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

This document does not constitute a prospectus for the purposes of the Prospectus Rules and has not been approved by the Financial Services Authority but comprises an AIM admission document drawn up in accordance with the AIM Rules for Companies.

Application has been made to the London Stock Exchange for the Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that unconditional dealings in the Ordinary Shares will commence on AIM on 15 May 2008. The Ordinary Shares are not dealt in on any other recognised investment exchange and no application is being or has been made for the Ordinary Shares to be admitted to any such exchange. The Ordinary Shares are also admitted to trading on Sharemark and application has also been made for the Ordinary Shares to be admitted to trading on PLUS Markets.

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

Your attention is also drawn to the discussion of risks and other factors which should be considered in connection with an investment in the Ordinary Shares, set out in “Risk Factors” in Part II of this document.

The Company and each of the Directors, whose names appear on page 3 of this document, accept responsibility for the information contained in this document. The Company and the Directors declare that, having taken all reasonable care to ensure that such is the case, the information contained in this document is, to the best of their knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information. In connection with this document, no person is authorised to give any information or make any representation other than as contained in this document.

Share plc

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 2966283)

Admission to trading on AIM

KBC Peel Hunt Ltd

Nominated Adviser and Broker

The Offer for Subscription made by the Company is conditional, *inter alia*, on Admission taking place on or about 15 May 2008 (or such later date as the Company and KBC Peel Hunt may agree). The Offer Shares will rank in full for all dividends or other distributions declared, made or paid on the Ordinary Shares after Admission and will rank *pari passu* in all other respects with all other Ordinary Shares in issue on Admission.

KBC Peel Hunt, which is regulated by the Financial Services Authority, is acting as the Company’s Nominated Adviser and Broker in connection with the proposed admission of the Ordinary Shares to trading on AIM. Its responsibilities as the Company’s Nominated Adviser under the AIM Rules for Nominated Advisers are owed solely to London Stock Exchange plc and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire Ordinary Shares in reliance on any part of this document. No representation or warranty, express or implied, is made by KBC Peel Hunt as to any of the contents of this document (without limiting the statutory rights of any person to whom this document is issued). KBC Peel Hunt will not be offering advice and will not otherwise be responsible for providing customer protections to recipients of this document in respect of the Offer for Subscription or the 2008 Free Shares Offer or any acquisition of shares in the Company.

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 Offer for Subscription, the 2008 Free Shares Offer, the Ordinary Shares or the distribution of this document. The Ordinary Shares have not 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 Canada, Australia or Japan and, subject to certain exceptions, they may not be offered or sold directly or indirectly within the United States, Canada, Australia, or Japan or to, or for the account or benefit of, US persons or any national, citizen or resident of the United States, Canada, Australia or Japan. This document does not constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful.

No Offer Shares have been offered or sold, or will be offered or sold, to the public in any member state of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”) except (with effect from and including the Relevant Implementation Date): (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities; (b) to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43,000,000; and (iii) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; (c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or (d) in any other circumstances which do not require the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

The contents of the Company’s websites, www.share.com, www.shareplc.com, www.sharemark.com and www.sharefunds.com including any websites accessible from hyperlinks on the Company’s websites, do not form part of and are not incorporated by reference into this document.

CONTENTS

DIRECTORS, SECRETARY AND ADVISERS

Directors	**Sir Martin Wakefield Jacomb**, *Non-executive Chairman* **Gavin David Redvers Oldham**, *Chief Executive Officer* **Richard William Stone**, **ACA** *Group Finance Director* **Iain Paul Wallace**, *Group Compliance and Legal Services Director* **Richard Ian Tolkien**, *Non-executive Director*
	all of:
Registered Office	Oxford House Oxford Road Aylesbury Buckinghamshire HP21 8SZ
Secretary	Barbara Anne Pierssene
Nominated Adviser and Broker	**KBC Peel Hunt Ltd** 111 Old Broad Street London EC2N 1PH
Auditors and Reporting Accountants	**Deloitte & Touche LLP** 3 Rivergate Temple Quay Bristol BS1 6GD
Solicitors to the Company	**Dechert LLP** 160 Queen Victoria Street London EC4V 4QQ
Solicitors to KBC Peel Hunt	**Hammonds** 7 Devonshire Square London EC2M 4YH
Principal Bankers	**Bank of Scotland** 2nd Floor, Pentland House 8 Lochside Avenue Edinburgh EH12 9DJ
	HSBC 1st Floor, Altius House 1 North Fourth Street Milton Keynes MK9 1NE
Registrars	**Capita IRG plc** Northern House Woodsome Park Fenay Bridge Huddersfield HD8 0LA

DEFINITIONS

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

"2008 Free Shares Offer"	the offer of Free Shares by the Company which commenced in January 2008
"Account"	an account with The Share Centre (whether a Share Account, PEP or ISA)
"Account Customers"	persons who hold Accounts
"Act"	the Companies Acts 1985 and 2006, each as amended and enacted from time to time
"Admission"	the admission of the Ordinary Shares, in issue and to be issued pursuant to the Offer, to trading on AIM becoming effective pursuant to the AIM Rules for Companies
"AIM"	AIM, a market operated by London Stock Exchange
"AIM Rules for Companies"	the rules of London Stock Exchange governing the admission to and the operation of AIM
"AIM Rules for Nominated Advisers"	the rules of London Stock Exchange for nominated advisers
"Articles" or "Articles of Association"	the Articles of Association of the Company, a summary of which is set out in paragraph 5 of Part VI of this document
"Combined Code"	the Combined Code on Corporate Governance dated June 2006
"Company"	Share plc, incorporated in England and Wales with registered number 2966283
"CREST"	the relevant system (as defined in the Regulations) for the paperless settlement of share transfers and the holding of shares in uncertificated form (as defined in the Regulations) in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in the Regulations)
"Directors" or "Board"	the directors of the Company whose names are set out on page 3 of this document
"DTR"	the Disclosure and Transparency Rules of the FSA made in accordance with section 73A of FSMA and brought into effect on 20 January 2007
"EEA"	European Economic Area
"Eligible Account Services"	the ISA and PEP services of The Share Centre, which if subscribed for or transferred to The Share Centre in accordance with the terms of the 2008 Free Shares Offer, entitle the subscriber to Free Shares under the 2008 Free Shares Offer, but excluding PEPs and ISAs subject to any form of revenue sharing arrangement with a third party introducer or affinity group
"Enlarged Issued Share Capital"	the issued share capital of the Company immediately following Admission
"Executive Directors"	the executive directors named in paragraph 7 of Part I of this document

