sales are to third parties.

There were no revenues from transactions with a single external customer which amounted to 10 per cent or more of the EWMG Group's revenues.

5. Loss from operations

This is stated after charging the following:

	<i>Year ended 31 December</i>		
	<i>2011 £</i>	<i>2012 £</i>	<i>2013 £</i>
Depreciation of – owned property, plant and equipment	8,934	9,596	11,183
– leased property, plant and equipment	–	–	3,655
Amortisation of capitalised loan arrangement costs	107,451	138,062	61,508
Amortisation of intangible assets	6,400	43,192	75,466
Auditors' remuneration – audit of the financial statements	5,100	13,250	11,950
– taxation compliance	800	1,500	2,275
– other	1,950	11,000	9,775
Operating lease rentals – land and buildings	93,780	105,741	107,012
– equipment	–	–	12,462

6. Staff costs, including directors' remuneration

	<i>Year ended 31 December</i>		
	<i>2011</i>	<i>2012</i>	<i>2013</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Staff costs:			
Wages and salaries	774,131	1,314,226	2,641,838
Social security costs	89,325	155,997	291,770
Other pension costs	52,577	41,819	180,083
	<u>916,033</u>	<u>1,512,042</u>	<u>3,113,691</u>

The average number of persons employed during the period, including directors, was as follows:

	<i>Year ended 31 December</i>		
	<i>2011</i>	<i>2012</i>	<i>2013</i>
	<i>Number</i>	<i>Number</i>	<i>Number</i>
Management	2	6	4
Sales and administration	14	25	31
	<u>16</u>	<u>31</u>	<u>35</u>
Directors' emoluments	<i>£</i>	<i>£</i>	<i>£</i>
Aggregate emoluments in respect of qualifying services	139,581	372,595	448,273
Contributions to money purchase pension schemes	2,292	22,447	57,251
	<u>141,873</u>	<u>395,042</u>	<u>505,524</u>

Contributions to money purchase pension schemes were payable in respect of 3 directors (2012: 3, 2011: 1).

At the end of the year, share options in EWMG under the Management Incentive Scheme (note 18) were held by 6 directors (2012: 3, 2011: Nil).

The emoluments of the highest paid director were as follows:

	<i>Year ended 31 December</i>		
	<i>2011</i>	<i>2012</i>	<i>2013</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Aggregate emoluments in respect of qualifying services	69,682	93,333	182,848
Contributions to money purchase pension schemes	–	10,000	21,333
	<u>69,682</u>	<u>103,333</u>	<u>204,181</u>

7. Finance costs

	<i>Year ended 31 December</i>		
	<i>2011</i>	<i>2012</i>	<i>2013</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Interest payable on loans	77,407	145,271	362,038
Finance charges on convertible loan notes	–	6,258	33,263
Bank charges	3,594	1,393	3,321
	<u>81,001</u>	<u>152,922</u>	<u>398,622</u>

8. Taxation

(a) Tax on loss on ordinary activities

	<i>Year ended 31 December</i>		
	<i>2011</i>	<i>2012</i>	<i>2013</i>
	£	£	£
United Kingdom corporation tax at current rates (note 8(b))	1,589	–	–
Deferred tax (charge)/credit (note 8(c))	285	509,611	(82,002)
	<u>1,874</u>	<u>509,611</u>	<u>(82,002)</u>

(b) Factors affecting the tax charge for the year

	<i>2011</i>			<i>2012</i>			<i>2013</i>		
	£			£			£		
	Loss on ordinary activities	(1,026,795)	(859,818)	(870,354)					
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK at 23.25% (2012: 24.50%, 2011: 26.49%)	(271,998)	(210,655)	(202,357)						
Effects of:									
Expenses not deductible for tax purposes	1,752	66,074	35,000						
Unrelieved tax losses carried forward	271,028	169,002	159,351						
Utilisation of tax losses	–	(22,396)	(4,206)						
Capital allowances in excess of depreciation	(782)	(2,025)	12,212						
Adjustment in respect of previous periods	(1,589)	–	–						
Total current tax (note 8(a))	<u>(1,589)</u>	<u>–</u>	<u>–</u>						

(c) Factors that may affect future tax charges

EWMG Group has recognised deferred tax assets as shown in the table below which takes account of prospective changes in UK corporation tax rates. The deferred tax assets are only recognised to the extent that it is considered more likely than not that suitable taxable profits will arise to enable utilisation; consequently an element of £122,236 of the overall deferred tax assets has not been recognised, as this relates to carried forward non-trade losses that are not expected to remain available due to the expected change in control in 2014. In 2011 a potential deferred tax asset comprising fixed asset and other timing differences of £531 and losses carried forward of £419,429 was not recognised.

The following deferred taxation assets have been recognised:

	<i>Year ended 31 December</i>		
	<i>2011</i>	<i>2012</i>	<i>2013</i>
	£	£	£
Fixed asset and other timing differences	–	(98,961)	(42,036)
Losses carried forward	–	608,572	469,645
	<u>–</u>	<u>509,611</u>	<u>427,609</u>

The analysis of deferred taxation is as follows:

	<i>Year ended 31 December</i>		
	<i>2011</i>	<i>2012</i>	<i>2013</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Opening balance	–	–	509,611
Deferred tax liability acquired on acquisition of subsidiary	(285)	–	–
Credited/(charged) to profit and loss account (note 8(a))	285	509,611	(82,002)
Closing balance	<u>–</u>	<u>509,611</u>	<u>427,609</u>

9. Intangible assets

(a) *Goodwill*

	<i>Year ended 31 December</i>		
	<i>2011</i>	<i>2012</i>	<i>2013</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Cost:			
At 1 January	–	347,080	2,932,343
Acquisition of subsidiary and other undertakings (note 10)	347,080	2,585,263	–
At 31 December	<u>347,080</u>	<u>2,932,343</u>	<u>2,932,343</u>
Impairment:			
At 1 January and at 31 December	–	–	–
Net book value:			
At 31 December	<u>347,080</u>	<u>2,932,343</u>	<u>2,932,343</u>

Goodwill arising in a business combination is allocated to the cash-generating unit (CGU) which is expected to benefit from the acquisition.

For full details of each business acquisition, refer to note 10.

Impairment testing of goodwill

In accordance with applicable accounting standards, the Directors have conducted an annual review of goodwill for impairment. The relevant recoverable amount for goodwill was determined from value in use calculations conducted by an independent valuations specialist based on the cash flows in the EWMG Group's business plan prepared by management.

The key assumptions for the value in use calculation included the following:

<i>Factor</i>	<i>Assumption</i>
Cash generating units ("CGUs")	Two CGUs: Investment Management and Financial Planning
Discount rate	Weighted average discount rate of 19.77%
Growth rate (adjusted to include inflation)	4.04%
Corporation tax rate	2014 – 21.5%

In arriving at these assumptions, the characteristics of the wealth management industry were taken into account, as well as those of other comparable companies. The assumptions relating to sales values and the funds under management are based on management's estimates and knowledge of the EWMG Group's business and the market in which it operates. The CGUs reflect the way in which the EWMG Group's operations are monitored.

Following this exercise the Directors have concluded that goodwill is not impaired.

(b) *Other intangible assets – acquired customer relationship assets*

	2011	2012	2013
	£	£	£
Cost:			
At 1 January	–	128,000	850,000
Acquisition of subsidiary and other undertakings (note 10)	128,000	722,000	–
At 31 December	<u>128,000</u>	<u>850,000</u>	<u>850,000</u>
Amortisation:			
At 1 January	–	6,400	30,792
Charge for year	6,400	24,392	56,666
At 31 December	<u>6,400</u>	<u>30,792</u>	<u>87,458</u>
Net book value	<u>121,600</u>	<u>819,208</u>	<u>762,542</u>

The customer relationship assets are being amortised over a 15 year period, being the Directors' best estimate of the useful expected lives.

(c) *Other intangible assets – acquired custodian rights assets*

	2011	2012	2013
	£	£	£
Cost:			
At 1 January	–	–	282,000
Acquisition of subsidiary and other undertakings (note 10)	–	282,000	–
At 31 December	<u>–</u>	<u>282,000</u>	<u>282,000</u>
Amortisation:			
At 1 January	–	–	18,800
Charge for year	–	18,800	18,800
At 31 December	<u>–</u>	<u>18,800</u>	<u>37,600</u>
Net book value	<u>–</u>	<u>263,200</u>	<u>244,400</u>

The custodian rights assets are being amortised over a 15 year period, being the Directors' best estimate of their useful expected lives.

10. Business acquisitions

(a) *Mathews, Smith (Financial Consultants) Ltd*

On 9 March 2011, EWMG acquired Mathews, Smith (Financial Consultants) Ltd for total consideration of £498,748 comprising cash of £272,575, and deferred contingent cash consideration of £226,173 subject to certain performance criteria which the Directors expect to be achieved. On 2 June 2011 the name was changed to European Financial Planning Limited (EFP), the accounting reference date was changed to 31 December for consistency with the EWMG Group, and a new dormant company was set up to take and protect the previous name.

In the period from 1 April 2009 to the date of acquisition, the summarised results of Mathews, Smith (Financial Consultants) Ltd were as follows:

Results to date of acquisition:

	<i>Year ended</i> 31 March 2010	<i>Period ended</i> 9 March 2011
	£	£
Revenue	284,181	212,906
Operating profit	65,116	24,844
Profit before taxation	65,122	24,844
Taxation	(13,677)	–
Profit after taxation	<u>51,445</u>	<u>24,844</u>

This acquisition has been accounted for using the acquisition method and the results of the operations of the acquired company have been included in the profit and loss account from the date of acquisition. The following table summarises the purchase price allocation based on the estimated fair values of the assets acquired less liabilities assumed for the acquisition.

Net assets at date of acquisition:

	<i>Book value</i>	<i>Fair value</i> <i>adjustment</i>	<i>Fair value</i>
	£	£	£
Property, plant and equipment (note 11)	10,054	–	10,054
Current assets	26,475	2,205	28,680
Creditors and provisions	(15,066)	–	(15,066)
Net assets acquired	<u>21,463</u>	<u>2,205</u>	<u>23,668</u>
Goodwill (note 9a)			347,080
Customer relationship asset (note 9b)			128,000
Total purchase consideration			<u>498,748</u>

(b) **Aventus Capital Management**

On 9 January 2012, EWMG acquired the business and assets of Aventus Capital Management, an unincorporated business, for total consideration of £843,079 comprising initial cash and shares valued at £243,953, and deferred contingent consideration comprising cash and shares at a total fair value of £599,126 payable subject to certain performance criteria which the Directors expect to be achieved. Immediately on acquisition, the business and assets were transferred to a subsidiary undertaking, European Investment Management Limited (EIM), at their book values.

In the period from 1 April 2010 to the date of acquisition, the summarised results of Aventus Capital Management were as follows:

Results to date of acquisition:

	<i>Year ended</i> 31 March 2011	<i>Period ended</i> 9 January 2012
	£	£
Revenue	850,000	637,500
Operating profit	519,637	389,728
Profit before partners' appropriations	<u>519,637</u>	<u>389,728</u>

This acquisition has been accounted for using the acquisition method and the results of the operations of the acquired company have been included in the profit and loss account from the date of

acquisition. The following table summarises the purchase price allocation based on the estimated fair values of the assets acquired less liabilities assumed for the acquisition:

Net assets at date of acquisition:

	<i>Book value</i>	<i>Fair value adjustment</i>	<i>Fair value</i>
	£	£	£
Fixed asset investments	21	–	21
Net current assets	1	–	1
Net assets acquired	<u>22</u>	<u>–</u>	<u>22</u>
Goodwill (note 9a)			459,057
Customer relationship asset (note 9b)			102,000
Custodian rights assets (note 9c)			282,000
Total purchase consideration			<u>843,079</u>

(c) ***Ernest Noad & Associates Ltd***

On 28 September 2012, EWMG acquired Ernest Noad & Associates Ltd for total consideration of £371,500 comprising initial cash of £182,000, and deferred contingent cash consideration of £189,500 payable subject to certain performance criteria which the Directors expect to be achieved.

In the period from 1 January 2011 to the date of acquisition, the summarised results of Ernest Noad & Associates Ltd were as follows:

Results to date of acquisition:

	<i>Year ended</i>	<i>Period ended</i>
	<i>31 December 2011</i>	<i>28 September 2012</i>
	£	£
Revenue	135,893	95,378
Operating loss	(3,671)	(47,948)
Loss before and after taxation	<u>(3,671)</u>	<u>(48,143)</u>

This acquisition has been accounted for using the acquisition method and the results of the operations of the acquired company have been included in the profit and loss account from the date of acquisition. The following table summarises the purchase price allocation based on the estimated fair values of the assets acquired less liabilities assumed for the acquisition:

Net assets at date of acquisition:

	<i>Book value</i>	<i>Fair value adjustment</i>	<i>Fair value</i>
	£	£	£
Property, plant and equipment (note 11)	486	–	486
Net current assets	46,642	–	46,642
Net assets acquired	<u>47,128</u>	<u>–</u>	<u>47,128</u>
Goodwill (note 9a)			163,372
Customer relationship asset (note 9b)			161,000
Total purchase consideration			<u>371,500</u>

(d) **Bradley Stuart**

On 18 October 2012, a subsidiary undertaking (EFP) acquired the business and assets of Bradley Stuart, an unincorporated business, for a consideration comprising initial cash of £650,000, deferred contingent consideration of £1,650,000 payable subject to certain performance criteria which the directors expect to be achieved and performance related consideration payable based on the turnover of Bradley Stuart in the 24 months following acquisition. The Directors estimate the fair value of total consideration to be £2,441,797.

In the period from 1 May 2010 to the date of acquisition, the summarised results of Bradley Stuart were as follows:

Results to date of acquisition:

	<i>Year ended</i> <i>30 April 2011</i>	<i>Year ended</i> <i>30 April 2012</i>	<i>Period ended</i> <i>18 October 2012</i>
	£	£	£
Revenue	1,670,510	1,281,803	694,310
Operating profit	877,856	261,069	141,464
Profit before partners' appropriations	877,856	261,069	141,464

This acquisition has been accounted for using the acquisition method and the results of the operations of the acquired company have been included in the profit and loss account from the date of acquisition. The following table summarises the purchase price allocation based on the estimated fair values of the assets acquired less liabilities assumed for the acquisition:

Net assets at date of acquisition:

	<i>Book value</i>	<i>Fair value</i> <i>adjustment</i>	<i>Fair value</i>
	£	£	£
Plant, property and equipment (note 11)	4,963	–	4,963
Bank and cash	24,786	–	24,786
Other payables	(9,785)	–	(9,785)
Net assets acquired	<u>19,964</u>	<u>–</u>	<u>19,964</u>
Goodwill (note 9a)			1,962,833
Customer relationship asset (note 9b)			459,000
Total purchase consideration			<u>2,441,797</u>

Details of subsidiary undertakings

EWMG holds 100% of the equity share capital of the following companies, all of which are registered in England and Wales:

<i>Company</i>	<i>Nature of business</i>
European Investment Management Limited	Investment management
European Financial Planning Limited	Financial planning
Ernest Noad & Associates Ltd	Financial planning
European Financial Planning Consultants Limited	Dormant
Mathews, Smith (Financial Consultants) Ltd	Dormant
EIM Nominees Limited*	Non-trading

Note:

* Wholly owned subsidiary of European Investment Management Limited.

The results of these companies have been consolidated into this EWMG Group financial information.

11. Property, plant and equipment

	2011	2012	2013
	£	£	£
Cost:			
At 1 January	1,755	20,756	60,011
Additions	8,947	33,806	192,647
Acquired with subsidiary undertaking (note 10)	10,054	5,449	–
At 31 December	<u>20,756</u>	<u>60,011</u>	<u>252,658</u>
Depreciation:			
At 1 January	519	9,453	19,049
Provision for the year	8,934	9,596	14,838
At 31 December	<u>9,453</u>	<u>19,049</u>	<u>33,887</u>
Net book value:			
At 31 December	<u>11,303</u>	<u>40,962</u>	<u>218,771</u>

12. Trade and other receivables

	<i>At 31 December</i>		
	2011	2012	2013
	£	£	£
Client receivables	106,876	139,235	209,405
Other receivables	18,174	21,301	24,110
Prepaid expenses and accrued income	61,780	145,073	228,769
	<u>186,830</u>	<u>305,609</u>	<u>462,284</u>

The Directors consider that the carrying amount of client and other receivables approximates to their fair value.

Bank balances and cash comprise cash held by the EWMG Group and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates to their fair value.

13. Trade and other payables

	<i>At 31 December</i>		
	2011	2012	2013
	£	£	£
Current			
Trade payables	191,310	606,171	541,695
Accruals and deferred income	8,474	72,643	259,382
Other payables	54,778	51,942	66,161
Other tax and social security	147,795	194,067	200,513
	<u>402,357</u>	<u>924,823</u>	<u>1,067,751</u>

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

14. Loans and deferred consideration

	<i>At 31 December</i>		
	<i>2011</i>	<i>2012</i>	<i>2013</i>
	£	£	£
Current			
Loans	76,000	111,429	2,509,842
Deferred consideration	–	568,845	959,419
Convertible loan notes	–	–	708,995
	<u>76,000</u>	<u>680,274</u>	<u>4,178,256</u>
Non-current			
Loans	1,317,938	1,739,975	–
Convertible loan notes	–	675,732	–
Deferred consideration	226,173	959,419	–
	<u>1,544,111</u>	<u>3,375,126</u>	<u>–</u>

15. Share capital

	<i>At 31 December</i>		
	<i>2011</i>	<i>2012</i>	<i>2013</i>
	£	£	£
Issued and fully paid			
Equity shares:			
A ordinary shares of £1 each	500,000	500,000	500,000
B ordinary shares of £1 each	–	19,644	31,377
C ordinary shares of £1 each	–	8,379	10,908
Ordinary shares of £1 each	–	–	64,593
	<u>500,000</u>	<u>528,023</u>	<u>606,878</u>

All classes of shares have attached to them full voting rights.

A ordinary shares and Ordinary shares bear the *pro-rata* right to 30% of any proposed payment in respect of dividends and capital distributions. Each of John Morton, Rod Gentry, Courvoisier and EW Group shall so long as it holds at least 20% of the A ordinary shares have the right to appoint or remove a director, and a further right exists for every additional tranche of 20% that is held.

B ordinary and C ordinary shares bear the right to a *pro-rata* share of the remaining 70% of dividends and capital distribution equal to the proportion that the total of the B ordinary shares and the C ordinary shares bear to the aggregate total issued share capital and the remainder of the proposed payment shall be shared between the holders of the A ordinary shares and Ordinary shares on a pro-rata basis. In respect of B ordinary shares only, save that the dividends or capital distributions must not represent income profits arising directly from assets managed by EWMG for trusts of which the shareholder is a trustee.

Shares issued in 2013 comprise 14,262 B ordinary and C ordinary shares forming an element of the deferred consideration due for the acquisition of Aventus Capital Management (note 10), 2,602 Ordinary shares issued as an element of deferred consideration for the acquisition of Bradley Stuart (note 10), and 61,991 Ordinary shares issued to the Company in exchange for debt of £822,000.