"Existing Ordinary Shares"	the issued Ordinary Shares immediately prior to Admission
"Free Shares"	up to 4,000,000 new Ordinary Shares to be issued pursuant to the 2008 Free Shares Offer
"FSA"	the UK Financial Services Authority
"FSMA"	the UK Financial Services and Markets Act 2000, as amended
"Group"	the Company and its subsidiary undertakings
"HMRC"	Her Majesty's Revenue and Customs
"IFRS"	International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) (including those International Accounting Standards issued by the International Accounting Standards Committee (IASC)) which have been adopted by the IASB, as well as interpretations of International Financial Reporting Standards developed by the International Financial Reporting Interpretations Committee (IFRIC) and approved by the IASB, as endorsed by the European Union
"KBC Peel Hunt"	KBC Peel Hunt Ltd
"Locked-in Parties"	Gavin Oldham, Virgina Oldham, Kathryn Maintzer, Faye Oldham Hinsley, Marianne Oldham, Virgina Oldham Trust, Gavin Oldham No. 1 Trust, Gavin Oldham No. 2 Trust, Gavin Oldham No. 3 Trust and Gavin Oldham No. 4 Trust
"London Stock Exchange" or "LSE"	London Stock Exchange plc
"Main Market"	Main Market, a market operated by London Stock Exchange
"MiFID"	Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directive 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council
"Nominated Adviser"	KBC Peel Hunt, the person appointed and retained as nominated adviser by the Company as required by the AIM Rules for Companies in order to be eligible for AIM
"Non-Executive Directors"	the non-executive directors named in paragraph 7 of Part I of this document
"Offer Flyer"	the flyer sent to eligible offerees inviting them to participate in the Offer for Subscription
"Offer for Subscription" or "Offer"	the offer of up to 4,000,000 new Ordinary Shares at the Offer for Subscription Price
"Offer for Subscription Price"	27 pence per Ordinary Share
"Offer Shares"	new Ordinary Shares available pursuant to the Offer
"Official List"	the official list of the UK Listing Authority
"Ordinary Shares"	ordinary shares of 0.5 pence each in the capital of the Company
"Panel"	the Panel on Takeovers and Mergers

"PLUS Markets"	a quote-driven market operated by Plus Markets plc
"Prospectus Directive"	EU Directive 2003/71/EC, as amended
"Prospectus Rules"	the Prospectus Rules made by the FSA under section 84 of FSMA brought into force on 1 July 2005 pursuant to Commission Regulation (EC) No. 809/2004
"Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended
"Sharefunds"	Sharefunds Limited, incorporated in England and Wales with registered number 4856420
"Shareholders"	holders of Ordinary Shares
"Sharemark"	the trading mechanism administered by The Share Centre used to facilitate periodic auctions in the issued share capital of the Company and other securities
"ShareMark Limited"	ShareMark Limited, incorporated in England and Wales with registered number 3948004
"Share Nominees"	Share Nominees Limited, incorporated in England and Wales with registered number 2476691
"Sharesecure"	Sharesecure Limited, incorporated in England and Wales with registered number 3987069
"Takeover Code" or "Code"	the City Code on Takeovers and Mergers
"The Share Centre"	The Share Centre Limited, incorporated in England and Wales with registered number 2461949
"UCITS"	Council Directive 85/611/EEC of 20 December 1985 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investments in transferable securities
"UK"	the United Kingdom of Great Britain and Northern Ireland
"UK Listing Authority"	the FSA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
"US" or "United States"	the United States of America, its territories and possessions, any state in the United States of America, the District of Columbia and all other areas subject to its jurisdiction
"Year 2000 Offer"	the offer of up to 75,000,000 Ordinary Shares contained in the prospectus issued by the Company on 8 February 2000 (and revised pursuant to a supplementary prospectus issued by the Company on 31 March 2000)
"Year 2001 Offer"	the offer of up to 65,000,000 Ordinary Shares contained in the prospectus issued by the Company on 19 February 2001

In this document all references to times and dates are in reference to those observed in London, United Kingdom.

In this document the symbols "£" and "p" refer to pounds and pence sterling respectively.

GLOSSARY

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

"APCIMS"	the Association of Private Client Investment Managers and Stockbrokers
"Approved and Unapproved EIS Funds"	portfolios of EIS eligible investments with associated tax advantages
"Authorised Corporate Director"	a corporate body and an authorised person given powers and duties under FSA regulations to operate an OEIC
"benchmarked revenue"	a financial performance measure used by the Group to compare its ongoing revenue share against certain competitors, utilising financial data collected by Compeer Limited
"controller"	an individual or body corporate holding 10 per cent. or more of the shares in, or entitled to exercise or control the exercise of 10 per cent. or more of the voting power in, or which is able to exercise a significant influence by virtue of its shareholding or voting power over the management of a company regulated by the FSA or a parent undertaking of any such company
"CTF"	Child Trust Fund
"Dealing Commission Credit Rebate"	a Shareholder benefit entitling eligible Shareholders who are also Account Customers to rebates in the dealing commission payable on trades executed with The Share Centre. A 30 per cent. rebate applies to online deals (15 per cent. for other methods). The total amount of rebate available is governed by a customer's shareholding in the Company. The total amount of rebate available is capped at £300 per quarter, regardless of the customer's total shareholding
"EIS"	Enterprise Investment Scheme
"execution only retail stockbroker"	a broker who does not give investment advice
"free investment advice"	advice provided to Account Customers without any additional charge, notwithstanding that normal dealing commission, Account-related charges or, in the case of funds, initial or trail commission may apply
"fully subscribed"	in relation to ISAs and CTFs where the statutory maximum has been subscribed
"fund of funds OEIC"	an OEIC which invests primarily in other funds
"Funds ISA"	an ISA offered by the Company which allows retail investors access to over 1,400 investment funds
"HMRC-allocated CTFs"	CTFs opened with any one of a number of default CTF plan managers, where the parent or guardian of the child has not otherwise opened a CTF elsewhere within the requisite time period specified by HMRC
"ifs ProShare"	a trade association representing the employee share ownership industry

“internet brokers”	retail stockbrokers offering online share dealing
“ISA”	Individual Savings Account
“missing shareholder programmes”	services designed to repatriate shareholders with their shareholdings where a company or its registrar has been unable to contact the relevant shareholders
“OEIC”	Open-Ended Investment Company
“PEP”	Personal Equity Plan
“self-select”	investors make their own investment decisions
“Share Accounts”	nominee based shareholding accounts with The Share Centre
“Share Shop”	an organisation appointed by HM Treasury or others to handle retail share offers
“Sharefunds SF Portfolio OEIC”	a fund of funds OEIC launched by the Company in January 2008 to allow retail investors access to one of three low cost managed portfolios
“SIP”	Share Incentive Plan
“SIPP”	Self-Invested Personal Pension Plan
“TISA”	Tax Incentivised Savings Association
“UCITS”	Undertaking for Collective Investments in Transferable Securities
“white label services”	investment services provided by The Share Centre presented in the brand of a corporate customer

ADMISSION STATISTICS

Offer for Subscription Price (per share)	27 pence
Number of Existing Ordinary Shares in issue as at 14 April 2008 (being the last practicable date prior to the publication of this document)	155,804,728
Number of Offer Shares	4,000,000
Number of Free Shares under the 2008 Free Shares Offer	up to 4,000,000
Total number of Ordinary Shares in issue on Admission(1)	159,804,728
Percentage of Enlarged Issued Share Capital subject to the Offer for Subscription(1)	2.5 per cent.
Market capitalisation on Admission at the Offer for Subscription Price(1)	£43,147,277
Gross proceeds of the Offer for Subscription available to the Company(1)	£1,080,000
Estimated net proceeds of the Offer for Subscription available to the Company(1)	£250,000
Percentage of shares in public hands on Admission(1)	21.4 per cent.
ISIN	GB0001977866
EPIC Code	SHARE

(1) As at 14 April 2008 (the last practicable date prior to the publication of this document) and assuming full take up of the Offer for Subscription and assuming no take up of the 2008 Free Shares Offer.

EXPECTED TIMETABLE

Final time and date for receipt of application forms to qualify for the Offer for Subscription	6.00 p.m. on 8 May 2008
Announcement of allocation under the Offer for Subscription	10.00 a.m. on 12 May 2008
CREST accounts credited	15 May 2008
Admission and dealings in the Ordinary Shares to commence on AIM	8.00 a.m. on 15 May 2008
Despatch of definitive share certificates (where applicable) by	26 May 2008

PART I

INFORMATION ON THE GROUP

1. Introduction

Share plc was established in February 2000 as the parent company for a number of subsidiaries engaged in stockbroking related activities. Share plc's principal operating business, The Share Centre, began operations in April 1991 to provide self-select share services for personal investors and is the main revenue-producing entity of the Group. The Share Centre is now one of the UK's leading independent retail stockbrokers. Approximately 70 per cent. of its trading business is transacted through the internet website www.share.com.

The Share Centre's main business is the provision and administration of execution-only and advisory trading accounts (referred to as Share Accounts), Individual Savings Accounts ("ISAs"), Personal Equity Plans ("PEPs") which have now converted to ISAs, Child Trust Fund accounts ("CTFs") and Investment Club Share Accounts to private investors, both directly and through corporate customers, throughout the UK. In addition, The Share Centre acts as an administrator of Share Incentive Plans ("SIPs") and Enterprise Investment Scheme ("EIS") portfolios and promotes a Self-Invested Personal Pension Plan ("SIPP") product which is administered by a third-party.

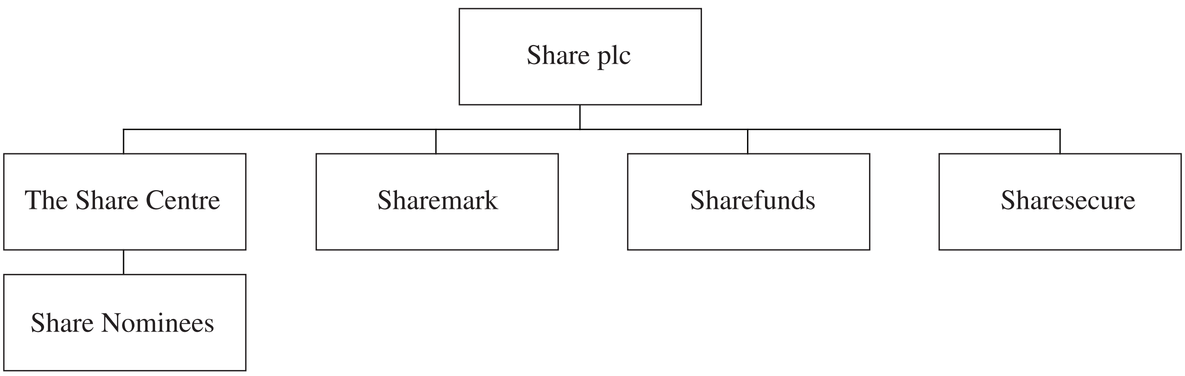
The Share Centre's advisory team provides investment advice and guidance to its Account Customers through the telephone, its website, www.share.com, and a magazine entitled 'The Shareholder'. The Share Centre also operates Sharemark, a periodic auction-based share trading facility, on which the shares of Share plc and other companies are traded. As at 31 March 2008 17 different securities were traded on Sharemark.

Sharefunds, a sister company to The Share Centre, acts as investment manager to a fund of funds OEIC designed for customers of The Share Centre. In addition, Sharefunds oversees the administration of third party OEICs and can also act as an Authorised Corporate Director.

The Directors believe that admission to AIM will be beneficial for the Company's business because it will: (i) enhance the profile of the Group with its existing and new customers; (ii) facilitate acquisitions either through the issue of equity or via a placing; and (iii) assist the Company in the recruitment, retention and incentivisation of key staff through the use of share based incentives.

2. Group Overview

The Company is the holding company of a number of subsidiaries, all of which are wholly-owned (directly or indirectly) by Share plc. A simplified corporate structure is set out below:



The Share Centre

The Share Centre, the principal subsidiary of Share plc, commenced operations in April 1991 and its main business is the provision and administration of self-select share services for personal investors, through which the following can be traded:

(i) shares, warrants, covered warrants and nil paid rights in companies quoted on the Main Market, AIM and PLUS Markets;

(ii) shares in companies traded on Sharemark;

(iii) shares in companies listed on overseas stock exchanges where the shares can be dealt and settled in sterling through CREST; and

(iv) shares in open-ended investment companies and units in unit trusts, investment trusts, exchange-traded funds and exchange traded commodities.

The Share Centre provides and administers Share Accounts, ISAs and PEPs (which have now converted to ISAs) and Investment Club Share Accounts to personal investors, both directly and through corporate customers, throughout the UK. In addition, The Share Centre acts as an administrator of SIPs and EIS portfolios and promotes a SIPP product which is administered by a third-party.

The Share Centre also offers both stakeholder and non-stakeholder CTFs, accepts HMRC-allocated CTFs and provides junior investment accounts for children ineligible to hold a CTF.