Shares issued in 2012 comprise 21,968 B ordinary and C ordinary shares forming an element of the initial consideration due for the acquisition of Aventus Capital Management (note 10), and 6,055 C ordinary shares issued under remuneration arrangements to an employee.

Shares issued in 2011 comprise 300,000 A ordinary shares at their nominal value.

16. Reserves

Equity reserve

	2011	2012	2013
	£	£	£
At 1 January	–	(28,971)	1,315,887
Costs of share issue written off to capital reserve	(28,971)	–	–
Equity component of convertible loan notes	–	66,526	–
Shares to be issued and share based payments	–	1,278,332	31,122
Issue of share capital	–	–	(225,973)
Transfer to share premium account	–	–	28,971
At 31 December	<u>(28,971)</u>	<u>1,315,887</u>	<u>1,150,007</u>

Shares to be issued represents an element of the deferred consideration due for the acquisition of Aventus Capital Management (note 10) and Bradley Stuart (note 10), and amounts due under EWMG's share option scheme.

	2011	2012	2013
	£	£	£
<i>Retained earnings</i>			
Opening profit and loss account	(595,631)	(1,620,552)	(1,895,677)
Loss for the year	(1,024,921)	(350,207)	(952,356)
Share-based payment	–	75,082	–
Closing profit and loss account	<u>(1,620,552)</u>	<u>(1,895,677)</u>	<u>(2,848,033)</u>
<i>Share premium account</i>			
At 31 January	–	–	–
Debt for equity exchange	–	–	760,009
Transfer from equity reserve	–	–	(28,971)
Issue of share capital	–	–	209,109
	<u>–</u>	<u>–</u>	<u>940,147</u>

The transfer from the equity reserve and the issue of share capital represents deferred share consideration issued in the year in respect of the acquisitions in 2012 of Bradley Stuart and Aventus Capital Management.

The EWMG Group monitors its cash, share capital and share options and convertible loan notes as capital. The EWMG Group's objectives when maintaining capital are to ensure it is able to meet its obligations including those in respect of deferred consideration due on its acquisitions (note 10), and to preserve investors' and lenders' confidence required to sustain future growth of the business. Furthermore, the EWMG Group ensures that trading subsidiary companies are able to maintain adequate capital to meet the requirements laid down by the Financial Conduct Authority.

17. Operating lease arrangements

The EWMG Group's annual commitments for rental payments under non-cancellable operating leases at each year end were as set out below:

	<i>At 31 December</i>		<i>At 31 December 2013</i>	
	<i>2011</i>	<i>2012</i>	<i>Equipment</i>	<i>Land and buildings</i>
	<i>Land and buildings</i>	<i>Land and buildings</i>		
	£	£	£	£
Operating leases which expire:				
Within one year	25,245	35,445	–	35,445
Between one and five years	65,041	70,296	12,462	71,567
Over five years	–	–	–	–
	<u>90,286</u>	<u>105,741</u>	<u>12,462</u>	<u>107,012</u>

18. Share-based payments

Share options were granted on 27 March 2012 to directors and other senior officers under a Management Incentive Scheme. Options may be exercised at any time within 10 years from the date of grant subject to certain vesting and other conditions. There are no cash settlement alternatives.

The following table details the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	<i>2012</i>		<i>2013</i>	
	<i>No.</i>	<i>WAEP</i>	<i>No.</i>	<i>WAEP</i>
Outstanding as at 1 January	–	–	50,955	£4.41
Granted during the year	57,010	£3.94	1,900	£0.01
Exercised	(6,055)	–	–	–
Outstanding at 31 December	<u>50,955</u>	<u>£4.41</u>	<u>52,855</u>	<u>£4.25</u>
Exercisable at 31 December	<u>44,900</u>	<u>£5.00</u>	<u>52,855</u>	<u>£4.25</u>

For the share options outstanding as at 31 December 2013, the weighted average remaining contractual life is 8 years and 9 months. The exercise price of outstanding options ranges from £nil to £5.00.

The fair value of equity settled share options granted is estimated as at the date of grant using a Black-Scholes options valuation model, taking into account the terms and conditions upon which the options were granted. The following table summarises the inputs to the model.

	<i>2011</i>	<i>2012</i>	<i>2013</i>
	£	£	£
Dividend yield (%)	–	–	–
Expected share price volatility (%)	–	20	20
Risk-free interest rate (%)	–	5.00	5.00
Expected life of options (years)	–	10.00	10.00
Weighted average share price (£)	–	0.14	0.59

Volatility reflects historical movements, and is not necessarily indicative of future trends. Similarly the expected life of the options is not necessarily indicative of exercise patterns that may occur.

The expense recognised for share-based payments in respect of employee services received during the year is £31,121 (2012 – £81,137, 2011 – £nil).

19. Financial instruments – risk management disclosures

The EWMG Group categorises its financial assets, being its trade and other receivables and cash and cash equivalents, and its financial liabilities, being its trade and other payables, convertible loan notes, lease obligations and other borrowings, as financial liabilities measured at amortised cost.

Capital risk management

The EWMG Group endeavours to manage its capital to ensure that all the companies within the EWMG Group will be able to continue as a going concern while maximising the return to equity holders, through the optimisation of debt and equity balance. The capital structure of the EWMG Group consists of finance leases, third party loans, convertible loan notes, cash and cash equivalents and equity, comprising issued share capital, other reserves and retained earnings as disclosed in the consolidated statement of changes in equity.

Financial risk management

The EWMG Group is exposed to the following risks from its use of financial instruments:

- Market risk, including currency risk and interest rate risk
- Liquidity risk
- Credit risk

The Board is charged with the overall responsibility of establishing and monitoring the EWMG Group's risk management policies and processes. The EWMG Group's risk management policies and processes are determined in order to identify, analyse and monitor the risks that are faced by the EWMG Group.

Market risk

(i) Foreign exchange risk

The EWMG Group operates in the United Kingdom and has minimal exposure to foreign exchange risk.

(ii) Interest rate risk

The EWMG Group is exposed to interest rate risk arising principally on third party loans, however all borrowings are at fixed rates of interest, and consequently the Board does not consider the level of interest risk exposure to be significant.

A 0.5% increase in interest rates would have no impact on the interest cost in 2013 (2012 – £Nil, 2011 – £Nil).

Liquidity risk

Liquidity risk is the risk that the EWMG Group will encounter difficulty in meeting obligations associated with financial liabilities.

The EWMG Group's approach to liquidity risk is to ensure that sufficient liquidity is available to meet foreseeable requirements through maintaining adequate reserves, with access to both banking facilities and third party lenders, and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table sets out the contracted maturities of financial liabilities:

	<i>Up to 3 months</i> £	<i>Between 3 and 12 months</i> £	<i>Between 1 and 2 years</i> £	<i>Between 2 and 5 years</i> £	<i>Total</i> £
Trade and other payables					
31 December 2013	1,059,108	–	–	–	1,059,108
31 December 2012	924,823	–	–	–	924,823
31 December 2011	402,357	–	–	–	402,357
Finance lease obligations					
31 December 2013	7,306	21,919	38,904	70,690	138,819
Loans and deferred consideration					
31 December 2013	93,570	4,084,686	–	–	4,003,690
31 December 2012	138,205	454,302	3,462,893	–	3,880,834
31 December 2011	–	76,000	1,317,938	226,173	1,620,111

Credit risk

Credit risk refers to the risk that a third party (primarily customers) will default on its contractual obligations resulting in financial loss to the EWMG Group. The EWMG Group mitigates this risk using robust credit control procedures and has a relatively modest level of trade receivables exposure, and consequently the Board does not deem credit risk to be significant.

20. Related party transactions

EWMG is controlled by the shareholders, none of whom has an overall controlling interest. The company is the parent of both the largest and smallest group for which consolidated financial statements are available.

Loans to EWMG from key management, directors and shareholders as at 31 December 2013 totalled £3,228,438 (2012 – £2,671,732, 2011 – £1,576,000). This is analysed by lender as follows, together with interest payable in the year: Courvoisier & Associates SA loan £154,055 (2012 – £310,544, 2011 – £473,654), interest £25,403 (2012 – £36,526, 2011 – £30,730); G Robb loan £nil (2012 – £71,804, 2011 – £99,333), interest £3,168 (2012 – £8,445, 2011 – £6,048); R Gentry loan £154,055 (2012 – £310,545, 2011 – £403,654), interest £25,414 (2012 – £36,526, 2011 – £26,187); A Morton loan £154,055 (2012 – £310,544, 2011 – £403,654), interest £24,816 (2012 – £36,526, 2011 – £26,187); G Dearing loan £16,514 (2012 – £43,083, 2011 – £56,000), interest £1,901 (2012 – £5,067, 2011 – £5,600); S Roughley loan £53,319 (2012 – £127,480, 2011 – £139,705), interest £8,796 (2012 – £12,641, 2011 – £9,064), and EW Group Limited loans and convertible loan notes £2,696,440 (2012 – £1,497,732, 2011 – £Nil), interest £153,902 (2012 – £44,966, 2011 – £Nil).

On 21 May 2013 EWMG disposed of its dormant subsidiary, European Financial Planning Consultants Limited to CMS Corporate Services Limited for nil consideration. CMS Corporate Services Limited is a related party by virtue of common directors and common shareholders.

21. Events after the reporting period

On 10 April 2014, following approval by the holders of issued ordinary shares of EWMG at a general meeting, EWMG re-registered as a private limited company in accordance with section 97 of the Companies Act 2006.

On 10 April 2014, at a general meeting of EWMG, a resolution was passed approving the restructuring of the issued share capital of EWMG, conditional on the Admission of EWG to AIM, pursuant to which the four classes of ordinary shares of £1.00 nominal value are each to be converted into one class of ordinary shares of 1p nominal value and one class of deferred shares of 1p nominal value.

PART VI

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE ENLARGED GROUP

The unaudited pro forma statement of net assets, set out below, has been prepared on the basis of the following notes to illustrate the effects of the acquisition of EWMG on the net assets of the Company as if it had occurred on 31 December 2013. It has been prepared for illustrative purposes only, and because of its nature, addresses a hypothetical situation and therefore does not represent the Company's or the Enlarged Group's actual financial position or results.

<i>Notes</i>	<i>EWG</i>		<i>EWMG</i>		<i>Adjustments</i>		<i>Pro</i>
	<i>At 31</i>	<i>At 31</i>	<i>At 31</i>	<i>At 31</i>	<i>Intra-</i>	<i>Debt Acquisition</i>	
	<i>December</i>	<i>December</i>	<i>December</i>	<i>December</i>	<i>group</i>	<i>transfers adjustments</i>	<i>Forma</i>
	<i>2013</i>	<i>2013</i>	<i>2013</i>	<i>2013</i>	<i>items</i>	<i>4</i>	<i>5,6</i>
	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>Net Assets</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Assets							
Non-current Assets							
Goodwill	–	2,932	–	–	–	12,875	15,807
Other intangible assets	–	1,007	–	–	–	–	1,007
Property, Plant, Equipment	–	219	–	–	–	–	219
Deferred tax assets	–	428	–	–	–	–	428
Loans receivable	5	–	–	–	–	–	5
Deferred consideration	40	–	–	–	–	–	40
Investments	5,640	–	–	–	–	(5,626)	14
	<u>5,685</u>	<u>4,586</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>7,249</u>	<u>17,520</u>
Current Assets							
Loans receivable	2,757	–	(2,745)	–	–	–	12
Trade and other receivables/debtors	107	462	–	–	–	–	569
Cash and cash equivalents	36	186	–	–	–	–	222
	<u>2,900</u>	<u>648</u>	<u>(2,745)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>803</u>
Total Assets	8,585	5,234	(2,745)	–	–	7,249	18,323
Liabilities							
Current Liabilities							
Trade and other payables/creditors	(77)	(1,068)	–	–	–	(300)	(1,445)
Finance Lease	–	(29)	–	–	–	–	(29)
Loans & deferred consideration	–	(4,178)	2,745	531	–	–	(902)
	<u>(77)</u>	<u>(5,275)</u>	<u>2,745</u>	<u>531</u>	<u>–</u>	<u>(300)</u>	<u>(2,376)</u>
Non-current Liabilities							
Finance lease obligations	–	(110)	–	–	–	–	(110)
CLS	–	–	–	(531)	(5,218)	–	(5,749)
Long term loans	(500)	–	–	–	–	–	(500)
	<u>(500)</u>	<u>(110)</u>	<u>–</u>	<u>(531)</u>	<u>(5,218)</u>	<u>–</u>	<u>(6,359)</u>
Total Liabilities	(577)	(5,385)	2,745	–	(5,518)	(8,735)	(8,735)
Net Assets/(Liabilities)	8,008	(151)	–	–	1,731	9,588	9,588

Notes:

1. Financial information in respect of the Company has been extracted without material adjustment from EWG's accounts as at 31 December 2013, which are referred to in Part IV of this document. EWG's accounts have been prepared according to UK Generally Accepted Accounting Principles and no adjustment has been made to reflect IFRS, but this is not expected to have a material impact on the statement of net assets. No account has been taken of the activities of the Company since 31 December 2013.
2. Financial information in respect of EWMG and its subsidiaries has been extracted without material adjustment from the consolidated financial information set out in Part V of this document. No account has been taken of the activities of EWMG since 31 December 2013.
3. This adjustment reflects the elimination of intra-group items.
4. This adjustment reflects the assignment of debts to EWG, amounting to £531,000 in total, due to certain individuals and Courvoisier from EWMG, in exchange for the issue of CLS by EWG to the relevant parties, pursuant to the transfer deeds referred to in Part VIII paragraphs 9.9 and 9.10. The transfers are conditional upon Admission and Completion.
5. This adjustment reflects the settlement of the consideration for the acquisition of the shares in EWMG not already owned by the Company, calculated to reflect the issue of New Ordinary Shares and CLS as set out below, together with the relevant consolidation adjustments in respect of goodwill. The CLS has been shown wholly within non-current liabilities; the fair value of any equity element will be determined post-acquisition. Consideration is calculated as:

	<i>£'000</i>
New Ordinary Shares	1,880
CLS	5,218
Consideration for Shares not already owned	<u>7,098</u>

For the purposes of the pro forma statement of net assets, goodwill, shown within intangible assets, has been calculated as the difference between the consideration payable combined with the carrying value of the existing investment in EWMG as at 31 December 2013 and the consolidated net liabilities of EWMG as follows:

	<i>£'000</i>
Investment to date	5,626
Consideration (as above)	7,098
Total theoretical consideration for 100%	<u>12,724</u>
Less: Net liabilities at 31 December 2013	(151)
Goodwill	<u>12,875</u>

6. Costs payable in connection with the Acquisition and Admission to be settled in due course are approximately £300,000.
7. The Acquisition will be accounted for as an acquisition in accordance with IFRS 3 Business Combinations. The pro forma net asset statement does not reflect fair value adjustments to either net assets or intangibles and these are to be finalised post-acquisition and could be material.
8. No adjustment has been made in respect of the Capital Reorganisation as other than the redemption of any fractional entitlements, which are assumed to be immaterial in this context, there is no impact on the pro forma statement of net assets.
9. The pro forma statement of net assets does not constitute financial statements within the meaning of section 434 of the 2006 Act.

PART VII

PARTICULARS OF THE CLS

Set out below are the principal terms of the CLS.

The CLS will be created by a resolution of the Board prior to Completion and the Company executing the CLS Instrument.

The principal amount of the original issue of the CLS will be limited to £10,000,000, and will be issued in multiples of £10. The CLS is unsecured.

£5,218,420 will be issued to the respective EWMG Shareholders and CNG as part of the consideration for the Acquisition, £377,920 and £154,050 will be issued in respect of the Debt Transfer Deeds.

The ISIN of the CLS will be GG00BKY4JY43 and the ticker will be EWGL.

The CLS prior to their Conversion have no right to share in the Company's profits or in any surplus in the event of its liquidation.

Subject to production of a transfer instrument and (where relevant) the certificate in respect of such CLS or an indemnity for the certificate, the CLS is freely transferable, save that no transfer of CLS shall be registered in respect of which a notice of Conversion of the kind described below has been given.

The CLS shall be in registered form without interest coupons attached and may be held as a certificate or in uncertificated form by means of a relevant system operated under and in accordance with the Uncertificated Securities Regulations 2001 as the Directors shall from time to time approve.

Interest shall be payable at a rate of 10 per cent. per annum on any outstanding CLS until their proper Conversion or redemption save where any payment due to a CLS Holder (whether of interest or principal) has not been paid in full and on time in accordance with the terms of the CLS Instrument in which case, from the date of default until the date of payment, and without prejudice to any other rights a CLS Holder may have, the interest payable on the CLS subject to such default shall be at a rate of the Bank of England base rate from time to time plus 10 per cent. per annum and shall accrue before as well as after judgment. This interest will be payable half-yearly in arrears in respect of the preceding Interest Period on the fourteenth day following the Record Date immediately following the end of the relevant Interest Period.

The Company is obliged to redeem all of the CLS (to the extent not previously redeemed or converted) upon the Redemption Date at a redemption price of the principal amount of the CLS together with any interest outstanding on the same. Redemption will also take place if (i) there is a material breach by the Company of any of the terms of the CLS Instrument or the conditions relating to the same, and such material breach (if capable of remedy) is not remedied within 30 Business Days of the Company receiving notice in writing of such breach, and the holders of 50 per cent. of the nominal amount of the CLS outstanding determines that the CLS is to be redeemed or (ii) immediately if an administration order is made in relation to the Company or any of its subsidiaries; the Company is declared en désastre or an order is made, or an effective resolution is passed, for the winding-up, liquidation, administration or dissolution of the Company or any of its subsidiaries (except for the purpose of reorganisation or amalgamation of the Company or any of its subsidiaries); or an encumbrancer takes possession or a receiver is appointed of the whole or the major part of the assets or undertaking of the Company or any of its subsidiaries or if distress, execution or other legal process is levied or enforced or sued out on or against the whole or the major part of the assets of the Company or any of its subsidiaries and is not discharged, paid out, withdrawn or removed within 10 Business Days; or the Company or any of its subsidiaries stops (or threatens to stop) payment of its debts generally or ceases (or threatens to cease) to carry on its business or a substantial part of its business; or the Company or any of its subsidiaries is deemed for the purposes of section 123 Insolvency Act 1986 (or any such other applicable insolvency legislation) to be unable to pay its debts or compounds or proposes or enters into any reorganisation or special arrangement with its creditors generally.

Any CLS Holder may, in any of the 14 day periods following the Dividend Announcement Dates in each of November 2014, May 2015, November 2015, May 2016, November 2016 and May 2017 and prior always to the Redemption Date, give notice to the Company at its registered office, specifying the nominal value of the CLS to be converted and if held in certificated form accompanied by the certificate of CLS held by the CLS Holder, requiring some or all of his CLS to be converted into New Ordinary Shares at the following price:

<i>Conversion Period</i>	<i>Price per New Ordinary Share (£)</i>
14 day period following the Dividend Announcement Date in November 2014	0.72
14 day period following the Dividend Announcement Date in May 2015	0.85
14 day period following the Dividend Announcement Date in November 2015	1.02
14 day period following the Dividend Announcement Date in May 2016	1.245
14 day period following the Dividend Announcement Date in November 2016	1.545
14 day period following the Dividend Announcement Date in May 2017	1.945

Conversion of CLS so converted shall take place on and with effect of the last Thursday of the month in which the notice relating to Conversion is given by the relevant CLS Holder whereupon the New Ordinary Shares into which the relevant CLS have been converted shall be allotted and forthwith issued and share certificates (if appropriate) shall be posted in respect of the same within 28 days of such allotment.

New Ordinary Shares allotted upon Conversion shall carry the right to receive dividends declared, paid or made on New Ordinary Shares for which the record date is in the same month in which the Conversion becomes effective and thereafter shall otherwise rank *pari passu* and form one class with the New Ordinary Shares in issue on the date of allotment and have the rights and privileges prescribed in the New Articles.

If at any time not less than 75 per cent. in nominal value of the CLS issued under the CLS Instrument has been converted, the Company may give not less than 28 days' notice to convert the outstanding CLS into New Ordinary Shares at the relevant price applicable to the conversion period detailed above immediately preceding the notice, such notice specifying the proposed date of Conversion, provided that on the 5 consecutive Business Days prior to the service of such notice and during the period from service of the notice to the Business Day immediately prior to the date of such Conversion, the closing market bid price quoted on the London Stock Exchange website for a New Ordinary Share is higher than the relevant Conversion Price.

The Company shall, following any Conversion, issue to the CLS Holder (if such CLS Holder's holding is held in certificated form) a certificate in respect of the balance (if any) of CLS held by him which in the case of the exercise of the compulsory Conversion rights shall automatically replace and supersede any certificate or certificates previously issued.

The Company undertakes to use its best endeavours: (i) to maintain a listing for the CLS on AIM or the Official List and, for so long as any remain capable of being converted, to obtain and maintain a similar listing for the New Ordinary Shares which are fully paid and comply with the AIM Rules for Companies in relation to such listing; and (ii) to ensure that during such times as the New Ordinary Shares are listed on AIM or listed on the Official List and/or any other stock exchange all the New Ordinary Shares allotted on Conversion will, upon allotment, be admitted to AIM or, as the case may be, listing on the London Stock Exchange and/or be quoted or listed on such other stock exchange.

The CLS Instrument contains covenants granted by the Company for so long as any of the CLS remains outstanding. These include that the Company will maintain sufficient unissued New Ordinary Shares for the purposes of Conversion.

Other than as detailed within this document and in the CLS Instrument there are no outstanding convertible debt securities of the Company, exchangeable debt securities or debt securities with warrants.

The Company may at any time convene a meeting of CLS Holders. In addition, the Company shall at the written request of the holders of not less than one-tenth in nominal amount of the outstanding CLS convene a meeting of the CLS Holders. If the Company proposes to cancel admission of the CLS to AIM then the

Company shall convene a meeting of CLS Holders to approve such cancellation by way of a 75 per cent. majority.

A meeting of the CLS Holders shall have the power exercisable by a 75 per cent. majority to assent to any modification of the provisions contained in the CLS Instrument and the conditions to the same and to authorise the Company to execute any supplemental instrument embodying any such modification. Any such modification must be proposed by the Company, must only make such modifications as may be required for administrative purposes or to comply with applicable laws and must not be detrimental to the interests of CLS Holders. For example, such a resolution shall not be capable of:

- (a) modifying the date fixed for the final redemption of the CLS;
- (b) reducing or cancelling the principal amount payable on the CLS;
- (c) reducing the amount payable or modifying the method of calculating the amount payable on the CLS;
- (d) amending the conversion price relating to the CLS;
- (e) modifying the dates for payment in respect of any interest, on the CLS;
- (f) modifying, abrogating or compromising the rights of CLS Holders against the Company.

Any proposed modification of the provisions contained in the CLS Instrument and the conditions which are not permitted by the above paragraph shall require the prior written consent of a majority of the CLS Holders representing not less than 90 per cent. by value of the CLS then in issue.

If the Company proposes any action or series of action that would require approval pursuant to Rules 14, 15 or 41 of the AIM Rules for Companies (other than a proposal to cancel admission of the CLS alone to AIM) then the Company shall convene a meeting of CLS Holders and the holders of New Ordinary Shares to approve such action or actions, save that a CLS Holder shall not be entitled to vote unless they are deemed to be independent in respect of Rule 9 of the Takeover Code.

CLS Holders shall have the right to attend and speak (but not, by virtue or in respect solely of holdings of the CLS, to vote) at all meetings of members of the Company at which any business is to be moved which has any effect (actually or reasonably foreseeable) on the CLS. A CLS Holder will not be deemed to be a member of the Company merely by virtue of its holding of outstanding CLS.

The CLS Instrument and the CLS are governed by and to be construed in accordance with English law, and the courts of England have jurisdiction to settle any disputes which may arise out of or in connection with them.

PART VIII

ADDITIONAL INFORMATION

1. Responsibility

- 1.1. The Directors and the Proposed Director, whose names and functions appear on page 4 of this document, accept responsibility, both individually and collectively, for compliance with the AIM Rules for Companies and the information contained in this document, other than information for which responsibility is taken by others pursuant to paragraphs 1.2, 1.3 and 1.4 below. To the best of the knowledge and belief of the Existing Directors and the Proposed Director (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2. Each member of the EWMG Concert Party, whose names are set out in paragraph 1 of Part III, accepts responsibility for the information relating to each of them contained in this document including, in particular, the statement of intention in paragraph 4 of Part III of this document. To the best of the knowledge and belief of the members of the EWMG Concert Party (who have taken all reasonable care to ensure that such is the case) the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.3. Each member of the Courvoisier Concert Party, as defined in the definitions, accepts responsibility for the information relating to each of them contained in this document. To the best of the knowledge and belief of the members of the Courvoisier Concert Party (who have taken all reasonable care to ensure that such is the case) the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.4. The Independent Directors, as defined in the definitions, accept responsibility for the recommendation set out in paragraph 26 of Part I. To the best of the knowledge and belief of the Independent Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they take such responsibility is factually correct and does not omit anything likely to affect the import of such information.

2. Incorporation and general

- 2.1 The Company was incorporated and registered in Guernsey under the Companies (Guernsey) Law, 1994 to 1996 on 15 September 2004 with registered number 42316 as a company limited by shares with the name Equity Pre-IPO Investments Limited. Under this name, the Company was admitted to AIM on 24 February 2005. On 21 July 2009 the Company changed its name to Kingswalk Investments Limited, and on 8 January 2013 the Company changed its name to EW Group Limited.
- 2.2 The principal legislation under which the Company operates and under which the Existing EWG Shares are issued is the Guernsey Companies Law and the regulations made under such legislation.
- 2.3 The registered office and principal place of business of the Company is at Roseneath, The Grange, St Peter Port, Guernsey GY1 2QJ. The telephone number of the Company's registered office is + 44 1481 732 888.
- 2.4 The liability of the members of the Company is limited.
- 2.5 The address of the Company's website is www.ewgrouplimited.com.
- 2.6 The ISIN number of the Existing EWG Shares is GB00B02TF094.
- 2.7 The ISIN number of CLS is GG00BKY4JY43.

3. The Group

3.1 The Company currently has one wholly owned subsidiary, being EW Investments Limited, a company incorporated in Guernsey.

3.2 The Company's principal investment is the shares that it holds in EWMG.

3.3 Save as disclosed in this document and in note 3 in the Company's financial statements for the year ended 31 December 2011, note 3 in the Company's financial statements for the year ended 31 December 2012 and note 3 in the Company's financial statements for the year ended 31 December 2013, the Company had no principal investments for each financial period covered by the historical financial information incorporated by reference into this document by Part IV and there are no principal investments in progress other than the Acquisition and there are no principal future investments on which the Board has made a firm commitment.

3.4 On Admission the Company will become the holding company of EWMG.

3.5 EWMG has five wholly owned subsidiaries, details which are set out below:

<i>Company name</i>	<i>Country of Incorporation</i>	<i>Shareholdings</i>	<i>Nature of Business (SIC)</i>
EFP	England and Wales	The entire issued share capital is held by EWMG	64999 – Financial intermediation not elsewhere classified
EIM	England and Wales	The entire issued share capital is held by EWMG	70221 – Financial management
EIM Nominees Limited	England and Wales	The entire issued share capital is held by EWMG	66300 – Fund management activities
Ernest Noad & Associates Limited	England and Wales	The entire issued share capital is held by EWMG	66190 – Activities auxiliary to financial intermediation not elsewhere classified
Mathews, Smith (Financial Consultants) Limited	England and Wales	The entire issued share capital is held by EWMG	99999 – Dormant Company

4. Share capital

4.1 As at 31 December 2013, being the most recent balance sheet date in the financial information referenced in Part IV of this document, the issued and fully paid share capital of the Company was £633,712 divided into 633,712,300 Existing EWG Shares of 0.1p each. The Company's current authorised share capital is £500,000 divided into 500,000,000 ordinary shares of 0.1p each. Should the Resolutions be approved, the Company shall have no more authorised capital and the directors shall have the authority to issue up to 200,000,000 shares (whether New Ordinary Shares, New Deferred Shares, or otherwise) and no more unissued share capital following Admission.

4.2 The history of the Company's share capital from 1 January 2011 (being the first day of the period required to be disclosed in this document) to the date of this document is as follows:

- (i) On 24 January 2011, the Company issued 40,000,000 ordinary shares at a price of 2 pence per share. The shares were issued to provide additional working capital for the Company.
- (ii) On 30 April 2012, the Company issued 92,000,000 ordinary shares at a price of 1 pence per share. The proceeds were used by the Company to acquire a 33.3 per cent. stake in EWMG.

- (iii) On 14 May 2012, the Company issued 93,333,333 ordinary shares at a price of 0.75 pence per share. The proceeds were used by the Company to provide additional working capital for EWMG and to strengthen its balance sheet.
 - (iv) On 14 May 2012, the Company issued 3,200,000 ordinary shares at a price of 0.75 per share. The proceeds were used to settle an outstanding loan of the Company.
 - (v) On 14 May 2012, the 185,171,673 shares issued by the Company from incorporation and up to and including 30 April 2012 were split into 185,171,673 ordinary shares of £0.01 pence and 185,171,763 deferred shares of £0.09 pence.
 - (vi) On 31 October 2012, the Company issued 17,285,716 ordinary shares at a price of 0.7 pence per share. The shares were issued to provide additional working capital for the Company.
 - (vii) On 31 October 2012, the Company issued 714,286 ordinary shares at a price of 0.7 pence per share. The proceeds of this subscription were used to settle an amount due by the Company.
 - (viii) On 6 March 2013, the Company issued 56,847,461 ordinary shares at a price of 1.375 pence per share. The shares were used as consideration to acquire further shares in EWMG from the other shareholders of EWMG.
 - (ix) On 11 April 2013, the Company issued 62,675,000 ordinary shares at a price of 1 pence per share. The proceeds of this subscription were used to support the Company's existing investment strategy, including providing further support to EWMG.
 - (x) On 11 April 2013, the Company issued 3,250,000 ordinary shares at a price of 1 pence per share. The proceeds were used by the Company to satisfy of professional fees incurred in connection with the subscription of 62,675,000 ordinary shares in the Company.
 - (xi) On 24 April 2013, the Company issued 82,142,857 ordinary shares at a price of 0.7 pence per share. The shares were issued in connection with the conversion of convertible loan notes into shares in the Company.
 - (xii) On 3 May 2013, the Company issued 53,571,429 ordinary shares at a price of 0.7 pence per share. The shares were issued in connection with the conversion of convertible loan notes into shares in the Company.
 - (xiii) On 7 May 2013, the Company issued 7,142,857 ordinary shares at a price of 0.7 pence per share. The shares were issued in connection with the conversion of convertible loan notes into shares in the Company.
 - (xiv) On 3 October 2013, the Company issued 58,440,000 ordinary shares at a price of 1 pence per share. The proceeds of this subscription were used to support the Company's existing investment strategy, including providing further capital to finance the continuing growth of EWMG.
 - (xv) On 3 October 2013, the Company issued 7,398,644 ordinary shares at a price of 1 pence per share. The proceeds of this subscription were used to acquire £73,986.44 of debt in EWMG.
 - (xvi) On 3 October 2013, the Company issued 2,539,044 ordinary shares at a price of 1 pence per share. The shares were issued in connection with the conversion of convertible loan notes into shares in the Company.
- 4.3 The allotments specified in paragraph 4.2 above details the capital of the Company that has been allotted for cash or for a consideration other than cash since 2011.
- 4.4 The allotments in paragraph 4.2(iii) to 4.2(xvi) were in excess of the Company's authorised share capital. Resolution 2 is being proposed to retrospectively authorise these issues.

- 4.5 Save for the issue of the Consideration Shares and the grant of options under share option scheme, no capital of the Company is proposed to be issued or is under option or is agreed conditionally or unconditionally to be put under option.
- 4.6 The New Ordinary Shares will, on Admission, rank *pari passu* in all respects and will rank in full for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company.
- 4.7 The New Ordinary Shares are in registered form and capable of being held in uncertificated form. The New Ordinary Shares to be issued pursuant to the Acquisition are being issued at a price of 72p per share, representing a premium of 67p over the nominal value of 5p each. The expected issue date is 7 May 2014.
- 4.8 The currency of the issue is pounds sterling.
- 4.9 As at the date of this document, the number of Existing EWG Shares subject to options granted under the Company's share option plan were:

<i>Exercise Period</i>	<i>Exercise Price per Share</i>	<i>1 January 2013 No.</i>	<i>Grants during year No.</i>	<i>Options exercised No.</i>	<i>31 December 2013 No.</i>	<i>31 December 2012 No. Exercisable</i>
30 November 2007 – 30 May 2017	26.0 pence	50,000	–	–	50,000	50,000
1 December 2007 – 1 June 2017	26.0 pence	750,000	–	–	750,000	750,000
		<u>800,000</u>	<u>–</u>	<u>–</u>	<u>800,000</u>	<u>800,000</u>

The number of outstanding EWG options and the exercise prices will be affected by the Capital Reorganisation.

- 4.10 As at the date of this document, EWMG had unexercised options over 52,855 shares at exercise prices ranging from £nil to £5.00. On completion of the Acquisition, these options will be exchanged for new options over New Ordinary Shares. The exact number of Options will be determined by the mid-market closing price on the day of Admission, such that the market value of the Options being received is the same as the value of options in EWMG being exchanged ("Acquisition Value"). Based on the value per EWMG share received by the EWMG Shareholders in respect of the Acquisition, the Acquisition Value is £1.146 million. Assuming the mid market closing price on the date of Admission is the same as the Theoretical Post Consolidation Price (in other words there has been no change in the price from the date of this document) then the Company will need to issue 1,592,410 Options (being £1.146 million as divided by £0.72), representing approximately 12 per cent. of the Enlarged Issued Share Capital.

5. Articles of Association and Articles of Incorporation

5.1 Existing Articles of Association

The Memorandum of Association includes as an object of the Company the taking part in the management, supervision or control of the business or operation of any company. Should the Resolutions be approved, the Company shall have unlimited objects.

The Articles contain provisions, among others, to the following effect:

5.1.1 Share Capital

- (i) The Company may, subject to the provisions of the Guernsey Companies Law, issue any number of shares of different classes including ordinary shares (being the Existing EWG Shares described in this document), deferred shares (of which none remain in issue) or otherwise as the board may, from time to time, determine.

- (ii) In addition to any other power or authority to issue shares granted to the directors under the Guernsey Companies Law, the directors have the authority to issue up to 200,000,000 shares to the fullest extent permitted under the Guernsey Companies Law save that any shares for the time being unissued shall, before they are issued, be offered to the members holding ordinary shares in proportion as nearly as the circumstances admit to their existing holdings of ordinary shares. Such offer shall be made by notice specifying the number of shares to be offered and limited to a time within which the offer, if not accepted, will be deemed to be declined and after the expiration of such time, or on the receipt of an intimation from the person to whom the offer has been made that he declines to accept the shares offered, the directors may, dispose of the same in such manner as they think most beneficial to the Company. The directors may, in like manner, dispose of any shares which by reason of the proportion borne by them to the number of persons entitled to such offer or by reason of any difficulty in apportioning the same cannot in the opinion of the directors be conveniently offered in the manner provided above.
- (iii) Such pre-emption provisions may be relaxed or varied to any extent by ordinary resolution of the members.

Ordinary shares

- (iv) The rights attaching to the ordinary shares are as follows:
 - (a) as to income – subject to the rights attached to or the terms of issue of ordinary shares, all dividends shall be declared and paid on ordinary shares according to the amounts paid up on such ordinary shares otherwise than in advance of calls on which the dividend is paid;
 - (b) as to capital – on the winding up of the Company, the surplus assets of the Company attributed to ordinary shares remaining after the payment of all creditors, subject to the rights attached to or the terms of issue of such ordinary shares shall be applied in the following order of priority:
 - (1) first, in payment to the holders of each ordinary share the nominal amount in respect of each such share held by them;
 - (2) second, in the payment to the holders of ordinary shares any balance then remaining, such payment being made in proportion to the number of ordinary shares held; and
 - (c) as to voting – the holders of ordinary shares shall be entitled to receive notice of, to attend and vote at any general meeting of the Company.

Deferred shares

- (v) The rights attaching to the deferred shares are as follows:
 - (a) as to capital – on the winding up of the Company, the surplus assets of the Company remaining after the payment of all creditors, subject to the rights attached to or the terms of issue of such deferred shares shall be applied in payment to the holders of deferred shares the nominal amount in respect of each such share held by them; and
 - (b) the deferred shares carry no right to a dividend or to receive notice of, or to attend or vote at, a general meeting of the Company.
- (vi) The board may, at any time, redeem all of the deferred shares of any shareholder upon which the shareholder shall be entitled to payment by the Company of £0.1p in full settlement of the redemption and cancellation of all of such shareholder's Deferred Shares.

5.1.2 *Variation of Rights*

- (i) Subject to the Guernsey Companies Law, all or any of the special rights for the time being attached to any class of shares for the time being issued may from, time to time, (whether or not the Company is being wound-up) be altered or abrogated with the consent in writing of the members of not less than three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of such shares. To any such separate general meeting all the provisions as to general meetings of the Company shall *mutatis mutandis* apply, but so that the necessary quorum shall be two or more persons holding or representing by proxy not less than one-third of the issued shares of the class except where there is only one holder of the relevant class of shares in which case the quorum shall be that holder. At any adjourned meeting of such holders one holder present in person or by proxy (whatever the number of shares held by him) shall be a quorum.
- (ii) Every holder of shares of the class attending a class meeting shall be entitled on a poll to one vote for every such share held by him, that any holder of shares of the class present in person or by proxy may demand a poll.
- (iii) The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be altered by the creation or issue of further shares ranking *pari passu* therewith.