The market for trading shares is very competitive. The Share Centre charges a commission of 1 per cent. (subject to a minimum of £7.50 per trade, or £2.50 per trade for purchases dealt in one of 3 daily aggregated dealing sessions). Frequent or high value traders who pay £80 (plus VAT) a year to obtain the frequent trader tariff option can deal at a fixed rate of £7.50 per trade on trades up to £25,000 and, if they hold sufficient shares in the Company, this can be reduced to £5.25 per trade by virtue of a Dealing Commission Credit Rebate offered to Shareholders.

The Share Centre takes pride in providing a high level of customer service and has a growing team offering advice to Account Customers on investments and their general financial position. The Share Centre publishes a quarterly magazine entitled 'The Shareholder' which is sent to Account Customers and contains advice and guidance on, amongst other things, investing in shares, research and analysis on quoted companies.

The website for The Share Centre is www.share.com.

Sharemark

Sharemark was initially designed to facilitate the trading of Share plc's shares by Shareholders. It has evolved into a trading platform for a range of unquoted companies, as well as to existing quoted companies seeking a secondary trading facility. Sharemark is regulated by the FSA via The Share Centre and the website for Sharemark is www.sharemark.com.

Sharemark is a multilateral trading facility developed especially for the buying and selling of infrequently traded shares. As at 31 March 2008, it had 17 securities admitted to trading, which include equities, loan stock and convertible loan stock. Share plc has traded on Sharemark since 30 June 2000 and over 29,000 transactions in Share plc have been undertaken since then. Prices for shares quoted on Sharemark, including Share plc, are determined using a periodic auction-based methodology, arriving at a single price without a bid-offer spread, daily, weekly, monthly or quarterly depending on the needs of the relevant company. Share plc has traded on a weekly basis since inception, except during some weeks with major bank holidays and during the current Offer for Subscription.

Annual trading volumes on Sharemark have grown and, during 2007, 6.2 million shares and bond units were traded, compared with 2.8 million shares and bond units traded in 2006.

Sharemark is also used as the market trading and valuation mechanism by Investbx, the West Midlands regional trading platform. Investbx is supported by the West Midlands Regional Development Agency, Advantage West Midlands, and is an appointed representative of The Share Centre.

Sharefunds

Sharefunds oversees the administration of third party OEICs and can also act as Authorised Corporate Director of the OEICs it administers, if required. The website for Sharefunds is www.sharefunds.com.

In January 2008 the Sharefunds SF Portfolio OEIC, a fund of funds OEIC, was launched enabling retail investors to invest in one of three low cost managed portfolios, either within or outside a PEP, ISA, CTF, SIP or junior investment account. As at 31 March 2008, the Sharefunds SF Portfolio OEIC had over £1.7 million under management.

Sharesecure

Sharesecure is a trustee custodian for both the Group's and third party corporate SIPs. In addition to providing services to the Company, Sharesecure currently provides corporate trustee services to Christian Salvesen plc, Arla Foods plc, Biocompatibles plc, Hyder Consulting plc and Venture Production (Services) Ltd.

Further details of the Group's subsidiaries are set out in paragraph 2 of Part VI of this document.

3. Group History

The Share Centre was established in April 1991 to provide self-select share services for a broad range of personal investors. In 1993, The Share Centre was appointed a 'Share Shop' for the British Telecom BT3 share offer. This, coupled with other share offerings including National Power/Powergen in 1995, contributed large numbers of Share Accounts.

In 1999, The Share Centre acquired Bradford & Bingley's corporate PEP business, considerably extending the Group's corporate share service relationships. The acquisition resulted in the transfer of approximately 90,000 PEPs to The Share Centre in April 1999.

On 8 February 2000, Share plc made an offer of free shares to Account Customers who had either stock or cash in their Share Accounts or who had opened fully subscribed Maxi-ISAs as at 8 January 2000 (the "Year 2000 Offer"). As a consequence of this offer over 90,000 customers of The Share Centre became shareholders in the Company with their shares administered by Share Nominees.

In conjunction with the Year 2000 Offer, The Share Centre developed and implemented its own share trading platform, Sharemark. Initially designed to facilitate the trading of Share plc's shares, Sharemark was subsequently evolved into a trading platform for other unquoted companies, as well as for existing quoted companies seeking a secondary trading platform for liquidity purposes.

On 19 February 2001, Share plc made a further offer of free shares (the "Year 2001 Offer"). The Year 2001 Offer was wholly designed to incentivise new and existing customers to subscribe for certain of The Share Centre's Eligible Accounts, including ISAs, and to join in the Company's future as shareholders.

During 2001 and 2002, The Share Centre extended its range of corporate share services through the provision of SIP administration services to third parties, following the launch of a SIP for its own employees in December 2000. Such services were initially established for Express Dairies plc (now Arla Foods plc), Christian Salvesen plc and Hyder Consulting plc.

In August 2002, The Share Centre acquired the business of StockAcademy Limited, a Cambridge-based retail stockbroker, and 18,983 investors' share dealing accounts were transferred to The Share Centre. These accounts included white label accounts run on behalf of Virgin Money, AWD Moneyextra, This is Money and 0800 Shares. These relationships continue to be actively promoted.

The Share Centre also took over StockAcademy's commercial relationship with Georgeson Shareholder, which involved the white label administration and dealing arrangements for high volume, low cost share dealing services to corporate companies, as well as missing shareholder programmes. Between 2002 and 2004, The Share Centre executed some 200,000 transactions in such services administered for Barclays plc, Aviva plc, Centrica plc and Rank Group plc. In December 2003, Georgeson Shareholder was acquired by a share registration business.

In 2002, The Share Centre launched an EIS administration service for third party fund managers in HMRC Approved and Unapproved EIS Portfolios and The Share Centre launched its Shares4Schools initiative, a national competition aiming to encourage students to learn about the world of business. The Group benefits from positive public relations exposure from the Shares4Schools initiative.

In October 2003, M&G Financial Services Limited ("M&G") awarded the contract for its branded share exchange service to The Share Centre. The Share Centre acts as stockbroker and administrator for sales of equities and gilt-edged securities by M&G's private investors and charities, where the sale proceeds are invested into an M&G OEIC, ISA or charity fund.

In March 2004, following a competitive tender, The Share Centre was confirmed as the preferred supplier in the establishment and operation of a regional market for West Midlands-based businesses. The regional trading platform, subsequently named Investbx, launched during 2007. The Share Centre provides the market trading and valuation mechanism via Sharemark, together with fully integrated white label share dealing and administration services.

In January 2005, The Share Centre became an HMRC-approved plan provider for CTFs.

In 2005, The Share Centre undertook a comprehensive re-branding exercise and refurbishment of its website, www.share.com, prior to committing to a significant annual promotional budget of approximately £2 million per annum. It also adopted a benchmarked revenue share Key Performance Indicator for 2006 onwards, further details of which are set out in paragraph 4 of this Part I.

In 2006, The Share Centre acquired 3,040 corporate PEPs from a share registration business and in November 2007 acquired 1,050 corporate PEPs and 280 corporate ISAs from Prudential Personal Equity Plans Limited.

During 2007 the Group also completed the reorganisation of its investment management subsidiary, Sharefunds. Sharefunds now oversees an administration service for fund managers wishing to manage their own OEICs, without them performing the related administration work.

In January 2008, the Company launched the 2008 Free Shares Offer to both potential and existing Account Customers. The maximum number of Free Shares available under the 2008 Free Shares Offer is 4,000,000. The 2008 Free Shares Offer will close at 6.00 p.m. on 3 April 2009 or, if earlier, as soon as Account Customers have become entitled to receive an aggregate of 4,000,000 new Ordinary Shares. The 2008 Free Shares Offer is principally designed to encourage customers and potential customers to invest in Eligible Account Services. As at 4 April 2008, the last practicable date prior to the publication of this document, 16 per cent. of the available Free Shares have been allocated (but not yet allotted or issued) for customers opening or transferring in ISA accounts.

The Directors believe that the ability for both existing and new customers and Shareholders to take part in the 2008 Free Shares Offer offers opportunity for adding to the growth of the Group and that by linking high quality and high volume customer business with participation in the Company, the Directors believe growth can be accelerated. An online seminar broadcast at the time of the 2008 Free Shares Offer launch is available in archive form at www.share.com.

4. The Company's Business Model – Key Strengths and Strategy

Key Strengths

The Directors believe that The Share Centre provides an excellent level of service to customers and that customers use The Share Centre because:

- the dealing commissions are generally competitive with other execution only retail stockbrokers;
- of the care shown by its team for its customers, which results in a high standard of customer service. This is evidenced, among other things, by a top satisfaction rating for The Share Centre in the 2007 Which? survey of share dealing services;
- of the availability of free investment advice and guidance on a regular basis and an expanding advice team offering advice to Account Customers on investments and their financial position more generally;
- of the focus placed on personal share ownership and the interests of nominee-based shareholders, which resulted in the Group's leading role in achieving changes to Part 9 of the Companies Act 2006 in order to enfranchise such investors.

Customer Service Focus

The Group has a strong customer orientated focus and the customer service team was expanded in 2007 and now comprises 29 people. The Share Centre also has a dedicated dealing team who handle customers' trades over the telephone specifically for this purpose. In addition, The Share Centre has an expanding advice team offering advice to Account Customers on investments and their financial position more generally. Free investment advice is provided as part of The Share Centre's desire to assist the retail investor in making investment decisions. Customers (other than customers of white label services and some other corporate services) also receive a copy of 'The Shareholder', a quarterly magazine, which includes a variety of articles as well as themed pieces by the advice team and their latest stock tips and recommendations.

The Share Centre has received the following awards for its service:

- Which? Magazine 2007, Top rated execution only broker for Customer Satisfaction
- Shares Magazine Awards 2007, Best AIM Broker
- 2006, What Investment readers nominated The Share Centre as one of the Top Six firms for the following categories:
  - Best Broker Service; and
  - Customer Service (within the total Financial Services industry)
- Proshare & Digital Look Private Investor Awards 2006, Special Award for Services to Investment Clubs
- Personal Finance & Savings Readership Awards 2005, Best Online Stockbroker (Finalist)
- Proshare & Digital Look Private Investor Awards 2005, Best Stockbroker (Runner up), Best Online Stockbroker (Runner up)

Infrastructure

The Group's information technology platform is important to the ongoing operations of the Group. It enables a potential customer to sign up online and provides dealing services to Account Customers. The Group is continually updating and improving its infrastructure and the ways in which technology can enhance and enable customers' interaction with it. The Group has also undertaken projects to streamline elements of its back-office processing.

Based in Aylesbury, Buckinghamshire, the Group is well positioned to attract talented staff whilst the Group benefits from more affordable accommodation than would be the case if it were based in London. Its offices were leased originally with sufficient room to enable expansion and the Group continues to have capacity for its medium term growth plans.

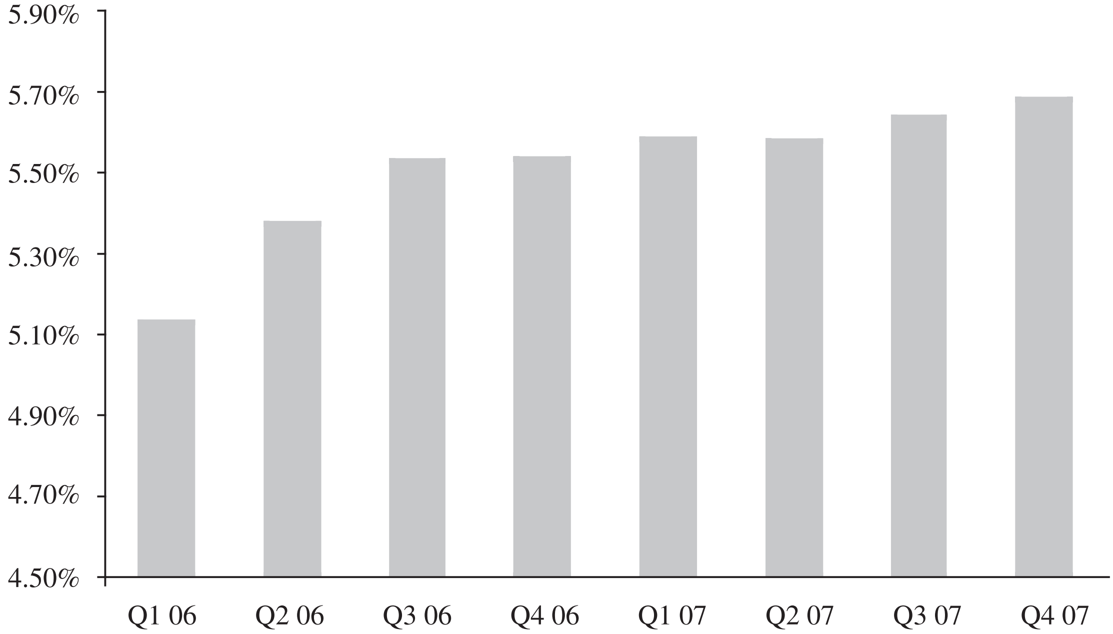
People

The Group employs more than 120 people who provide award winning customer service and efficient operating processes. The Group has rigorous job evaluation and benchmarking processes which enable them to maintain a high calibre of employee. The Group invests heavily in training including a management development programme for all managers within the business. Regular update meetings are held with staff to share with them the Group's plans and progress. Employment terms and conditions are guided by best practice and include a significant range of benefits which are regularly benchmarked against the industry. The Company has attained and maintained the Investors in People accreditation, recognition of the investment it makes in this area. The Share Centre operates within the requirements of the ISO 9001:2000 quality mark.