5.1.3 *Winding Up*

If the Company is wound up the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Guernsey Companies Law, divide among the members in specie the whole or any part of the assets of the Company. The liquidator may, with the sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he with the sanction determines, but no member shall be compelled to accept any assets upon which there is a liability.

5.1.4 *Dividends*

- (i) Dividends and distributions may be paid to the holders of shares in accordance with the provisions of the Guernsey Companies Law and with such rights as attached to each class of shares.
- (ii) Any dividend or other monies payable in cash in respect of a share may be paid by cheque, or other instrument sent through the post to the registered address of the person entitled. If two or more persons are the holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the holder, to the registered address of that one of those persons who is first named in the register of members or to such person and to such address as the person or persons entitled may in writing direct. Any such dividend or other monies may also be paid by any bank or other funds transfer system as the directors may consider appropriate and to or through such person as the person or persons entitled thereto may in writing direct. The Company shall have no responsibility for any such dividend or other monies lost or delayed in the course of such transfer or when it is acted upon such direction. Every such cheque, warrant or other instrument shall be sent and every such transfer of funds shall be made at the risk of the person or persons entitled to the money represented thereby.
- (iii) The directors may deduct from any dividend or other moneys payable to any member on or in respect of any share any moneys presently payable by him to the Company on account of calls or otherwise in respect of shares of the Company.
- (iv) A general meeting declaring a dividend may, upon the recommendation of the directors, direct that it shall be satisfied wholly or partly by the distribution of specific assets and,

in particular, of paid-up shares or debentures of any other company. The directors may fix the value for distribution purposes of any such assets and may determine that cash shall be paid to any member upon the value so fixed on that asset in order to secure equality of distribution. The directors may also vest any such specific assets in trustees.

- (v) The directors may, with the sanction of an ordinary resolution of the Company, offer holders of ordinary shares the right to elect to receive in respect of all or part of their holdings of ordinary shares additional ordinary shares in the Company, credited as fully paid, instead of cash in respect of all or part of such dividend or dividends whether interim or final and upon such terms and conditions and in such manner as may be specified in such ordinary resolution and otherwise as the directors may determine. Any such resolution may specify a particular dividend and/or all of any dividends (or part of such dividends) declared or paid within a specified period, but no such period may end later than the beginning of the annual general meeting in the calendar year next following the date on which such ordinary resolution is passed.
 - (a) When any such right of election is offered to the holders of ordinary shares, the directors shall make such offer to such holders in writing and shall make available to or provide such holders with forms of election (in such form as the directors may approve) whereby such holders may exercise such right and shall notify such holders of the procedure to be followed and of the place at which and the latest date and time by which, duly completed forms of election must be lodged in order to be effective.
 - (b) Each holder of ordinary shares who elects to receive additional ordinary shares in the Company under a right offered to him pursuant to this section shall be entitled to receive such whole number of additional ordinary shares as is as nearly as possible equal in value (but not in excess of) the cash amount that such holder would otherwise have received by way of dividend.
 - (c) The additional new ordinary shares allotted under the preceding paragraph shall rank *pari passu* with the fully paid ordinary shares in the Company then in issue. However, they shall not be entitled to participate in the dividend in relation to which the relevant election was made.
 - (d) The directors may at their discretion make any rights of election offered pursuant this section subject to such exclusions or arrangements as they may consider necessary or expedient to deal with any legal or other difficulties which would or may otherwise arise under laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory.
 - (e) Every duly effected election under this section shall be binding on every successor in title to the ordinary shares or any of the members who have effected the same.
- (vi) All unclaimed dividends or other moneys payable on or in respect of a share may be invested or otherwise made use of by the directors for the benefit of the Company until claimed. No dividend or other moneys payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to such share.
- (vii) Any dividend which has remained unclaimed for twelve years from the date of declaration of such dividend or (if later) the date such dividend became due for payment shall, if the directors so resolve, be forfeited and shall revert to the Company and the payment by the directors of any unclaimed dividend, interest or other sum payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof.

5.1.5 *Transfer of Shares*

- (i) Subject to such of the restrictions of the Articles as may be applicable:
 - (a) any member may transfer all or any of his shares. The instrument of transfer of a share in certificated form may be in any usual form or in any other form which the board may approve.
 - (b) an instrument of transfer of a certified share shall be executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee.
 - (c) in the case of shares for the time being in uncertificated form transfers shall be registered only in accordance with the terms of the CREST Rules.
- (ii) The directors may, in their absolute discretion and without giving any reason, refuse to register the transfer of a share in certificated or uncertificated form which is not fully paid or of a share on which the Company has a lien, provided that such refusal shall not prevent dealings in the shares taking place on an open and proper basis. In addition, the directors may also decline to register a transfer of shares unless such transfer is lodged at the registered office of the Company (or at such other place as the directors may appoint) and is accompanied by the certificate for the shares to which the transfer relates and any other evidence as the directors may reasonably require to show the right of the transferor to make the transfer, is in respect of only one class of share and is in favour of not more than four transferees.
- (iii) If the directors decline to register a transfer they shall, within two months after the date on which the transfer was lodged with the Company or in the case of uncertificated shares the instruction from Euroclear was received by the Company, send to the transferee notice of the refusal.
- (iv) The registration of transfers of any class of shares may be suspended at such times and for such periods (not exceeding thirty days in any year) as the directors may determine but so that such a suspension shall only apply to uncertificated shares with the prior consent of Euroclear.

5.1.6 *Notices*

- (i) A notice or other communication of the Company shall be in writing and may be given by the Company to any member either personally or by sending it by post in a prepaid envelope addressed to the member at his registered address, by sending it by electronic communication or the Company may serve any such notice or document by placing in on a web-site and sending the notification to the member concerned.
- (ii) A notice sent by the Company by post shall be deemed to have been given as stated in Section 523 of Guernsey Companies Law save that a document sent by post is deemed to have been received on the day after the day of posting. Any notice delivered or left at a registered address otherwise than by post shall be deemed to have been given on the day it was so delivered or left.
- (iii) Any notice or document sent using electronic communication shall be deemed to be served at the expiration of 24 hours after the time it was sent, and in proving such delivery or service, proof that a notice or document contained in an electronic communication was sent shall be conclusive evidence that the notice or document was served or delivered.
- (iv) In the case of joint holders of a share, all notices shall be given to the joint holder whose name stands first in the register of members in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders.
- (v) A notice or other document delivered or sent by post to the registered address of a member or sent by electronic communication shall, notwithstanding that the member be

then dead, bankrupt, mentally disordered or that any other event has occurred and whether or not the Company has notice of the death, bankruptcy, mental disorder or other event be deemed to have been given in respect of any share registered in the name of such member as sole or joint holder unless before the day of posting (or if it is not sent by post before the day of service or delivery) of the notice or document, his name has been removed from the register of members as the holder of the share.

5.1.7 *Notice of General Meetings*

- (i) A general meeting of the Company must be called by notice of at least 10 clear days.
- (ii) A general meeting may be called by shorter notice than otherwise required if all the members entitled to attend and vote so agree.
- (iii) Notice of a general meeting must be sent to all members entitled to attend and vote thereat other than to those members where under the rights attached to the shares held them are not entitled to receive notice of a general meeting, and to the auditors of the Company.
- (iv) The directors may determine that persons entitled to receive notices of meetings are those persons entered on the register of members at the close of business on a day determined by the directors being not more than 21 days before the day that the notices are sent. The directors may also specify in the notice of the meeting a time, not more than 48 hours before the time fixed for the meeting, by which a person must be entered on the register of members in order to have the right to attend or vote at the meeting.
- (v) The board may convene an extraordinary general meeting whenever it thinks fit or upon receipt of a requisition of members pursuant to the provisions of the Guernsey Companies Law and shall forthwith convene such a meeting for a date not later than 21 days after the date of request.

5.1.8 *Conflicts of Interest*

- (i) A director, including an alternate director, who is to his knowledge in any way, either directly or indirectly, interested in a contract or arrangement or a proposed contract or arrangement with the Company shall declare the nature of his interest at a meeting of directors.
- (ii) In the case of a proposed contract or arrangement the declaration shall be made at the meeting of the directors at which the question of entering into the contract is first taken into consideration if he knows his interest then exists, or, if the director was not at the date of that meeting interested in the proposed contract or arrangement, at the next meeting of directors held after he became so interested if he knows his interest then exists.
- (iii) In a case where the director becomes interested or aware of his interest in a contract or arrangement after it is made the declaration shall be made at the first meeting of the directors held after the director becomes so interested or knows that he is or has become so interested. In a case where the director is interested in a contract or arrangement which has been made before he was appointed a director the declaration shall be made at the first meeting of the directors held after he is so appointed.
- (iv) For the purposes of the preceding paragraphs a general notice given to the directors by any director to the effect that:
 - (a) he is a member of any specified company or firm and is to be regarded as interested in any contract or arrangement which may, after the date of the notice, be made between the Company and the company or firm specified; or

- (b) he is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with a specified person who is connected with him;
- (v) If a director shall give such notice pursuant to the preceding paragraphs at a meeting of the directors or shall take reasonable steps to secure that the notice is brought up and read at the next meeting of the directors after it is given shall be deemed a sufficient declaration of interest in relation to any contract so made.
- (vi) A director shall not vote nor be counted in the quorum on any resolution of the directors in respect of any contract or arrangement in which he (together with any persons connected with him) is to his knowledge materially interested, and if he shall do so his vote shall not be counted.
- (vii) A director shall (in the absence of some other material interest than is indicated below) be entitled to vote and be counted in the quorum in respect of any resolution concerning any of the following matters, namely:
 - (a) the giving of any security, guarantee or indemnity to him in respect of money lent or obligations undertaken by him at the request of or for the benefit of the Company or any of its subsidiaries;
 - (b) the giving of any security to a third part in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has guaranteed or secured in whole or in part;
 - (c) any proposal by a director to subscribe for shares, debentures or other securities of the Company issued or to be issued pursuant to any offer or invitation to members or debenture holders of any class of the Company or to the public where he is to be interested as a participant in the underwriting thereof;
 - (d) any proposal in which he is interested by virtue of his interest in shares or debentures or other securities of the Company or by reason of any other interest in or through the Company;
 - (e) any proposal concerning any other company in which he is interested directly or indirectly whether as an officer, shareholder, creditor or otherwise howsoever provided that he nor any persons connected with him do not, to his knowledge, hold any direct or indirect interest of more than one per cent. of any class of the equity share capital of such company or of the voting rights available to members of such company unless:
 - (1) any shares that are held by him are held as a trustee or custodian and in which he has no beneficial interest;
 - (2) any shares compromised in a trust in which his interest is in the reversion or remainder as long as some other person is entitled to receive the income thereof; and
 - (3) any shares which are in an authorised unit trust scheme in which he is interested only as a unit holder.
 - (f) Where a company in which he holds more than one per cent. of any class of the equity share capital is materially interested in a transaction of the Company then that director shall also be deemed to be materially interested in such transaction;
 - (g) any proposal concerning the adoption, modification or operation of a pension fund or a retirement, death or disability benefits scheme for the directors and employees of the Company or of any of its subsidiaries, providing that any director will not have any privilege or advantage not accorded to the employees to which such scheme or fund relates;

- (h) any arrangement for the benefit of employees of the Company or of any of its subsidiaries under which any director benefits in a similar manner as the employees providing that any director will not have any privilege or advantage not accorded to the employees to whom such arrangement relates; or
 - (i) any proposal, contract, transaction or arrangement concerning the purchase or maintenance of insurance for the benefit of the directors or for the benefit of persons who include directors.
- (viii) Where proposals are under consideration concerning the appointment (including the arrangement or variation of the terms of appointment) of two or more directors to offices or employments with the Company or any company in which the Company is interested, the proposals may be divided and considered in relation to each director separately and, provided he is not for another reason precluded from voting, each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that which concerns his own appointment.
- (ix) In respect of any termination of the appointment of two or more directors from offices or employments with the Company or any company in which the Company is interested, the preceding paragraph also applicable.
- (x) The Company may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision prohibiting a director from voting at a meeting of directors and may ratify any transactions not duly authorised by reason of a contravention of the Articles.
- (xi) If a question arises at a meeting of directors as to the right of a director (other than the chairman of the meeting) to vote or be counted in a quorum, the question may, before the conclusion of that meeting, be referred to the chairman of that meeting and his ruling in relation to any director (other than himself) shall be final and conclusive except in a case where the nature or extent of the interest of the director concerned as known to such director has not been fairly disclosed to the directors.
- (xii) If any question under the preceding paragraph shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the directors (for which purpose such chairman shall be counted in the quorum but shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the directors.

5.1.9 *Appointment and Retirement of Directors*

- (i) The number of directors (other than alternate directors) shall not be less than one in number (unless determined otherwise by ordinary resolution). The Company may from time to time fix a maximum number of directors and from time to vary that maximum number by ordinary resolution.
- (ii) At any time the majority of directors of the Company must not be resident in the United Kingdom.
- (iii) The directors may appoint a person to be a director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number fixed as the maximum number of directors.
- (iv) At the annual general meeting in each year, any director who is still in office at the start of that annual general meeting which falls nearest to the third anniversary of the annual general meeting at which he was appointed or was last re-appointed shall retire by rotation.

- (v) At the annual general meeting in each year, one third of all the directors shall retire by rotation but if that number is not a multiple of three, then the number shall be rounded down to the nearest whole number.
- (vi) The directors required to retire by rotation shall be those who have been in office the longest since their appointment or last reappointment, but if there are persons who were appointed or last reappointed as directors on the same day those to retire shall be determined by lot (unless they otherwise agree amongst themselves).
- (vii) If the Company, at an annual general meeting at which a director retires by rotation, does not fill the vacancy, the retiring director shall, if willing to act, be deemed to have been reappointed unless at that annual general meeting it is resolved not to fill the vacancy or a resolution for the reappointment is put to the meeting and lost.
- (viii) No person, other than a director retiring at a meeting shall, unless recommended by the directors, be appointed or reappointed a director at any general meeting unless (with not less than seven nor more than a maximum of forty-two days before the date of meeting) a notice executed by a member qualified to vote at that meeting (not being the person to be proposed) has been given to the Company of the intention to propose that person for appointment or reappointment. The notice must state the particulars which would, if the proposed person were so appointed or reappointed, be required to be included in the Company's register of directors together with a notice executed by the person being proposed of his willingness to be appointed.
- (ix) The Company at the meeting at which a director retires may fill the vacated office by electing a person thereto and in default the retiring director shall, if willing to continue to act, be deemed to have been re-elected, unless at such meeting it is expressly resolved not to fill such vacated office or unless a resolution for the re-election of such director shall have been put to the meeting and lost.
- (x) The Company may by ordinary resolution appoint a person to be a director either to fill a vacancy or as an additional director and may also determine the rotation in which any additional directors are to retire.
- (xi) Any provisions of the Guernsey Companies Law which would have the effect of rendering any person ineligible for appointment as a director or liable to vacate office as a director on account of his having reached any specified age, or requiring special notice or any other special formality in connection with the appointment of any director over a specified age, shall not apply to the Company save that any director who has attained the age of 70 shall be required to offer himself for re-election at each annual general meeting.

5.1.10 *Remuneration of Directors*

- (i) Unless otherwise directed by the Company by ordinary resolution the board shall determine the directors' remuneration.
- (ii) Each director may be paid all expenses properly incurred in connection with the discharge of his duties as a director.
- (iii) The Company may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any director who has held but no longer holds any executive office or employment with the Company or with company which is or has been a subsidiary of the Company or a predecessor in business of the Company or of any such subsidiary, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him, and may (as well as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

- (iv) An alternate director is entitled to be paid any expenses properly incurred in connection with the discharge of his duties as an alternate director including any fees agreed to be paid. An alternate director is not entitled to be otherwise remunerated unless the members approve such remuneration by ordinary resolution.

5.1.11 *Indemnity*

- (i) The directors, alternate directors, secretary and other officers or employees of the Company shall be indemnified out of the assets of the Company to the fullest extent permitted by the Guernsey Companies Law from and against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain by reason of any contract entered into or any act done, concurred in or omitted, in or about the execution of their duty or supposed duty to the Company.
- (ii) The directors may without the sanction of the Company in general meeting authorise the purchase or maintenance by the Company for any officer or former officer of the Company of any insurance which is permitted by the Law in respect of any liability which would otherwise attach to such officer or former officer.

5.1.12 *Proceedings of Directors*

- (i) The directors may regulate their proceedings as they think fit. A director may, and the secretary at the request of a director shall, call a meeting of the directors provided that such meeting is to take place outside the United Kingdom. Any decisions reached or resolution passed at any meeting held in the United Kingdom shall be invalid and of no effect. Notice of a meeting of the directors shall be deemed to be duly given to a director if it is given to him personally or by word of mouth or by telephone or sent in writing to him at his last known address or any other address given by him to the Company for this purpose, or is given by any other such method and subject to any terms and conditions as the directors may determine. Questions arising at a meeting shall be decided by a majority of votes. In case of an equality of votes, the chairman of the meeting shall have a second or casting vote. Every person acting as an alternate director shall have one vote for each director for whom he acts as alternate (in addition to his own vote if he is also a director). The signature of an alternate director to any resolution in writing of the directors or a committee of the directors shall, unless the notice of his appointment provides to the contrary, be as effective as the signature of his appointor.
- (ii) The quorum for the transaction of the business of the directors may be fixed by the directors and unless so fixed at any other number shall be two, provided that there shall not be a quorum unless the majority of directors present are non-resident in the United Kingdom.
- (iii) Any director or member of a committee of the directors may participate in a meeting of the directors or such committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in the meeting in such manner shall be deemed to constitute presence in person at such meeting and that person shall be entitled to vote or be counted in a quorum accordingly, provided that the majority of those participating are assembled at a place outside the United Kingdom at which place the meeting shall be deemed to take place.
- (iv) All acts done by a meeting of directors, or of a committee of directors shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director or member of a committee of directors and had been entitled to vote, provided that if any board meeting or committee meeting is held in the United Kingdom, or if a quorum is not

reached because a majority of the directors or committee members present are not non-resident in the United Kingdom, or if the requirement that majority of the directors or committee from time to time are non-resident in the United Kingdom is breached, then any decision reached or resolution passed thereat shall be invalid and of no effect.

- (v) A resolution in writing executed by all the directors for the time being entitled to receive notice of a meeting of directors or by all the members for the time being of a committee of directors (not being less, in either case, than a quorum) shall be as valid and effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and constituted provided that resolution shall not be signed by any director in the United Kingdom. Such resolution may be contained in one document or in several documents in the like form (which may be facsimile or electronic copies) each signed by one or more directors or members of the committee concerned.