Strategy

The Group's key financial objective is to grow revenues, both by promotion of its services and, when possible, by acquisition. The Company intends to grow its market share as measured against its direct competitors. Revenue is linked to general stock market performance and activity and the Group sets its revenue targets by measuring quarterly benchmarked revenue share against a peer group of similar businesses. The Company currently has 5.7 per cent. share of this market. This has increased from 5.1 per cent. since the first quarter of 2006.

The Share Centre Market Share



Source: Compeer Limited

It is intended to publish these results on a quarterly basis, together with a commentary on the last quarter's trading activity. The Directors anticipate that the statistics for the first quarter of 2008 will be announced on or around 29 April 2008.

The Group also monitors revenue quality, being the proportion of revenue accounted for by repetitive income, such as fees and interest. This proportion was 68 per cent. in 2007 (67 per cent. in 2006). Monitoring revenue quality has enabled the Group to achieve a more stable revenue base than many of its peers. It also controls costs by optimising automation and use of e-commerce, and through its policy of avoiding dependence on external third parties for dealing, settlement, systems and accounting functions.

The Directors will also seek to increase the revenues of the Group by the introduction of new self-select services in the field of pensions, increasing focus on the investment merits of collective investment schemes as well as considering the opportunities for the provision of investment services into other EEA countries.

In addition, suitable acquisition opportunities, as they arise, will be considered by the Directors in the furtherance of the Group's strategy. The types of acquisition targets which the Directors believe would be suitable are those which either broaden the Company's marketing reach in terms of its existing areas of business or which would provide complementary investment services to its existing customers. Whilst the Company would prefer to integrate further acquisitions into its existing operational infrastructure in Aylesbury, it is willing to consider the maintenance of additional offices and brand names if appropriate in the circumstances.

The Directors intend to attract a substantial number of new Account Customers, particularly those which attract regular fee income. By implementing its marketing strategy (set out below) and by offering customers high quality service, the Directors are confident that revenue will grow and that the Group's market share will increase.

Marketing

During 2005, the Group undertook a rebranding programme comprising a new logo and brand image which in turn was applied to an updated, functionally and content rich website. In addition, a new flat fee trading subscription proposition for trades up to £25,000, the Trader Option, was introduced and product and service pricing was rationalised and simplified.

In 2007, the advertising spend became more focused on online initiatives and, towards the later part of the year, towards search engine optimisation to benefit from as many 'free' web enquiries as possible. This focus has continued in 2008 as the Directors believe that the internet is a way in which the Group can leverage greater performance from a marketing budget. Over the last few years marketing expenditure has been increasing and the Directors now expect to maintain this at approximately £2.0 million to £2.5 million per annum, a level the Directors feel is both appropriate and sustainable.

Key initiatives in 2008 include the launch of the Funds ISA, the ongoing promotion of the Sharefunds SF Portfolio OEIC and enhanced systems for customer relationship management. The Sharefunds SF Portfolio OEIC is being presented as three funds of funds designed to meet the investment needs of three investor risk appetites: cautious, positive and adventurous. The Sharefunds SF Portfolio OEIC has a competitive introductory charge of 0.5 per cent. and an annual management fee of 1 per cent. and the ongoing campaign is supported by the inclusion of the the Sharefunds SF Portfolio OEIC within The Share Centre's preferred funds range which attract no purchase commission on lump sum and regular investments.

The Share Centre's normal 0.5 per cent. ISA annual subscription fee does not apply to the Funds ISA. Therefore the Directors believe the Funds ISA will enable The Share Centre to compete on price and flexibility. This initiative is further supported by the Company's 2008 Free Shares Offer for fully subscribed ISAs and supports the launch of the Sharefunds SF Portfolio OEIC.

The Share Centre provides an ongoing service to its customers and keeps interest and activity levels high through a number of channels, in particular its quarterly magazine 'The Shareholder' and its comprehensive and frequently refreshed website www.share.com. 'The Shareholder' magazine is provided to all Account Customers (with the exception of customers of white label services and some other corporate services) in April and October and to more active customers in January and July. It contains market comment, investment recommendations and sales information. Meanwhile, The Share Centre's website, www.share.com, comprises an extensive set of resources for personal investors, including a share research facility powered by Digital Look Ltd incorporating 'Share Filter', a share selection tool designed exclusively for The Share Centre, and a funds supermarket powered by Cofunds and Morningstar, Inc.

The Share Centre plans to use third party software to drive automated event driven communications to improve its direct mailing and emailing activity to prospects and customers. The Directors expect the level of communication activity to be significantly higher in 2008 than in previous years.

Competitors

The Share Centre competes with a variety of other financial services providers, including retail stockbrokers, building societies and registrars. Its focus on offering control and transparency to the investor, together with free investment advice and guidance and high quality customer service, assist in differentiating its services from its competitors in its principal areas of business.

The retail stockbroking market is competitive and is broadly segmented into a number of distinct areas which compete for retail share dealing services:

(i) *Internet Brokers*

These provide low cost dealing services, often with a flat rate commission and compete most directly with The Share Centre.

(ii) *Private Client Stockbrokers*

These provide traditional dealing services built on client contact and strong emphasis on person to person advisory and discretionary investment management. Private client stockbrokers tend to concentrate on high net worth clients due to their higher cost base. With The Share Centre's increasing emphasis on collective investment schemes and holistic free investment advice for the investor of more modest means, The Share Centre competes with part of this market in providing a straightforward and low cost alternative.

(iii) *Clearing Banks*

These provide a range of stockbroking and investment management services for their retail customers, often delivered through their branch network. For this reason, unit costs at clearing banks can be higher than those of their direct dealing competitors.

The Directors believe the following companies are the principal peers against which the Group competes in its predominant service areas and which make up the peer group for the monthly data produced by Compeer Limited and are used to calculate the benchmarked revenue key performance indicators as detailed above: Alliance Trust Savings, Barclays Stockbrokers, E*Trade Securities, Halifax Sharedealing, HSBC Stockbrokers, NatWest Stockbrokers, Saga Personal Finance, Self Trade and TD Waterhouse Investor Services Europe. In addition, the Directors believe Hargreaves Lansdown is also a peer against which the Group competes.

5. Financial Information

This information should be read in conjunction with the financial information set out in Part V of this document and you should not rely on this summary information alone.

Summary Balance sheet

The table set out below shows the consolidated financial position of the Group as at 31 December 2005, 2006 and 2007.

		31 December	
	2005	*2006*	*2007*
	£000	*£000*	*£000*
Intangible assets	100	84	68
Available for sale investments	4,146	4,869	5,373
Cash and cash equivalents	10,298	12,053	11,642
Other Net assets and liabilities	(1,584)	(1,390)	(1,187)
Net assets	12,960	15,616	15,896

The available for sale investments are holdings in London Stock Exchange plc shares and Euroclear Plc shares. These investments are marked to market under IFRS. The mark to market adjustment as at 14 April 2008 on the London Stock Exchange plc shares that the Group holds would reflect a deterioration of £1,366,750 on the Group's net asset value but this would not affect the Group's profit and loss as the movement would be a debit against the revaluation reserve on the Group's balance sheet. The Directors believe that, with approximately £11.6 million of cash on the balance sheet, the financial position of the Group is healthy.

Summary profit and loss account for the years ended 31 December 2005, 2006 and 2007

	2005	*2006*	*2007*
	£000	*£000*	*£000*
Fee Income	4,252	4,784	5,140
Interest Income	1,929	2,344	2,882
Dealing Commission	3,246	3,490	3,699
Total Revenue	9,427	10,618	11,721
Administration expenses	(8,510)	(9,515)	(10,558)
Overheads	*4,766*	*5,294*	*5,765*
Staff costs	*3,744*	*4,221*	*4,793*
Operating profit	917	1,103	1,163
Investment income	676	789	947
Other gains and losses	1,362	1,514	1,203
Profit before taxation	2,955	3,406	3,313
Taxation	(720)	(961)	(867)
Profit for the period	2,235	2,445	2,446

Fee income comprises account administration fees that are charged for managing and administering customer accounts. Interest income is the interest turn that is earned on client cash which at 31 December 2007 was £94.9 million. Fee and interest income are considered more stable than dealing commission which is primarily driven by the volume of bargains transacted by Account Customers.

Investment income comprises interest on corporate cash and dividends on investments held. Other gains and losses are predominantly the profits arising from the sale of London Stock Exchange plc shares.

Operating profit includes sundry losses of £89,800 for the year ended 31 December 2007 (2006: £35,246 and 2005: £41,683). Subsequent to the year end and in the nature of such sundry losses the Group acquired 246,996,816 shares in EiRx Therapeutics PLC for £163,879.81. The Group will have to record a loss to the extent that the share price of EiRx Therapeutics PLC deteriorates below the acquisition price. As a result of marking to market the Group's position in EiRx Therapeutics PLC the Group has an unrealised loss of £97,191 as at 14 April 2008 (prior to taking into account any benefit from insurance recoveries).

6. Current Trading and Prospects

Since 31 December 2007 (the Group's year end), the recent market volatility and issues arising from the well publicised "credit crunch" have led to a reduction in trading volumes when compared to the same period in 2007. Whilst this has an inevitable impact on revenues and profitability, the Group's business model, with an emphasis on recurring revenues derived from fee and interest income, means that the Group's revenue is relatively resilient when compared to its peer group. During the first quarter of 2008, the Group has seen marginal growth in total revenues when compared to the same period last year.

In January 2008 the Group launched its Funds ISA, Sharefunds SF Portfolio OEIC and the 2008 Free Shares Offer. During the first quarter of 2008 the Group has opened 1,239 Share Accounts, 1,078 ISAs and had over £1.7 million under management in its Sharefunds SF Portfolio OEIC.

Looking ahead, the Directors believe that the growth prospects for Share plc are attractive with opportunities for organic growth and acquisitions. The performance of the Group is, of course, affected by stock market conditions both in terms of stock market values which are used to calculate fee income and activity levels which drive dealing commission, but the Directors believe that in the near term the strength of the business model and focus on recurring rather than transactional revenue streams should enable the Group to perform more strongly than its peers and continue to grow market share.

7. Directors and Employees

Directors

Details of the Directors, their roles and their background are as follows:

Executive Directors

Gavin David Redvers Oldham (Age 58), ***Chief Executive Officer***

Gavin's responsibilities include all aspects of control and oversight, including the Group's strategy for growth.

Gavin founded The Share Centre having previously established Barclayshare (now Barclays Stockbrokers) for Barclays Bank. He plays an active role in business affairs and is a regular contributor to radio and TV. An elected member of the General Synod, and a Church Commissioner, he also serves on the Church's Ethical Investment Advisory Group, and is a trustee of pfeg (Personal Finance Education Group) and founder of The Share Foundation, a registered charity. Gavin is a Fellow of the Securities and Investment Institute.

Richard William Stone, ACA (Age 34), ***Group Finance Director***

Richard joined Share plc in April 2006, from his previous role as a Director of Huntswood, an outsourcing business serving the financial services sector. Prior to this he was Group Financial Controller at ECsoft plc (now CIBER Inc.). His earlier investment market experience as an equity research analyst with the US investment bank, Robertson Stephens, included involvement in a number of initial public offerings across Europe, and will enable him to contribute to the further development of Share plc's profile in addition to managing the financial and administrative affairs of the Group. Richard is a qualified Chartered Accountant. Richard is a Member of the Securities and Investment Institute.

Iain Paul Wallace (Age 38), ***Group Compliance and Legal Services Director***

Iain joined Share plc in December 1999. He brings his experience as a private client stockbroker and latterly a regulator with the Securities and Futures Authority and the Financial Services Authority directly to bear on maintaining a strong compliance culture that delivers clear, fair and effective services for the Group's customers. He also maintains oversight of the Sharemark and Sharefunds services for corporate clients, as well as The Share Centre's Advice service and HR functions. During 2007, Iain completed a Masters Degree in Financial Services Law (LLM) with Distinction. Iain is a Fellow of the Securities and Investment Institute.

Non-executive Directors

Sir Martin Wakefield Jacomb (Age 78), ***Non-executive Chairman***

Sir Martin was appointed as non-executive Chairman in 2001. He brings to the Share plc Board a wealth of experience from across the business spectrum. Currently non-executive Chairman of Canary Wharf plc, and Chancellor of the University of Buckingham, his previous experience includes being Chairman of Prudential, Chairman of BZW, Deputy Chairman of Barclays plc and directorships including the Bank of England, Rio Tinto plc and Marks and Spencer plc.

Richard Ian Tolkien (Age 53), ***Non-executive Director***

Richard was appointed a non-executive director in 2003. Having started his career with 5 years at HM Treasury, Richard was an investment banker for 24 years, with advisory and management experience gained in senior corporate finance and executive roles with Morgan Grenfell, HSBC and Macquarie Bank. He is also a non-executive director of Parkwood Holdings plc.