5.1.13 *Disclosure of Interest*

- (i) The Company may give a member, or any other person who appears to the Company to have, or have had during the previous three years, a direct or indirect legal or beneficial interest in any shares in the Company, a notice requiring the member or person to disclose to the Company whether they have such an interest and (if so) what the nature of the interest was or is, and whether they know of any other person having or having had such an interest and (if so) the nature of that other person's interest. No member shall, unless the directors otherwise determine, be entitled in respect of any share held by him to vote (either in person or by representative or proxy) at any general meeting or at any separate meeting of the holders of any class of shares, or to exercise any other right conferred by membership in relation to any such meeting if he or any other person appearing, in the opinion of the directors, to be interested in the share(s) has been given a notice under this article ("a disclosure notice") and has failed to give the Company the information thereby required within 14 days from the date of the notice.
- (ii) Without prejudice to the preceding paragraph, no member holding shares representing 0.25 per cent or more in nominal value of the issued shares of any class of capital in the Company shall, unless the directors otherwise determine, be entitled:
 - (a) in respect of any such shares, to vote (either in person or by representative or proxy) at any general meeting or at any separate meeting of the holders of any class of shares, or to exercise any other right conferred by membership in relation to any such meeting; or
 - (b) to receive payment of any dividend (including shares in lieu of dividend) or other distribution payable in respect of any such shares; or
 - (c) to transfer any such shares except:
 - (1) pursuant to the acceptance of a takeover offer;
 - (2) on a recognised investment exchange or other recognised market; or
 - (3) in any other manner the directors are satisfied is *bona fide* and at arm's length;

(each an "**arm's length sale**")

if he or any person appearing, in the opinion of the directors, to be interested in such shares has been given a disclosure notice and has failed to give the Company the information thereby required within 14 days from the date of the notice provided that upon receipt by the Company of notice that the shares have been transferred pursuant to any arm's length sale or upon all information required by the disclosure notice being given, such restrictions shall cease to apply in respect of such shares and any dividend withheld shall be paid.

- (iii) The Articles incorporate by reference the provisions of Chapter 5 of the Disclosure and Transparency Rules (the “Disclosure and Transparency Provisions”). The Disclosure and Transparency Provisions detail the circumstances in which a person may be obliged to notify the Company that he has an interest in voting rights in respect of Ordinary Shares.

Where a Shareholder fails to comply with the Disclosure and Transparency Provisions, the Directors may by delivery of a notice to the applicable Shareholder (i) suspend the right of such Shareholder to vote in person or by proxy at any meeting of the Company (until a date that is no more than seven days after the Company has determined in its sole discretion that the Shareholder has cured the non-compliance with the provisions of Disclosure and Transparency Rule 5) and/or (ii) withhold, without any obligation to pay interest thereon, any dividend or other amount payable, render ineffective any election to receive Shares of the Company instead of cash in respect of any dividend or part thereof and/or prohibit the transfer of any Shares held by the Shareholder except with the consent of the Company.

5.1.14 *Untraced Shareholders*

- (i) The Company shall be entitled to sell (at a price at which the Company shall use its best endeavours to ensure is the best obtainable) the shares of a member or the shares to which a person is entitled by death, bankruptcy or operation of law by instructing a member of the London Stock Exchange and provided that:
 - (a) during a period of 12 years all warrants and cheques in respect of at least 3 dividends declared by the Company in respect of the member’s shares sent by the Company through the post in a prepaid letter addressed to the member at his registered address or to the person so entitled at the address shown in the register of members as his address and have become payable and remain unclaimed and uncashed or have been returned undelivered; and
 - (b) during that period of 12 years the Company has inserted advertisements in a newspaper circulated in Guernsey and a newspaper circulated in the area in which the last known address of the member or the address at which service of notices may be effected, giving notice of its intention to sell the said shares; and
 - (c) during the period of 3 months following the publication of those advertisements the Company has had no indication that such member or person can be traced; and
 - (d) notice is first given to the London Stock Exchange of its intention so to do.
- (ii) Any moneys not accounted for to the member or other person entitled to such shares shall be carried to a separate account and shall be a permanent debt of the Company. Moneys carried to such separate accounts may either be employed in the business of the Company or invested in such investments as the directors may from time to time think fit.

5.2 *New Articles of Incorporation*

The New Articles will be substantially the same as the Articles but will contain the following changes:

- 5.2.1 The primary reason for the following changes to the share capital is to create the mechanism whereby each whole block of 60 Existing EWG Shares can be consolidated and converted into a New Ordinary Share and a New Deferred Share, and the remaining unconsolidated Existing EWG Shares in issue can be compulsorily redeemed, in order to effect the Capital Reorganisation.

- (i) The New Articles:
 - (a) remove the share class of “deferred shares” (which currently exist under the Articles but of which none remain in issue);
 - (b) create the new share classes of:
 - (i) “New Ordinary Shares” (being the New Ordinary Shares described in this document), which have the same rights as the “ordinary shares” which currently exist under the Articles (being the Existing EWG Shares described in this document) but have a par value of 5p each; and
 - (ii) “New Deferred Shares” (being the New Deferred Shares described in this document), which have the same rights as the “deferred shares” under the Articles but have a par value of 1p each; and
 - (c) alter the rights applicable to Existing EWG Shares in order to make them convertible and redeemable in the manner described below.
- (ii) Under the New Articles, a mechanism is introduced whereby the members of the Company may by ordinary resolution consolidate and convert any whole block of 60 Existing EWG Shares held by a particular member as follows:
 - (a) 50 to be consolidated into one New Ordinary Share; and
 - (b) the remaining 10 to be:
 - (i) consolidated into a share of 1p having the same rights as are applicable to ordinary shares; and
 - (ii) immediately converted into a New Deferred Share.

It is proposed that this mechanism will be used, immediately after the adoption of the New Articles at the Extraordinary General Meeting, to effect the first part of the Capital Reorganisation.

- (iii) Under the New Articles, all or any of the Existing EWG Shares of a member will be redeemable by ordinary resolution of the Company. It is proposed that this mechanism will be used to effect the second part of the Capital Reorganisation, by redeeming all of the remaining unconsolidated Existing EWG Shares in issue after the first part described above, being those shares left over in respect of any holding of Existing EWG Shares which did not divide by 60.
- (iv) In addition to any other power or authority to issue shares granted to the directors under the Guernsey Companies Law, the directors will, under the New Articles, have the authority to issue up to 200,000,000 shares (whether New Ordinary Shares, New Deferred Shares, or otherwise) to the fullest extent permitted under the Guernsey Companies Law save that any shares for the time being unissued shall, before they are issued, be offered to the members holding New Ordinary Shares in proportion as nearly as the circumstances admit to their existing holdings of New Ordinary Shares. Such offer shall be made by notice specifying the number of shares to be offered and limited to a time within which the offer, if not accepted, will be deemed to be declined and after the expiration of such time, or on the receipt of an intimation from the person to whom the offer has been made that he declines to accept the shares offered, the directors may, dispose of the same in such manner as they think most beneficial to the Company. The directors may, in like manner, dispose of any shares which by reason of the proportion borne by them to the number of persons entitled to such offer or by reason of any difficulty in apportioning the same cannot in the opinion of the directors be conveniently offered in the manner provided above.

- (v) Such pre-emption provisions may be relaxed or varied to any extent by ordinary resolution of the members.
- (vi) References to “ordinary shares” and “deferred shares” in the rest of the Articles are replaced by references to “New Ordinary Shares” and “New Deferred Shares” in the New Articles to ensure the rights attaching to the new share classes remain the same as those attaching to the previous share classes (of which, after the Capital Reorganisation, none will remain in issue).

5.2.2 Due to a change in the Company’s tax position there is no longer a need for the Company to be managed offshore. Therefore the limitations contained in the current articles requiring certain aspects of the Company’s management to be conducted outside of the United Kingdom are no longer required.

- (i) The New Articles:
 - (a) remove the requirement that all general meetings of the Company must take place outside the United Kingdom;
 - (b) no longer require a majority of the Company’s directors (including alternate directors) are non-resident in the UK;
 - (c) allow the directors of the Company to manage the business of the Company where they see fit;
 - (d) allow the directors to delegate their powers to any Managing Director or any director holding any other executive office or a committee consisting of one or more directors as they see fit;
 - (e) remove the requirement that any corporation, firm, person or fluctuating bodies of persons to be appointed as the agent of Company must be resident outside the United Kingdom;
 - (f) permit the Managing Director of the Company to be resident in the United Kingdom;
 - (g) no longer require the directors to only exercise their powers outside the United Kingdom;
 - (h) allow for meetings of the board of directors and meetings of any committee so appointed to be held in the United Kingdom and any decisions reached or resolutions passed at those meetings will be valid;
 - (i) permits resolutions in writing of the board of directors to be signed by the directors in the United Kingdom;
 - (j) remove the limitation that a meeting of a directors will not be quorate unless a majority of the directors present are non-resident in the United Kingdom; and
 - (k) allow the register of members and the accounting records of the Company to be kept at the registered office and anywhere else the directors see fit.

6. Mandatory Bids, Squeeze-out and sell-out rules relating to the ordinary shares

Mandatory bid

The Takeover Code applies to the Company. Under the Takeover Code, where:

- (i.) 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
- (ii.) any person who, together with persons acting in concert with him, is interested in shares which in 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 Takeover 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.

Squeeze-out

Under the Guernsey Companies Law, if an offeror were to make an offer and acquire 90 per cent. or more of the ordinary shares within the period specified therein, it could compulsorily acquire the remaining ordinary shares. It would do so by sending a notice to the relevant Shareholders telling them that it desires to acquire their shares and then, one month later, the relevant offeror would pay the consideration to the relevant Shareholders and register the offeror as the holder of the outstanding shares.

The consideration offered to shareholders whose ordinary shares are compulsorily acquired under the Guernsey Companies Law must, in general, be the same as the consideration that was available under the relevant takeover offer.

7. Directors' and other interests

7.1 The interests of each Director and the Proposed Director (including members of their respective immediate families and any persons connected with them), all of which are beneficial, in the share capital of the Company will be as follows:

	<i>Prior to Admission</i>		<i>Following Admission⁴</i>	
	<i>Existing EWG Shares</i>	<i>%</i>	<i>New Ordinary Shares</i>	<i>%</i>
Kish Gopaul ¹	98,101,263	15.48	1,635,021	12.41
Tim Revill ²	77,720,613	12.26	1,295,343	9.83
John Morton ³	49,110,445	7.75	1,540,424	11.69
Rod Gentry	40,912,000	6.46	1,445,848	10.98
Buzz West	5,100,000	0.80	85,000	0.65
Paul Everitt	0	–	0	–
Roger Parry	0	–	0	–

Notes:

1. Courvoisier is interested in 98,101,263 Existing EWG Shares; Kishore Gopaul is a director of Courvoisier.
2. Hearth Investments, as trustee of the Revill Family Settlement, is interested in 77,720,613 Existing EWG Shares; Tim Revill is a potential beneficiary of the settlement.
3. John Morton holds 19,181,114 Existing EWG Shares in his own name, 25,486,944 Existing EWG Shares in his SIPP account and 1,822,387 Existing EWG Shares in a discretionary trust fund. He has a beneficial interest in 2,620,000 Existing EWG Shares held by Rebecca Morton. This figure does not include the Existing EWG Shares held by his adult children.
4. Post Capital Reorganisation as set out in paragraph 18 of Part I. The above table does not include any interests in Deferred Shares, since these carry no voting rights and are expected to be redeemed after Admission as permitted under the New Articles.

- 7.2 The interests of each Director and the Proposed Director (including members of their respective immediate families and any persons connected with them), all of which are beneficial, in the CLS will be as follows:

	<i>Prior to Admission</i>		<i>Following Admission</i>	
	<i>CLS</i>	<i>%</i>	<i>CLS</i>	<i>%</i>
Kish Gopaul ¹	0	–	£3,492,500	60.75
Tim Revill	0	–	0	–
Rod Gentry	0	–	£704,130	12.24
John Morton	0	–	£673,850	11.72
Buzz West	0	–	0	–
Paul Everitt	0	–	0	–
Roger Parry	0	–	0	–

Note:

1. Post Admission, Courvoisier will be interested in CLS totalling £2,773,580, CNG will be interested in £718,920. Kish Gopaul is a director of both Courvoisier and CNG.
- 7.3 Save as disclosed in paragraph 7.1 and 7.2 above, no Director nor any member of their respective immediate families, nor any person connected with them, is or, immediately following Admission, will be interested in any share capital or other securities of the Company.
- 7.4 The Directors and Proposed Director have held the following directorships and/or been a partner in the following partnerships within the five years prior to the date of this document:

<i>Name</i>	<i>Current Directorships/Partnerships</i>	<i>Previous Directorships/Partnerships</i>
Paul Everitt	EW Group Limited	Aerarius Fund Management Limited
	Barcud Energy Limited	AMAM Investments Limited
	Abroad Spectrum PCC Limited	AssetHouse Investments Limited
	ACGB Holding Company Limited	Bayit Residential Investments Limited
	ALQ Holdings Limited	Brand Holdings Limited
	Autism Guernsey LBG	Complete Fund Systems Limited
	BARMA Limited	GHP Russia Real Estate Adviser
	Boxer Properties Limited	Holdings Ltd
	Bric Holdings Limited	Global Dynamic Investments Limited
	Capital & Marketing PCC Limited	Global Elite Investments Limited
	Central Nexus Fund Limited	Hume Capital (Guernsey) Limited
	Central Nexus Wealth Management Limited	Hume Global Equity Fund Limited
	Dabble Investments Limited	Marwyn Capital I Limited
	Diversified International Markets Company Limited	Marwyn Capital II Investments Limited
	Daffodil No. 1 Holdings Limited	Marwyn Capital II Limited
	Daffodil No. 2 Holdings Limited	Marwyn Management Partners Subsidiary Limited
	EW Investments Limited	MBMG Investments Limited
	Formosa Holdings Limited	Optimus Capital (Guernsey) Limited
	Frameworks Technology Group Limited	Optimus PCC Limited
	Fund Corporation of the Channel Islands Limited	The Osmium Company Limited
	GHP Russia Real Estate Advisers Ltd	Platinum Investment Holdings Limited
	Global Mutual Fund PCC Limited	PSR Group Limited
	Green Holdings Limited	PSR Holdings Limited
	Habrok General Partner Limited	RRAM Limited

<i>Name</i>	<i>Current Directorships/Partnerships</i>	<i>Previous Directorships/Partnerships</i>
Paul Everitt (continued)	Habrok Limited	Rutley Russia Property Asset Management Limited
	Habrok Master Limited	St Jacques Joint Equity IC Limited
	Hume Global Investors PCC Limited	St Jacques Notes IC Limited
	IMMF USD Investments Limited	Warwick Investments Limited
	JO Holding Company Limited	Zenith International Multi-Manager Funds Limited
	JR Holding Company Limited	
	Marwyn Asset Management SPC	
	Marwyn Capital Management Limited	
	Marwyn Management General Partner Limited	
	Marwyn Value Investors (Pte) Limited	
	Marwyn Value Investors (Unlisted Feeder) Limited	
	Marwyn Value Investors Limited	
	MAST Investment Holdings Limited	
	MAST Investments Limited	
	MAST Solutions Limited	
	Mortality Fund I	
	Park Avenue Investments Limited	
	PQ61 Limited	
	Providence Financial Solutions Limited	
	Providence Global Limited	
	Providence International Trading Ltd	
	Providence Investment Funds PCC Limited	
	Providence Investments PCC Limited	
	Providence Wealth Limited	
	Providence Wealth International Limited	
	PSR Financial Limited	
	PSR Investments Limited	
	Securis General Partner Limited	
	Securis I Fund	
	Securis I Master Fund	
	Securis II Fund – SPC	
	Securis Life Fund	
	Securis Life Master Fund	
	Securis Non-Life Fund	
	Securis Non-Life Master Fund	
	Securis Opportunities Fund	
	Securis Opportunities Master Fund	
	St Jacques Investments ICC Limited	
	Strategic Capital Partners PCC Limited	
	Strategic Holdings Limited	
	Supremacy Holdings Limited	
	Trinidad Holdings Limited	
	Universal Mutual Fund ICC Limited	

<i>Name</i>	<i>Current Directorships/Partnerships</i>	<i>Previous Directorships/Partnerships</i>
Paul Everitt (continued)	Warwick Funds (Channel Islands) Limited Warwick International Fund PCC Limited Worldwide Mutual Fund PCC Limited Worsley Asset Management Limited Zenith International Bond Fund Limited Zenith International Reserves Limited	
Roger Parry	EW Group Limited ACGB Holding Company Limited ALQ Holdings Limited Boxer Properties Limited Bric Holdings Limited Capital & Marketing PCC Limited Central Nexus Fund Limited Dabble Investments Limited Diversified International Markets Company Limited Fund Corporation of the Channel Islands Limited GHP Asset Management Limited GHP Russia Real Estate Advisers Holdings Limited IMMF USD Investments Limited JO Holding Company Limited JR Holding Company Limited Marwyn Management Partners Subsidiary Limited MAST Investment Holdings Limited Metropolitan European Transport Investments Ltd PQ61 Limited Providence Global Limited Providence International Trading Limited Providence Investment Management Intl Limited PSR Financial Limited PSR Investments Limited Silvercloud Investments Limited St Jacques Investments ICC Limited Strategic Capital Partners PCC Limited Strategic Holdings Limited Trinidad Holdings Limited Worsley Asset Management Limited	Aerarius Fund Management Limited Aerarius PCC Limited AMAM Investments Limited AssetHouse Investments Limited Bayit Residential Investments Limited Brand Holdings Limited Central Nexus Wealth Management Limited Global Dynamic Investments Limited Global Elite Investments Limited MBMG Investments Limited Optimus Capital (Guernsey) Limited Optimus PCC Limited The Osmium Company Limited Platinum Investment Holdings Limited PSR Group Limited PSR Holdings Limited RRAM Limited Rutley Russia Property Asset Management Limited St Jacques Joint Equity IC Limited St Jacques Notes IC Limited Warwick Investments Limited Worsley Corporate Services Limited

<i>Name</i>	<i>Current Directorships/Partnerships</i>	<i>Previous Directorships/Partnerships</i>
John Morton	European Wealth Investment Funds plc EW Group Limited European Investment Management Limited European Financial Planning Limited Hermes Capital UK Limited Epsom Racing Staff Welfare Limited National Youth Music Theatre Limited Hermes Pacific Investments plc MGC Group Limited (Dormant) MGC Asset Management Limited (Dormant)	MGC Financial Planning Limited (Dormant)
Tim Revill	EW Group Limited European Wealth Management Group Limited Argon Ventures LLC Bud Consulting LLC European Export Institute Limited Fabrica de Cerveza Kettal SL Fiander Properties Limited Nightingale Equities Limited Pan European Holdings Limited Stan James plc Southern Rock Insurance Company Limited The Kettal Brewing Company Limited	STM Group plc Angelmist Properties Limited Cristina Developments SL Fidecs Personal Financial Planning Limited MC Leisure Limited Pharma Medico Research Limited Practical Holdings Limited Retire to the Sun Limited Retire to the Sun Limited (Ireland) Retire to the Sun Limited (Gibraltar) Star Light Limited STM Citadel Group Limited STM Fiduciaire Group Limited STM Nummos SL Westsaxon Investment Corporation
Kishore Gopaul	EW Group Limited European Wealth Management Group Limited European Investment Management Limited Rolamgold Limited Attwoods Residential Care Homes Limited Courvoisier & Associés S.A. CNG Participations & Gestion S.A. Courvoisier Holding Financière S.A. Courvoisier Capital S.A. MerchantBridge (Switzerland) S.A. Laboratoires Genolier – CSPV Genève S.A. Nescens S.A.	HYSQIA Cosmetics Sàrl Man Entertainment Limited

<i>Name</i>	<i>Current Directorships/Partnerships</i>	<i>Previous Directorships/Partnerships</i>
Kishore Gopaul (continued)	Swiss Cosmetic Partners S.A. Geneva Luxury Group S.A. Geneva Luxury Advisors Sàrl Cayoo S.A.	HYSQIA Cosmetics Sàrl Man Entertainment Limited
Roderick Gentry	EW Group Limited European Investment Management Limited European Wealth Management Group Limited European Financial Planning Limited Mathews, Smith (Financial Consultants) Limited Ernest Noad & Associates Limited MGC Asset Management Limited MGC Financial Planning Limited MGC Group Limited	Ashcourt Rowan Asset Management Limited Ashcourt Holdings Limited Independent Financial Solutions Group Limited AR Pension Trustees Limited Ashcourt Rowan Administration Limited CMS Capital Limited Association of Solicitors and Investment Managers Independent Financial Solutions (Consultancy) Limited PO Nominees Limited
Buzz West	Gab Robins Holdings UK Limited Gab Robins UK Limited Kenneth West Associates Hume Capital Guernsey Limited Norcon plc Pinnacle Plus Limited Hume Securities plc	Savoy Asset Management Limited Ashcourt Rowan plc Altair Financial Services International plc

7.5 Save as disclosed above, no Director nor Proposed Director:

- (i) has any convictions in relation to fraudulent offences; or
- (ii) has been bankrupt or the subject of an individual voluntary arrangement, or has had a receiver appointed to any asset of such Director or Proposed Director; or
- (iii) has been a director of any company which, while he was a director or within 12 months after he ceased to be a director, had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration or company voluntary arrangement, or made any composition or arrangement with its creditors generally or with any class of its creditors; or
- (iv) has been a partner of any partnership which, while he was a partner or within 12 months after he ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset: or
- (v) has had any public criticism and/or sanction by statutory or regulatory authorities (including designated professional bodies); or
- (vi) has 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.

7.6 So far as the Directors are aware and save as disclosed in paragraph 7.8 below in respect of major shareholders, no person, directly or indirectly, jointly or severally, exercises or could exercise control over the Company and, so far as the Directors are aware, there are no arrangements the operation of which may at a later date result in a change of control of the Company.

- 7.7 So far as the Directors are aware, there are no arrangements the operation of which may at a later date result in a change of control of the Company.
- 7.8 Save as disclosed in paragraph 7.1 and 7.2 above and as set out below, the Company is not aware of any person who will, immediately prior to Admission, be directly or indirectly interested in three per cent. or more of the Enlarged Issued Share Capital or voting rights of the Company:

<i>Shareholder Name</i>	<i>Prior to Admission</i>		<i>Following Admission⁵</i>	
	<i>Existing EWG Shares</i>	<i>%</i>	<i>New Ordinary Shares</i>	<i>%</i>
Courvoisier ¹	98,101,263	15.48	1,635,021	12.41
Hearth Investments ²	77,720,613	12.26	1,295,343	9.83
George Robb ⁴	39,316,357	6.20	863,116	6.55
Susan Roughley	12,091,266	1.91	447,393	3.40

Notes:

1. Courvoisier is interested in 98,101,263 Existing EWG Shares; Kishore Gopaul is a director of Courvoisier.
 2. Hearth Investments, as trustee of the Revill Family Settlement, is interested in 77,720,613 Existing EWG Shares; Tim Revill is a potential beneficiary of the settlement.
 3. George Robb holds 7,444,928 Existing EWG Shares in his own name and 30,371,429 Existing EWG Shares in two SIPP accounts. George Robb has a beneficial interest in 1,500,000 Existing EWG Shares held by Moira Robb. This figure does not include the Existing EWG Shares held by his adult children.
 4. Post Capital Reorganisation as set out in paragraph 18 of Part I. The above table does not include any interests in Deferred Shares, since these carry no voting rights and are expected to be redeemed after Admission as permitted under the New Articles.
- 7.9 Save as disclosed in paragraph 7.1 and 7.2 above and as set out below, the Company is not aware of any person who will, immediately following Admission, be directly or indirectly interested in three per cent. or more of the CLS:

<i>CLS Holder</i>	<i>Following Admission</i>	
	<i>CLS held (£)</i>	<i>%</i>
Courvoisier	2,773,580	48.25
CNG	718,920	12.51
Susan Roughley	230,340	4.01

Note:

1. Post Admission, Courvoisier will be interested in CLS totalling £2,773,580, CNG will be interested in £718,920. Kish Gopaul is a director of both Courvoisier and CNG.
- 7.10 None of the Company's major holders of shares listed above has voting rights which are different from other holders of Existing EWG Shares or New Ordinary Shares or CLS (as the case may be).
- 7.11 There are no loans made or guarantees granted or provided by any member of the Enlarged Group to or for the benefit of any Director.
- 7.12 Save as disclosed in this document, no Director is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Enlarged Group and which was effected by any member of the Enlarged Group during the current or immediately preceding financial year or which was effected any member of the Enlarged Group during any earlier financial year and remains in any respect outstanding or unperformed.
- 7.13 Other than by virtue of their holdings of Existing EWG Shares or New Ordinary Shares or CLS (as the case may be) referred to in paragraph 7.1 and 7.2 above, in respect of the Directors, there are no conflicts of interest between any duties they have to the Company and their private interests and/or other duties they may have.

8. Directors' service contracts

Directors of EWG (existing and proposed)

Alan John Morton

- 8.1 Alan John Morton has entered into a letter of appointment with EWG as non-executive director dated 5 March 2013. The agreement may be terminated by either party providing one months' written notice. The agreement provides for an annual fee of £6,000 and such additional fee (if any) as may be agreed by the majority of the board of EWG in respect of any committee appointment and/or any appointment as a director of any group company. It is understood Mr Morton is not actually paid this fee and he has *de facto* been waiving his entitlement to it. The agreement also provides for: the reimbursement of reasonable and properly documented expenses incurred in the performance of duties; and the benefit of directors' and officers' liability insurance. Mr Morton also receives the following benefits: a contribution of 10 per cent. into his personal pension scheme, private medical insurance, permanent health insurance, life assurance and critical illness insurance.
- 8.2 Mr Morton has also entered into a consultancy agreement with EWMG dated 5 October 2010. The agreement may be terminated by either party by providing three month's written notice. The agreement provides for a monthly fee of £16,666.66 (plus VAT if appropriate).
- 8.3 It is proposed that upon Admission, the letter of appointment and consultancy agreement referred to above will be terminated and Mr Morton will enter into a service agreement with EWG, under which his position shall be executive director and chairman of EWG. The agreement shall be terminable by either party providing 12 months' written notice. The agreement provides for an annual salary of £175,000 and the following benefits: a contribution of 10 per cent. salary to Mr Morton's personal pension scheme, private medical insurance, permanent health insurance, life assurance and critical illness insurance. There is provision for the reimbursement of reasonable expenses and directors' and officers' liability insurance. Mr Morton is also entitled to a discretionary bonus.

Roderick Gentry

- 8.4 Roderick Gentry has entered into a letter of appointment with EWG as non-executive director dated 28 April 2012. The agreement may be terminated by either party providing one months' written notice. The agreement provides for an annual fee of £6,000 and such additional fee (if any) as may be agreed by the majority of the board of EWG in respect of any committee appointment and/or any appointment as a director of any group company. It is understood Mr Gentry is not actually paid this fee and he has *de facto* been waiving his entitlement to it. The agreement also provides for: the reimbursement of reasonable and properly documented expenses incurred in the performance of duties; and the benefit of directors' and officers' liability insurance.
- 8.5 Mr Gentry has also entered into a service agreement with EWMG dated 5 October 2010. The agreement may be terminated by either party providing six months' written notice. The agreement provides for an annual salary of £175,000 and the following benefits: a contribution of 10 per cent. salary to Roderick Gentry's personal pension scheme, private medical insurance, permanent health insurance, life assurance and critical illness insurance. There is provision for the reimbursement of reasonable expenses and directors' and officers' liability insurance. Mr Gentry is also entitled to a discretionary bonus.
- 8.6 It is proposed that upon Admission, the letter of appointment referred to above will be terminated and Mr Gentry will enter into a service agreement with EWG, under which his position will be executive director. The agreement shall be terminable by either party providing 12 months' written notice. The agreement provides for an annual salary of £175,000 and the following benefits: a contribution of 10 per cent. salary to Mr Gentry's personal pension scheme, private medical insurance, permanent health insurance, life assurance and critical illness insurance. There is provision for the reimbursement of reasonable expenses and directors' and officers' liability insurance. There is no entitlement to a bonus.

Timothy John Revill

- 8.7 Timothy John Revill has entered into a letter of appointment with EWG as non-executive director dated 15 February 2012. The agreement may be terminated by either party providing one months' written notice. The agreement provides for an annual fee of £12,000 and such additional fee (if any) as may be agreed by the majority of the board of EWG in respect of any committee appointment and/or any appointment as a director of any group company. The agreement also provides for: the reimbursement of reasonable and properly documented expenses incurred in the performance of duties; and the benefit of directors' and officers' liability insurance. It is proposed that on Admission, this agreement shall be replaced by an updated version, which shall provide substantively the same benefits and an annual fee of £18,000 for a time commitment of two days per month with a further £1,000 per day payable in respect of any days worked in excess of that.
- 8.8 There is an agreement between EWMG and Bud Consulting LLC, dated 23 October 2012, which relates to the provision of the services of Mr Revill to EWMG as a non-executive director. There is no provision for any period of notice to be provided by either party in order to terminate the agreement. The agreement provides for an annual fee of £10,000. The agreement also provides for: the reimbursement of reasonable and properly documented expenses incurred in the performance of duties; and the benefit of directors' and officers' liability insurance. On 15 January 2014 Mr Revill resigned his directorship of EWMG and this agreement was therefore terminated as of that date.

Kishore Kumar Gopaul

- 8.9 Kishore Kumar Gopaul has entered into a letter of appointment with EWG as non-executive director dated 28 April 2012. The agreement may be terminated by either party providing one months' written notice. The agreement provides for an annual fee of £6,000 and such additional fee (if any) as may be agreed by the majority of the board of EWG in respect of any committee appointment and/or any appointment as a director of any group company. The agreement also provides for: the reimbursement of reasonable and properly documented expenses incurred in the performance of duties; and the benefit of directors' and officers' liability insurance. It is proposed that on Admission, the existing letter of employment shall be replaced by an updated version, which shall provide substantively the same benefits and an annual fee of £18,000 for a time commitment of two days per month with a further £1,000 per day payable in respect of any days worked in excess of that.
- 8.10 Mr Gopaul has entered into a letter of appointment with EWMG as non-executive director dated 21 June 2011. The agreement may be terminated by either party providing three months' written notice. The agreement provides for an annual fee of £10,000. The agreement also provides for: the reimbursement of reasonable and properly documented expenses incurred in the performance of duties; and the benefit of directors' and officers' liability insurance. In practice, Mr Gopaul is paid the quarterly sum of £3,100 which covers his fee and expenses under this agreement. It is proposed that upon Completion, the existing letter of appointment shall be terminated.

Paul Everitt

- 8.11 Paul Everitt is engaged as an executive director of EWG. His services (together with those of Roger Parry) are provided through Fund Corporation of the Channel Islands Limited and are governed by an administration agreement dated 30 July 2009. The agreement may be terminated by either party providing three months' notice. The agreement provides for an annual fee of £10,000 in respect of his services as a director. This agreement will be terminated upon Completion and Roger Parry shall resign as a director of EWG.
- 8.12 Upon Admission, Mr Everitt will enter into a letter of appointment with EWG as a non-executive director. The agreement shall be terminable by either party providing one months' written notice. The agreement shall provide for an annual fee of £12,000 and such additional fee (if any) as may be agreed by the majority of the board of EWG in respect of any committee appointment and/or any appointment as a director of any group company. The agreement also provides for: the reimbursement of reasonable and properly documented expenses incurred in the performance of duties; and the benefit of directors' and officers' liability insurance.

Roger Parry

8.13 Roger Parry is engaged as an executive director of EWG. His services (together with those of Paul Everitt) are provided through Fund Corporation of the Channel Islands Limited and are governed by an administration agreement dated 30 July 2009. The agreement may be terminated by either party providing three months' notice. The agreement provides for an annual fee of £10,000 in respect of his services as a director. This agreement will be terminated upon Admission and Roger Parry shall resign as a director of EWG.

Kenneth Reginald Dawson West

8.14 Upon Admission, Kenneth Reginald Dawson West shall enter into a letter of appointment with EWG as non-executive director. The agreement shall be terminable by either party providing one month's written notice. The agreement shall provide for an annual fee of £12,000 for a time commitment of two days per month. The agreement also provides for: the reimbursement of reasonable and properly documented expenses incurred in the performance of duties; and the benefit of directors' and officers' liability insurance.

8.15 Upon Admission, the Company shall enter into a consultancy agreement with Fernshaw Development Group Limited for the provision of services of Mr West as a consultant at a rate of £1,000 per day. The consultants agreement also provides for the reimbursement of expenses incurred in the performance of the services under the consultancy agreement.

8.16 The Directors receive no New Ordinary Shares or options over New Ordinary Shares in lieu of remuneration or as any form of compensation. The share option grants disclosed in paragraphs 4.9 and 4.10 of Part VIII are made in addition to the remuneration packages disclosed above.

8.17 Other than as disclosed in this paragraph 8, no member of the Group is party to any service contract with any of the Group's senior management which provides for benefits on the termination of any such arrangement.

8.18 It is anticipated the following pension benefit shall be accrued in respect of the Directors as at Completion: Alan John Morton – £8,333.36; and Roderick Gentry – £8,333.36.

8.19 Save as disclosed in this paragraph 8 there are no existing or proposed service or consultancy agreements between any Director and any member of the Group.

8.20 In the year ended 2013 the total aggregate remuneration paid, and benefits-in-kind granted, to the Directors was £461,358.82. The amounts payable to the Directors by the Group under the arrangements in force at the date of this document in respect of the year ending 31 December 2014 are estimated to be £91,000 (excluding any discretionary payments which may be made under these arrangements).

9. Material contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the members of the Enlarged Group and its subsidiaries during the two years preceding the date of this document and are or may be material:

Agreements relating to the Acquisition

9.1 Pursuant to the SPA, the EWMG Shareholders and CNG have agreed to sell, and the Company has agreed to buy, all of the interests (legal and/or beneficial) in the EWMG Shares held by the EWMG Shareholders and CNG. The consideration payable by the Company for the transfer to it of such EWMG Shares shall be satisfied, on Completion, by the allotment and issue to the EWMG Shareholders and CNG by the Company of the Consideration Shares and CLS.

Under the terms of the SPA, certain EWMG Shareholders have given various warranties which are usual for a transaction of this nature. The warranties (apart from those warranties relating to title to the EWMG, which are not subject to any limitations) are subject to certain limitations including de

minimis monetary claim limits and a maximum overall claim limit of £750,000. The time limit for bringing a claim for breach of warranty is fifteen months from the date of Completion.

The Company has also agreed to give, in favour of the EWMG Shareholders and CNG, certain warranties in respect of itself.

The SPA, which is subject to completion prior to a long stop date of 30 May 2014, is conditional, *inter alia*, upon approval by the Shareholders of the Resolutions, submission by the market operations team at the London Stock Exchange of an AIM trading notice in respect of the Enlarged Issued Share Capital and the CLS pursuant to which the admission of both to trading on AIM shall become effective on the following Business Day, there being no material adverse change in the Group, the transfer of the beneficial interest in certain shares in EWMG by each of John Morton, Rod Gentry and Susan Roughley to CNG and the Waiver being granted and such Waiver remaining in effect until Completion.

Agreements relating to the Group

- 9.2 EWMG acquired the entire issued share capital of Ernest Noad & Associates Limited under an agreement dated 27 September 2012. The maximum purchase price for the shares is £371,500. Two of four deferred consideration payments are yet to be paid with both being payable by 30 September 2014.
- 9.3 EFP purchased the business and assets of Bradley Stuart from Peter Mullins under an agreement dated 18 October 2012, as amended by a deed of amendment dated 27 February 2014 (referred to in this paragraph 9.3 as the “Bradley Stuart Agreement”). Under the Bradley Stuart Agreement, EFP agreed to pay Peter Mullins £650,000 plus up to 158,158 EWMG Shares and a deferred consideration of up to £1,250,000; together amounting to £2,300,000 in aggregate. In addition, Peter Mullins was also to receive a further consideration of 12 per cent. of the turnover of the Bradley Stuart business in the period to 18 October 2014 (“Turnover Payments”). As at the date of this document, £1,442,665 is still due to Peter Mullins, before any Turnover Payments. These outstanding amounts may be settled in EWMG Shares, New Ordinary Shares, CLS or cash.
- 9.4 EWMG has entered into a number of loan agreements with the Company and also a number of related parties, the terms of which are summarised in paragraph 15 of this Part VIII.

Nominated Adviser Agreement

- 9.5 A nominated adviser and broker agreement dated 16 April 2014 between the Company, the Directors, the Proposed Director and Daniel Stewart pursuant to which the Company has appointed Daniel Stewart to act as nominated adviser and broker to the Company. The Company has agreed to pay to Daniel Stewart a fee of £30,000 plus VAT per annum. The agreement may be terminated by either party giving not less than three months’ notice, such notice not to end prior to the date falling one year from the commencement of the agreement.

Admission Agreement

- 9.6 The Admission Agreement pursuant to which Daniel Stewart has conditionally agreed, on and subject to the terms set out therein, to act as nominated adviser and broker to the Company and submit the application for Admission. The agreement is conditional, *inter alia*, upon the approval of the Acquisition by Existing Shareholders at the Extraordinary General Meeting and Admission.

The Company will pay Daniel Stewart a fee of £100,000, together with all costs and expenses and VAT thereon in relation to the provision of services under the agreement and all expenses of and incidental to the application for Admission, including the fees and costs of other professional advisers, all costs relating to the application for Admission, including printing, advertising and distribution charges, and the fees payable to the London Stock Exchange.

The Company, the Directors and the Proposed Director have given certain warranties in favour of Daniel Stewart. Daniel Stewart may terminate the agreement in specified circumstances prior to Admission, principally in the event of a material breach of the Admission Agreement which is adverse

in the context of Admission or a breach of any of the warranties contained in the agreement or the Acquisition.

Orderly Market Arrangement

9.7 On 16 April 2014 Daniel Stewart, the Company and the Directors, Proposed Directors, the EWMG Concert Party and Courvoisier Concert Party entered into an orderly market deed pursuant to which each of the Directors, Proposed Director, and the members of the EWMG Concert Party and Courvoisier Concert Party undertakes to the Company and Daniel Stewart that during an orderly market period of 12 months from Admission, they will only dispose of any interest in New Ordinary Shares or CLS that they may have on Admission (or subsequently acquire) in accordance with orderly market principles with prior written notice to the Company's nominated adviser and broker, such disposal to be made through the Company's broker, except in certain restricted circumstances. The deed is conditional, *inter alia*, upon Admission.

Re-registration of EWMG as a private company

9.8 On 10 April 2014, the holders of the issued ordinary shares of EWMG approved resolutions re-registering EWMG as a private company limited by shares and adopting new articles of association appropriate for a private company which essentially retained the rights of the existing classes of shares in EWMG (the largest required change being the removal of the references to a potential listing of EWMG's shares) The principal reason for this re-registration was to take advantage of some of the simplified procedures available to private companies. The letter from the board of directors of EWMG sent to shareholders of EWMG on 1 April 2014 in relation to this re-registration contained a note in the form recommended by the Panel detailing the loss of protection under the Code that would be a result of the re-registration of EWMG as a private company limited by shares.

Debt Transfer Deeds

9.9 A debt transfer deed dated 16 April 2014 between the Company, EWMG and each of John Morton, Rod Gentry, Susan Roughley and Geoffrey Dearing ("**Founder Transferors**") pursuant to which the Founder Transferors have conditionally agreed to transfer and assign debts in an aggregate amount of £377,943 due to them from EWMG to EWG in consideration of the issue to them of £377,920 CLS. The deed is conditional, *inter alia*, upon passing of certain of the Resolutions and Completion.

9.10 A debt transfer deed dated 16 April 2014 between the Company, EWMG, Courvoisier and CNG to which Courvoisier conditionally agreed to transfer and assign debts in an aggregate amount of £154,055 due to them from EWMG to EWG in consideration of the issue to them of £154,050 CLS. The deed is conditional, *inter alia*, upon passing of certain of the Resolutions and Completion.

EWMG Loan Agreement with Founders

9.11 EWMG has borrowed money from related parties pursuant to the following unsecured interest bearing loan agreements (such loan agreements relating to John Morton, Rod Gentry, Susan Roughley, Geoffrey Dearing and Courvoisier being subject to the debt transfer deeds detailed in paragraphs 9.9 and 9.10 of this Part VIII):

<i>Name of Lender</i>	<i>Loan Amount</i>	<i>Interest Rate</i>	<i>Agreement Date</i>	<i>Repayment Date(s)</i>	<i>Amount Outstanding</i>
John Morton	£367,863.35	10%	14 November 2012	Initially 30 November 2013, but an unwritten agreement has been reached for this to be rolled over to 30 November 2014.	£132,487.89
Courvoisier & Associés S.A	£367,863.35	10%	14 November 2012	As above.	£154,055.24
Roderick Gentry	£367,863.35	10%	14 November 2012	As above.	£154,055.24
Susan Roughley	£127,317.82	10%	14 November 2012	As above.	£53,318.65
George Robb	£85,057.47	10%	14 November 2012	As above.	~

<i>Name of Lender</i>	<i>Loan Amount</i>	<i>Interest Rate</i>	<i>Agreement Date</i>	<i>Repayment Date(s)</i>	<i>Amount Outstanding</i>
Geoffrey Dearing	£51,034.67	10%	14 November 2012	As above.	~
Sue Roughley	£20,000	n/a	27 September 2012	Repaid in equal instalments on 5 February 2013 and 27 August.	~
George Robb	£54,623.57	n/a	3 October 2013	1 March 2013.	~
Geoff Dearing	35,392	10%	1 August 2013	Repayable on demand.	£16,513.90
John Morton	£20,000	10%	1 November 2013	Repayable on demand.	£21,567.35

Other Material Loan Agreements

- 9.12 The Company has borrowed £200,000 from Farmilion Investments Limited pursuant to a loan agreement dated 25 November 2013. The loan bears interest at the rate of 10 per cent. per annum and the loan requires repayment by 25 November 2015. The Company may prepay all or any part of the loan, in minimum payments of not less than £50,000, on 31 March, 30 June, 30 September and 31 December each year. The loan is unsecured.
- 9.13 The Company has borrowed £300,000 from Wesley Co Limited pursuant to a loan agreement dated 7 August 2013. The loan bears interest at the rate of 10 per cent. per annum and the loan requires repayment by 7 August 2015. The Company may prepay all or any part of the loan, in minimum payments of not less than £50,000, on 31 March, 30 June, 30 September and 31 December each year. The loan is unsecured.
- 9.14 The Company has entered into Deed of Assignment with George Alan Robb dated 1 October 2013 under which an unsecured loan of £85,057.47 made by George Alan Robb to EWMG was assigned to the Company in exchange for shares in the Company.
- 9.15 The Company has entered into Deed of Assignment with Geoffrey Dearing dated 1 October 2013 under which an outstanding unsecured loan of £51,034.67 made by Geoffrey Dearing to EWMG was assigned to the Company in exchange for shares in the Company.
- 9.16 On 25 March 2014, EWMG entered into a convertible loan agreement (incorrectly dated 18 March 2013) to borrow £60,000 from the Proposed Director. The loan bears interest at the rate of 10 per cent. per annum and (following amendment on 16 April 2014) the loan requires repayment by 31 May 2016 (although an incorrect reference to 18 March 2014 is made in the agreement). Prior to repayment the Company may convert the loan into shares in the Company. The loan is unsecured.
- 9.17 On 25 March 2014, EWMG entered into a convertible loan agreement (incorrectly dated 18 March 2013) to borrow £40,000 from Hearth Investments Limited. The loan bears interest at the rate of 10 per cent. per annum and (following amendment on 16 April 2014) the loan requires repayment by 31 May 2016 (although an incorrect reference to 18 March 2014 is made in the agreement). Prior to repayment the Company may convert the loan into shares in the Company. The loan is unsecured.

Irrevocable Undertakings

- 9.18 The Company has received irrevocable undertakings to vote in favour of the Resolutions from Shareholders (and, where relevant, to procure that such action is taken by the relevant registered holders if that is not them) in respect of their entire beneficial holdings totalling in aggregate 141,142,800 Existing EWG Shares, which total represents approximately 22.3 per cent. of the Existing EWG Shares.

In addition, the Company has received irrevocable undertakings to vote in favour of the Resolutions other than the Waiver Resolution from Shareholders (and, where relevant, to procure that such action is taken by the relevant registered holders if that is not them) in respect of their entire beneficial holdings totalling in aggregate 252,027,763 Existing EWG Shares, which total represents approximately 39.8 per cent. of the Existing EWG Shares.

10. Taxation

The following summary of the anticipated tax treatment in the United Kingdom and Guernsey does not constitute legal or tax advice and is based on the taxation law in force at the date of the document.

The brief summary below does not consider all aspects of taxation which may be relevant to a particular Existing Shareholder in light of the Existing Shareholder's particular circumstances (for example, tax consequences in the Existing Shareholder's jurisdiction of residence and/or a particular Existing Shareholder's tax profile). Existing Shareholders should consult their own advisers on the taxation and exchange control implications of their acquiring, holding or disposing of Existing EWG Shares or New Ordinary Shares under the laws of the jurisdiction in which they may be liable to taxation. While this summary is considered to be a correct interpretation of existing laws in force on the date of this document, no assurance can be given that courts or other authorities responsible for the administration of such laws will agree with this interpretation or that changes in such laws will not occur.

Unless specifically requested, an update of this disclosure for subsequent changes or modifications of the law and regulations, or to the judicial and administrative interpretations thereof, will not be made.

UK Taxation

The following statements are based on current UK legislation and an understanding of current HMRC published practice as at the date of this document. The paragraphs are intended as a general guide and, except where express reference is made to the position of non-UK residents, apply only to Existing Shareholders who are resident and, if individuals, ordinarily resident and domiciled in the UK for tax purposes. They relate only to such Existing Shareholders who hold Existing EWG Shares directly as an investment (other than under an individual savings account) and who are absolute beneficial owners of those Existing EWG Shares. These paragraphs do not deal with certain types of shareholders, such as persons who hold or who have acquired Existing EWG Shares in the course of trade or by reason of their, or another's, employment, or collective investment schemes and insurance companies or persons who are also resident in another jurisdiction.

If you are in any doubt as to your taxation position or if you are resident or otherwise subject to taxation in any jurisdiction other than the UK, you should consult an appropriate professional adviser immediately. Existing Shareholders are referred to the section headed "Guernsey taxation" below for a description of the tax consequences of holding Existing EWG Shares or New Ordinary Shares in such jurisdiction.

The Company

It is the intention of the Directors to conduct the affairs of the Company such that the central management and control of the Company is not in the UK, although the Company expects that it will maintain a small office at EWMG's premises in London.

On the assumption that this intention is realised, the Company should not be tax resident in the UK. On this basis the Company should not be liable to UK tax on its income or gains other than on income earned in the UK office or other income deriving from a UK source.

Taxation of dividends

Any UK resident, ordinary resident and domiciled Shareholder who receives a dividend paid by the Company will be liable to UK income tax on the gross amount of any such dividend. Dividend income from the Company will be treated as forming the highest part of a Shareholder's income. The income tax rates are 10 per cent., 32.5 per cent. or 37.5 per cent. depending on the taxable income of the individual, but a deemed tax credit of 10 per cent. of the deemed dividend is to arise, the effect of which is to reduce the effective tax rates to 0 per cent., 25 per cent. and approximately 30.6 per cent. respectively.

UK resident and ordinary resident individuals who are not domiciled in the UK and pay tax on the remittance basis, will be taxed on dividends paid by the Company, but only if they are remitted to the UK. If remitted to the UK, the tax treatment will follow that outlined in paragraph above.

A UK-tax resident corporate shareholder of non-redeemable ordinary shares in the Company that receives a dividend paid by the Company will not be subject to tax in respect of that dividend subject to certain exceptions.

Trustees of discretionary trusts receiving dividends from shares are also liable to account for income tax on the gross dividend at the dividend trust rate, currently 37.5 per cent. for an effective rate of approximately 30.6 per cent. Trusts in receipt of only nominal amounts of dividends may pay tax at a lower rate.

UK pension funds and charities are generally exempt from tax on dividends that they receive.

Taxation of chargeable gains

A UK resident, ordinarily resident and domiciled individual Shareholder who disposes (or is deemed to dispose) of all or any of their shares may be liable to capital gains tax in relation thereto at rates up to 28 per cent., subject to any available exemptions or reliefs. In addition, an individual UK Shareholder who ceases to be resident or ordinarily resident in the UK for a period of less than five complete tax years and who disposes of the shares held prior to departure during that period of temporary non-residence may, under anti-avoidance legislation, be liable to capital gains tax on his or her return to the UK.

UK resident and ordinary resident individuals who are not domiciled in the UK and pay tax on a remittance basis, will be taxed on any capital gains made by them on the disposal of shares in the Company, but only if the proceeds are remitted to the UK. If remitted to the UK, the tax treatment will follow that outlined in paragraph above.

A UK resident corporate shareholder disposing of its shares in the Company may be liable to corporation tax on chargeable gains arising on the disposal at the corporation tax rate applicable to its taxable profits (currently 20 – 21 per cent.).

In computing the chargeable gain liable to corporation tax the corporate Shareholder is entitled to deduct from the disposal proceeds the cost to it of the shares together with incidental costs of acquisition, as increased by an indexation allowance to adjust for inflation, and disposal costs.

The UK operates a substantial shareholding exemption regime which may apply to the disposal of shares in the Company by a UK resident corporate shareholder subject to certain conditions being met.

Inheritance tax

Individuals and trustees subject to IHT in relation to a shareholding in the Company may be entitled to business property relief of up to 100 per cent. after a holdings period of two years providing that all the relevant conditions for the relief are satisfied at the appropriate time.

Stamp Duty and Stamp Duty Reserve Tax

No stamp duty will be payable on the issue of New Ordinary Shares. An instrument effecting or evidencing the issue or transfer of New Ordinary Shares which is executed in the UK or, where executed outside of the UK, which relates to any matter or thing done in the UK may not, except in criminal proceedings, be given in evidence or be available for any purpose in the UK unless it is duly stamped. Whether or not an instrument is stamped, however, will not affect the registration of the transfer in the Company's registers of New Ordinary Shares so long as that register is kept outside of the UK. No stamp duty reserve tax ("SDRT") will be chargeable on the issue or transfer of the New Ordinary Shares where the Company's register of New Ordinary Shares is kept outside of the UK. SDRT will be chargeable (at a rate of 0.5 per cent. of the consideration) on an agreement to transfer Depositary Interests representing the New Ordinary Shares within CREST.

The register of members of the Company is required to be kept in Guernsey under the Guernsey Companies Law.

Guernsey taxation

The following information is general in nature and relates only to Guernsey taxation applicable to the Company and the anticipated tax treatment in Guernsey that applies to persons holding New

Ordinary Shares as an investment. The summary does not constitute legal or tax advice and is based on taxation law and practice at the date of this document. Investors and prospective investors should be aware that the level and bases of taxation may change from those described and should consult their own professional advisors on the implications of acquiring, holding, disposing of, or transferring or redeeming New Ordinary Shares under the laws of the countries in which they are liable to taxation.

The Company

The Company intends to be subject to the new zero rate of tax for companies and will not apply for exempt status. The Company will pay no Guernsey income tax on its income and gains on the basis that no investments will be made in Guernsey property and the Company will not engage in any of the regulated activities which fall outside the scope of the zero rate.

Payments of dividends to shareholders who are not resident in Guernsey will not be subject to withholding tax.

Guernsey currently does not levy taxes upon capital inheritances, capital gains gifts, sales or turnover (unless the varying of investments and the turning of such investments to account is a business or part of a business), nor are there any estate duties (save for registration fees and ad valorem duty for a Guernsey Grant of Representation where the deceased dies leaving assets in Guernsey which require presentation of such a Grant).

No stamp duty or other taxes are chargeable in Guernsey on the issue, transfer, disposal, conversion or redemption of New Ordinary Shares.

In keeping with its on-going commitment to meeting international standards, the States of Guernsey completed a review of its corporate income tax regime. During the course of the review an announcement was made in relation to the removal of certain “deemed distribution” provisions. In addition, although the standard rate for corporate income tax will remain at zero per cent., with effect from 1 January 2013 the company intermediate income tax rate of ten per cent. was extended to income arising from the carrying on of business as a licensed fiduciary (in respect of regulated activities), a licensed insurer (in respect of domestic insurance business) and a licensed insurance intermediary and a licensed insurance manager.

Shareholders

Shareholders not resident in Guernsey for tax purposes will not be subject to income tax in Guernsey and will receive dividends without deduction of Guernsey income tax. Any Shareholders who are resident for tax purposes in the Islands of Guernsey, Alderney or Herm will be subject to income tax in Guernsey on any dividends paid on New Ordinary Shares owned by them.

The Company is required to provide the Director of Income Tax in Guernsey with such particulars relating to any distribution paid to Guernsey resident Shareholders as the Director of Income Tax may require, including the names and addresses of the Guernsey resident Shareholders, the gross amount of any distribution paid and the date of the payment. Shareholders resident in Guernsey should note that where income is not distributed but is accumulated, then a tax charge will not arise until the holding is disposed of. On disposal the element of the proceeds relating to the accumulated income will have to be determined.

The Director of Income Tax can require the Company to provide the name and address of every Guernsey resident who, on a specified date, has a beneficial interest in New Ordinary Shares in the Company, with details of the interest.

Shareholders are not subject to tax in Guernsey as a result of purchasing, owning or disposing of New Ordinary Shares or either participating or choosing not to participate in a redemption of Shares.

Implementation of the EU Savings Directive in Guernsey

Although not a Member State of the European Union, Guernsey, in common with certain other jurisdictions, entered into bilateral agreements with EU Member States on the taxation of savings income. From 1 July 2011 paying agents in Guernsey must automatically report to the Director of Income Tax in Guernsey any

interest payment to individuals resident in the contracting EU Member States which falls within the scope of the EU Savings Directive (2003/48/EC) (the “EU Savings Directive”) as applied in Guernsey. However, whilst such interest payments may include distributions from the proceeds of shares or units in certain collective investment schemes which are, or are equivalent to, UCITS, in accordance with EC Directive 85/611/EEC (as recast by EC Directive 2009/65/EC (recast)) and guidance notes issued by the States of Guernsey on the implementation of the bilateral agreements, the Company should not be regarded as, or as equivalent to, a UCITS. Accordingly, any payments made by a paying agent in Guernsey to Shareholders will not be subject to reporting obligations pursuant to the agreements between Guernsey and EU Member States to implement the EU Savings Directive in Guernsey. It is unclear whether paying agents in other jurisdictions that have implemented the EU Savings Directive or equivalent measures will also view the Company as outside the scope of the EU Savings Directive.

The operation of the EU Savings Directive is currently under review by the European Commission and a number of changes have been outlined which, if agreed, will significantly widen its scope. These changes could lead to the Company being required to comply with the EU Savings Directive in the future.

Anti-Avoidance

Guernsey has a wide-ranging anti-avoidance provision. This provision targets transactions where the effect of the transaction or series of transactions is the avoidance, reduction or deferral of a tax liability. At his discretion, the Director of Income Tax will make such adjustments to the tax liability to counteract the effect of the avoidance, reduction or deferral of the tax liability.

FATCA – US-Guernsey Intergovernmental Agreement

On 13 December 2013, Guernsey signed an intergovernmental agreement regarding the implementation of FATCA. The intergovernmental agreement is subject to ratification by Guernsey’s parliament and implementation of the agreement will be through Guernsey’s domestic legislative procedure. It is currently anticipated that any such legislation will come into force in 2014 and its operative provisions will take effect from 1 July 2014. Such an agreement is not expected to have a significant impact on the Company or impose onerous reporting and withholding responsibilities on the Company (if any) pursuant to FATCA as implemented in Guernsey but the position is not currently clear. Guidance Notes clarifying the exact scope and implications of the agreement are expected shortly.

UK-FATCA – UK-Guernsey Intergovernmental Agreement

On 22 October 2013 Guernsey signed a FATCA-style intergovernmental agreement with the UK (“UK-Guernsey IGA”) under which mandatory disclosure requirements may be imposed in respect of Investors in the Company who are UK resident or who are non-UK entities controlled by one or more UK resident individuals, unless a relevant exemption applies. The UK-Guernsey IGA is subject to ratification by Guernsey’s parliament and implementation of the agreement would be through Guernsey’s domestic legislative procedure. The UK-Guernsey IGA is not expected to have a significant impact on the Company or impose onerous reporting responsibilities on the Company pursuant to the UK-Guernsey IGA but the position is not currently clear. Guidance Notes clarifying the exact scope and implications of the agreement have been issued.

11. Working Capital

The Directors and the Proposed Director are of the opinion, having made due and careful enquiry, that, taking into account the Company’s and EWMG’s available working capital resources, the Enlarged Group has sufficient working capital available to it for its present requirements, that is for at least 12 months from the date of Admission.

12. Litigation

No member of the Enlarged Group is or has been involved in any governmental, legal or arbitration proceedings and the Company is not aware of any such proceedings pending or threatened by or against any member of the Enlarged Group during the 12 months preceding the date of this document which may have

or have had in the recent past a significant effect on the financial position or profitability of the Enlarged Group.

13. Significant Changes

- 13.1 Save as disclosed in this document, there has been no significant change in the financial or trading position of the Company since 31 December 2013.
- 13.2 Save as disclosed in this document and as set out in the financial information at Part V, there has been no significant change in the financial or trading position of EWMG and its subsidiaries since 31 December 2013.

14. Related Party Transactions

14.1 EWG

EWG has loaned money to its subsidiary EWMG pursuant to the following unsecured interest bearing loan agreements:

Outstanding Loans

<i>Name of Lender</i>	<i>Loan Amount</i>	<i>Interest Rate</i>	<i>Agreement Date</i>	<i>Repayment Date(s)</i>	<i>Amount Outstanding in total</i>
EW Group Limited (then named Kingswalk Investments Limited)	£450,000 convertible loan	10%	18 October 2012	18 October 2014	£2,696,440
EW Group Limited (then named Kingswalk Investments Limited)	£236,000 convertible loan	10%	30 October 2012	30 October 2014	
EW Group Limited (then named Kingswalk Investments Limited)	£50,000 convertible loan	10%	27 November 2012	27 November 2014	
EW Group Limited	£275,000	10%	31 January 2013	12 August 2014	
EW Group Limited	£610,407.13	10%	13 August 2013	12 August 2014	
EW Group Limited	£625,000	10%	9 April 2013	8 April 2014	
EW Group Limited	£500,000	10%	2 October 2013	1 October 2014	
EW Group Limited	£200,000	10%	18 December 2013	17 December 2014	

Repaid Loans

<i>Name of Lender</i>	<i>Loan Amount</i>	<i>Interest Rate</i>	<i>Agreement Date</i>	<i>Repayment Date(s)</i>	<i>Amount Outstanding</i>
EW Group Limited (then named Kingswalk Investments Limited)	£640,000 convertible loan	10%	15 May 2012	5 March 2013	£0.00
EW Group Limited (then named Kingswalk Investments Limited)	£182,000 convertible loan	10%	27 September 2012	5 March 2013	

14.2 EWMG

EWMG has borrowed money from related parties. Details of the relevant loans are set out in paragraph 9.11 of this Part VIII.

15. General

- 15.1 Daniel Stewart of Becket House, 36 Old Jewry, London, EC2R 8DD, UK, which is regulated by the Financial Conduct Authority, has given and has not withdrawn its written consent to the inclusion in this document of its name in the form and context in which it appears.

- 15.2 James Cowper LLP has given and has not withdrawn its written consent to the inclusion in this document of its report and references thereto and to its name in the form and context in which it appears and has authorised the contents of that part of this document.
- 15.3 Pursuant to article 11 of the Articles (which has an equivalent in the New Articles), the Company may give a member, or any other person who appears to the Company to have, or have had during the previous three years, a direct or indirect legal or beneficial interest in any shares in the Company, a notice requiring the member or person to disclose to the Company whether they have such an interest and (if so) what the nature of the interest was or is, and whether they know of any other person having or having had such an interest and (if so) the nature of that other person's interest.
- 15.4 It is expected that definitive certificates for New Ordinary Shares and CLS will be despatched by hand or first class post by 19 May 2014. In respect of uncertificated shares and CLS, it is expected that Shareholders' and CLS Holders' CREST stock accounts will be credited on 7 May 2014.
- 15.5 Save as disclosed in Part I, the Directors are unaware of any exceptional factors which have influenced the Company's activities.
- 15.6 Save as disclosed in Part I, there are no patents, industrial, commercial or financial contracts or new manufacturing processes which are material to the Enlarged Group's business or profitability.
- 15.7 Save as disclosed in Part I and paragraph 3.3 of Part VIII of this document, there are no investments in progress which are or may be significant to the Enlarged Group.
- 15.8 The Directors and the Proposed Director are not aware of any environmental issues that may affect the Enlarged Group's utilisation of the Enlarged Group's tangible fixed assets.
- 15.9 The historical financial information concerning EWG incorporated by reference and referred to in Part IV of this document has been audited and the reports of the auditors on the relevant statutory accounts were unqualified. The historical financial information concerning EWMG contained in Part V of this document does not comprise statutory accounts within the meaning of section 434(3) of the 2006 Act. Statutory accounts of EWMG for the two years ended 31 December 2012 have been delivered to the Registrar of Companies in England and Wales and statutory accounts for the year ended 31 December 2013 will be delivered in due course. Day, Smith & Hunter, EWMG's auditor, has made reports on the statutory accounts of EWMG for such periods. Such reports were unqualified and contained no statement under section 498(2) or 498 (3) of the 2006 Act.
- 15.10 The auditors of the Company for the years ended 31 December 2011, 31 December 2012 and 31 December 2013 were Chantrey Vellacott DFK LLP of Russell Square House, 10/12 Russell Square, London, WC1B 5LF, chartered accountants and statutory auditors, who are registered to carry out audit work by the Institute of Chartered Accountants in England and Wales. The auditors of EWMG for the years ended 31 December 2011, 31 December 2012 and 31 December 2013 were Day, Smith & Hunter, chartered accountants, whose registered address is Globe House, Eclipse Park, Siltingbourne Road, Maidstone, Kent, ME14 3EN. Day, Smith & Hunter is registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.
- 15.11 The principal activities of the Enlarged Group are described in Part I of this document. Save as disclosed in Part I of this document, there are no known trends, uncertainties, demands, commitments or events that are reasonable likely to have a material effect on the Enlarged Group's prospects for at least the current financial year.
- 15.12 There are no management incentives in place in connection with the whitewash transaction, meant to encourage or facilitate the obtaining of the Waiver.
- 15.13 Assuming Admission takes place, the total costs and expenses payable by the Company in connection with and incidental to Admission (including professional fees, the cost of printing and the fees payable to the Company's legal and other professional advisers) are estimated to amount to approximately £300,000 (excluding VAT).
- 15.14 There are no arrangements under which future dividends are waived or agreed to be waived.

- 15.15 The New Ordinary Shares and the CLS will not be admitted to trading on any regulated market or multilateral trading facility other than on AIM.
- 15.16 The Company's registrar and paying agent for the payment of dividends is Capita Registrars (Guernsey Limited), Mont Crevelt House, Bulwer Avenue, St Sampson, Guernsey, GY2 4LH.
- 15.17 Except for fees payable to the professional advisers whose names are set out in Part I of this document, payments to trade suppliers, no person has received any fees, securities in the Company or other benefit to a value of £10,000 or more, whether directly or indirectly, from the Company within the 12 months preceding the application for Admission, or has entered into any contractual arrangement to receive from the Company, directly or indirectly, any such fees, securities or other benefit on or after Admission.

16. Documents available for inspection

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excluded), at the offices of Daniel Stewart, Becket House, 36 Old Jewry, London EC2R 8DD, from the date of this document until one month from the date of Admission. The documents will also be available on the Company's website: www.ewgrouplimited.com/EWMG_Acquisition:

- (a) the Memorandum and Articles and the Amended Memorandum and New Articles;
- (b) the irrevocable commitments referred to in paragraph 9.18 of Part VIII of this document;
- (c) the financial information on EWG referred to in Part IV of this document;
- (d) the report from James Cowper LLP on the financial information on EWMG set out in Part V of this document;
- (e) the Directors' service contracts referred to in paragraph 8 of this Part VIII of the document;
- (f) the written consents of Daniel Stewart and James Cowper referred to in paragraphs 15.1 to 15.2 above; and
- (g) the material contracts referred to in paragraph 9 of Part VIII of this document.

17. Availability of this document

Copies of this document are available free of charge from the Company's registered office and at the offices of Daniel Stewart, Becket House, 36 Old Jewry, London EC2R 8DD during normal business hours on any weekday (Saturdays and public holidays excepted) and shall remain available for at least one month after Admission. Existing Shareholders may request a hard copy of the document from the Company's principal place of business at Roseneath, The Grange, St Peter Port, Guernsey GY1 2QJ or alternatively by telephone on + 44 1481 732 888.

Copies of this document will also be available free of charge on the Company's website, www.ewgrouplimited.com

Dated: 16 April 2014

EW Group Limited

(incorporated in Guernsey and registered with number 42316)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of EW Group Limited (the Company) will be held at Roseneath, The Grange, St Peter Port, Guernsey GY1 2QJ on 6 May 2014 at 9.00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed in the case of resolutions 5, 6 and 7 as ordinary resolutions and in the case of resolutions 1, 2, 3, 4 and 9 as a special resolutions:

This Notice concerns matters described in a circular to shareholders of the Company dated 16 April 2014 (the Circular). Words and expressions defined in the Circular have the same meaning in this Notice.

SPECIAL RESOLUTIONS

1. **THAT** the memorandum of association of the Company (the **Memorandum**) be amended as follows:
 - (a) in accordance with regulation 2(1)(a) of the Companies (Transitional Provisions) Regulations, 2008 (the **Regulations**) a new paragraph 2 be inserted in the Memorandum after paragraph 1 as follows (and the subsequent paragraphs be renumbered accordingly):

“The Company is a non-cellular Company within the meaning of section 2(1)(c) of the Companies (Guernsey) Law, 2008.”
 - (b) in accordance with Regulation 2(1)(a) of the Regulations paragraph 3 of the Memorandum (as renumbered) be deleted in its entirety and replaced with the following:

“The registered office of the Company is situated in Guernsey.”

in accordance with Section 15(2)(b) of the Companies (Guernsey) Law, 2008 (the **Law**).
 - (c) in accordance with regulation 2(1)(a) of the Regulations, paragraph 5 of the Memorandum (as renumbered) be amended so that it reads:

“The liability of each member of the Company is limited to the amount, if any, unpaid on the shares held by him.”,

in accordance with the requirement of Section 15(2)(d) of the Law.
 - (d) in accordance with section 38(5) of the Law, paragraph 4 of the Memorandum (as renumbered) be amended so that the objects of the Company be, and hereby are, deleted in their entirety and replaced with the following:

“The objects of the Company are unlimited.”
 - (e) the limit on the authorised share capital of the Company be removed, by the deletion of paragraph 6 of the Memorandum (as renumbered) and replacing it as follows:

“The Company may issue an unlimited number of shares with or without a par value.”;
 - (f) in accordance with Regulation 2(1)(b) of the Regulations, the Memorandum be amended by the deletion of paragraph 7 (as renumbered) and the subsequent paragraphs be renumbered accordingly.

- (g) in accordance with regulation 2(1)(b) of the Regulations, paragraph 7 of the Memorandum (as renumbered) be deleted and replaced with the following:

“The common signature of the Company may be either:

- (a) “EUROPEAN WEALTH GROUP LIMITED” with the addition of the signature of one or more officers of the Company authorised generally or specifically for such purpose, or such other person or persons as the directors may from time to time appoint; or
- (b) if the directors resolve that the Company shall have a common seal, the common seal of the Company affixed in such manner as the articles of incorporation of the Company may from time to time provide;

as the directors may, from time to time, determine either generally or in any particular case,”

in accordance with the requirements of Section 15(7) of the Law.

- (h) so as to incorporate all conforming changes to the new memorandum of incorporation produced to the meeting and signed by the chairman of the meeting for the purposes of identification.
2. **THAT**, for all purposes (including but not limited to the purposes of Section 160 of the Law), the conduct of the directors and former directors of the Company in issuing and/or converting ordinary shares and deferred shares in the capital of the Company since 14 May 2012 is hereby approved, confirmed and ratified in all respects as an action of the Company.
3. **THAT**, in accordance with Section 42(1) of the Law, the articles of incorporation produced to the meeting and signed by the chairman of the meeting for the purposes of identification (the **New Articles**) be approved and adopted as the new articles of incorporation of the Company in substitution for, and to the exclusion of, the existing articles of incorporation and, for the avoidance of doubt, the existing ordinary shares of 0.1p each in the capital of the Company are classified as “ordinary shares”, as defined in the New Articles and having the rights provided under the New Articles.
4. **THAT** the Company modify its investment objective and strategy to invest solely in European Wealth Management Group Limited to concentrate and exploit opportunities for growth, both organically and by acquisition, within the wealth management industry.

ORDINARY RESOLUTIONS

5. **THAT**, subject to and conditional upon the passing of Resolutions 1 and 3, and pursuant to articles 3.4, 3.5 and 3.6 of the New Articles:
- (a) each whole block of 60 ordinary shares of 0.1p each held by each member are consolidated and converted such that:
- (i) 50 of the ordinary shares are consolidated into one new ordinary share of 5p par value (“New Ordinary Shares”); and
- (ii) the remaining 10 ordinary shares are:
- (A) consolidated into a share of 1p par value having the same rights as are applicable to ordinary shares; and
- (B) immediately converted into a new deferred share of 1p par value; and
- (b) upon the consolidation and conversion occurring all of the remaining ordinary shares of 0.1p each in the capital of the Company held by each member are redeemed at par by the directors of the Company.

6. **THAT**, subject to and conditional upon the passing of Resolutions 1 and 3, in substitution for all existing authorities for the allotment of shares by the Board, which are hereby revoked, the Board be and they are hereby generally and unconditionally authorised, pursuant to Article 2.2 of the New Articles, to allot and issue wholly for cash up to, in aggregate, 26,000,000 New Ordinary Shares, of which up to 7,000,000 New Ordinary Shares may be issued on a non-pre-emptive basis and this authority shall expire fifteen months from the date of this resolution, save that the Company may before such expiry make an offer or agreement which would or might require New Ordinary Shares to be allotted and issued after such expiry and the Directors may allot New Ordinary Shares in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.
7. **THAT**, subject to and conditional upon the passing of Resolution 8, the proposed acquisition of the entire issued share capital of European Wealth Management Group Limited not already owned by the Company on the terms of a share purchase agreement dated 16 April 2014 and made between the Company, the EWMG Shareholders and CNG (as each such term is defined in the admission document dated 16 April 2014 of which this notice forms part (the **Admission Document**)) be and is approved for all purposes, including without limitation, the purposes of Rule 14 of the AIM Rules for Companies published by London Stock Exchange plc (the **Acquisition**) and the directors be and are authorised to waive, amend, vary or extend any of the conditions and terms of the Acquisition.

INDEPENDENT SHAREHOLDER RESOLUTION

8. **THAT**, subject to and conditional upon the passing of Resolution 7, the waiver granted by the Panel on Takeovers and Mergers of any obligation which might otherwise fall on the EWMG Concert Party (as defined in the Admission Document), or any member of the EWMG Concert Party, to make a general offer to the shareholders of the Company pursuant to Rule 9 of the City Code on Takeover and Mergers as a result of:
 - (a) the issue of the Consideration Shares (as defined in the Admission Document) to be issued to the EWMG Concert Party pursuant to the Acquisition;
 - (b) the conversion by any member of the EWMG Concert Party of any or all of the CLS (as defined in the Admission Document) to be issued to such member of the EWMG Concert Party pursuant to the Acquisition into New Ordinary Shares; and/or
 - (c) the exercise of its Options held by any member of the EWMG Concert Party,be and is approved.

SPECIAL RESOLUTIONS

9. **THAT**, in accordance with Section 25(2) of the Law, the name of the Company be changed to European Wealth Group Limited.

BY ORDER OF THE BOARD

John Morton
Chairman

Date: 16 April 2014

Registered Office:
Roseneath
The Grange
St Peter Port
Guernsey
GY1 2QJ

NOTES:

1. A copy of the proposed new Memorandum of Incorporation, a copy of the proposed new Articles of Incorporation and a copy of this Notice of Extraordinary General Meeting will be available for inspection at the registered office of the Company during normal business hours on any weekday (excluding Saturday, Sunday and public holidays) and at <http://www.ewgrouplimited.com> from the date of the Notice of Extraordinary General Meeting until (and including) the date of the Extraordinary General Meeting and for 15 minutes prior to and during the Extraordinary General Meeting.
2. Any shareholder entitled to attend, speak and vote at the meeting is entitled to appoint one or more proxies to attend, speak and, on a poll, vote instead of him. A proxy need not be a shareholder of the Company. A shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by the shareholder. A shareholder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way. A proxy may be an individual or a body corporate who need not be a shareholder of the Company.
3. In the case of a shareholder which is a company, the instrument appointing a proxy must be executed under the shareholder's common seal (or in any other manner permitted by law and having the same effect as if executed under seal) or under the hand of a duly authorised officer, attorney or other person.
4. The Form of Proxy, together with, if appropriate, any power of attorney or other authority or a notarially certified copy of any power of attorney or other authority (if any) under which it is signed, must be deposited at the Company's registrars, Capita, PXS 1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, not later than 48 hours before the time appointed for holding the meeting.
5. To appoint more than one proxy to vote in relation to different shares within your holding you may photocopy the form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which in aggregate should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All Forms of Proxy must be signed and should be returned together in the same envelope.
6. In the case of joint holders, the vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority will be determined by the order in which the names stand in the register of shareholders in respect of the joint holding.
7. Any corporation which is a shareholder of the Company may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of any class of shareholders of the Company and the person so authorised shall be entitled to exercise the same power on behalf of the corporation which he represents as that corporation could exercise if it were an individual shareholder of the Company.
8. To change your proxy instructions, simply submit a new proxy appointment using the method set out above. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence. Please note that the cut-off time for receipt of proxy appointments also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.
9. Return of a completed Form of Proxy will not preclude a shareholder from attending and voting personally at the meeting. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
10. Pursuant to the articles of association of the Company, the Company specifies that only shareholders entered on the register of shareholders of the Company will be entitled to receive notice of the meeting. In addition, only shareholders registered in the register of shareholders of the Company 48 hours before the time fixed for the meeting or adjourned meeting shall be entitled to attend, speak and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register after such time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
11. The quorum for a meeting of shareholders is two or more shareholders (provided that they are entitled to vote on the business to be transacted at the meeting) present in person or by proxy or by duly authorised representative of a corporation.
12. If, within five minutes from the appointed time for the meeting (or such longer time not exceeding one hour as the Chairman may determine to wait), a quorum is not present, the meeting shall stand adjourned to such time (not being less than fourteen nor more than 28 days thereafter) and place (outside the UK) as the Board may determine. At the adjourned meeting one member present in person or by proxy shall constitute a quorum.
13. The majority required for the passing of the ordinary resolutions is more than fifty per cent (50%) of the total number of votes cast in favour of each resolution. The majority required for the passing of special resolutions (if any) is not less than seventy five per cent (75%) of the total number of votes cast in favour of the resolution.
14. Only Independent Shareholders may vote on resolution 8.
15. If the resolutions are duly passed at the meeting (or any adjourned meeting thereof), and other necessary formalities are completed, this will result in all of the proposed resolutions becoming binding on each shareholder in the Company whether or not they voted in favour of the resolutions, or voted at all.
16. To allow effective constitution of the meeting, if it is apparent to the chairman that no shareholders will be present in person or by proxy, other than by proxy in the chairman's favour, then the chairman may appoint a substitute to act as proxy in his stead for any shareholder, provided that such substitute proxy shall vote on the same basis as the chairman.