Senior management

In addition to the Directors named above the following individuals are directors of the Group's principal subsidiary, The Share Centre:

Martin Jeremy Helliwell (Age 52), ***Group Operations director***

Jeremy joined the Group in August 1998, having previously worked in a variety of project and systems based roles at Barclays, and was part of the core team which created Barclayshare (now Barclays Stockbrokers), where he went on to become Director, Dealing and Advisory Services. Responsible for the day-to-day operations of the business, including the front office activities of Customer Services and Dealing, as well the firm's IT systems and infrastructure, Jeremy maintains significant day-to-day involvement in delivering quality services to the Group's customers.

Guy James Knight (Age 49), ***Group Sales and Marketing director***

Guy joined the Group in April 2005. With extensive practical experience across the insurance, investment banking, stockbroking and retail banking sectors, Guy is responsible for PR, communications, and brand management. He was previously Divisional Head, Private Client and Professions at Hiscox Insurance and prior to that Global Head of Marketing, Advertising and Brand Management for Deutsche Bank (Corporate & Investment Bank). From 1996 to 2000, Guy was Vice President European Marketing for Charles Schwab Europe and from 1990 to 1996 he held various marketing and strategy roles at Credit Agricole. He maintains active involvement in product and pricing strategy, advertising and promotion and in the corporate sales function.

Peter Melville Forster (Age 59), ***Group Business Development director***

Peter joined the Group in April 1992, having also been part of the team which formed Barclayshare. Peter was Operations Manager at Barclayshare between 1986 and 1991. Drawing on his extensive network of contacts across the financial services sector, Peter provides pivotal links between The Share Centre and its corporate clients, establishing new relationships and deepening and extending existing connections to provide mutually profitable services.

Employees (as at 14 April 2008)

Category	*Headcount (including Directors)*
Customer Service and Dealing	44
Investment Advice and Management	8
Compliance and Legal	5
IT	13
Customer Account Administration	23
General Administration	21
Sales and Marketing	11
Total	125

8. Reasons for the Offer for Subscription and Admission

The Directors believe that a major reason for the Group's consistent profitability since 1996 has been its focus on high volumes of transactions encouraged by low dealing charges and its policy of maintaining a strong proportion of revenue driven by charges of a repetitive nature including fees and interest. Additionally, and in keeping with the Group's focus on share ownership, the Directors periodically enable employees and Account Customers of The Share Centre to participate in its future.

The Directors and staff benefit from a range of share ownership and share option schemes such as the SIP. Over the past 14 years 24,578,373 share options have been granted and 901,533 free shares issued under the SIP.

The Offer for Subscription will allow personal investors and others the opportunity to invest in the Company. The Offer for Subscription is intended to raise up to £1,080,000 for the Company before expenses and approximately £250,000 after expenses (inclusive of VAT). The proceeds of the Offer for Subscription will be used to cover the costs of the Admission and the Offer; any remaining proceeds will be used to provide the Group with additional working capital. Admission is not conditional on the raising of any proceeds from the Offer for Subscription and, in the opinion of the Directors, the current working capital requirements of the Group can be met without the proceeds of the Offer for Subscription.

The Directors believe that admission to AIM will be beneficial for the Company's business because it will: (i) enhance the profile of the Group with its existing and new customers; (ii) enable the Group to facilitate acquisitions either through the issue of equity or via a placing; and (iii) assist the Company in the recruitment, retention and incentivisation of key staff through the use of share based incentives. The Directors consider that the recruitment, retention and incentivisation of key staff through the use of share based incentives will be important to the Group's continued development, and the Company has awarded free shares within the Group's SIP to all its eligible employees as part of the lead up to Admission.

When the business has grown to a sufficient scale in the future, the Directors propose to consider a possible move of the Company up to the Main Market.

9. Details of Offer for Subscription and Admission

Offer for Subscription

The Offer for Subscription is intended to raise up to £1,080,000 for the Company before expenses and approximately £250,000 after expenses (inclusive of VAT). The Offer for Subscription, which is being made by the Company and managed exclusively by The Share Centre, is conditional among other things upon Admission becoming effective by 8.00 a.m. on 15 May 2008, or such later date as KBC Peel Hunt and the Company agree. The Offer for Subscription is also conditional, among other things, on the Offer falling within the €2.5 million exemption to produce a prospectus in accordance with the Prospectus Rules.

Each share offered under the Offer for Subscription is offered at a price of 27 pence. The shares were last traded on the Sharemark auction on 4 April 2008 at 29 pence. The table below sets out the price at which Ordinary Shares were traded at around the year end date and the highs and lows for the relevant years.

	Share price (p) 31 December	*Year high (p)*	*Year low (p)*
2007	30.0	35.0	14.5
2006	15.0	21.0	14.8
2005	14.0	15.0	14.0

Directors and employees of the Group are eligible to subscribe for Offer Shares and certain of the Directors intend to do so.

A summary of the Offer for Subscription and the terms and conditions of the Offer for Subscription are set out in Part III of this document.

Admission

Application will be made for the Enlarged Issued Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and dealings in the Enlarged Issued Share Capital will commence on AIM on 15 May 2008. It is expected that the proceeds of the Offer for Subscription due to the Company will be received by it on or soon after Admission.

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

10. Corporate Governance

The Directors support high standards of corporate governance and the Group intends to comply, so far as it considers practicable and appropriate, with the Combined Code having regard to the Group's size and nature of its business, the Quoted Companies Alliance Guidelines published in February 2007 and the Policy and Voting Guidelines for AIM companies issued by the National Association of Pension Funds in March 2007. The Board will be responsible for formulating, reviewing and approving the Group's strategy, budgets, major items of capital expenditure and acquisitions.

Board composition and committees

The Group has two non-executive Directors: Sir Martin Jacomb and Richard Tolkien. The Board exercises control of certain key functions through formal committees which meet periodically to monitor specific operational functions of the Group's business. The Group has established an Audit and Risk Committee and a Remuneration and Nomination Committee.

The Audit and Risk Committee consists of Richard Tolkien (Chair), Sir Martin Jacomb and Iain Wallace. Richard Stone attends meetings but is not a member of the committee. It will meet at least twice a year and be responsible for ensuring that the financial performance of the Group is properly reported on and monitored and for reviewing the auditor's reports relating to statutory accounts and internal control systems. The Audit and Risk Committee has a Risk Sub-Committee. The Risk Sub-Committee consists of Iain Wallace (Chair), Richard Stone and Jeremy Helliwell. It will meet at least twice a year and be responsible for monitoring Group risk and considering risk mitigation strategies.

The Remuneration and Nomination Committee consists of Sir Martin Jacomb (Chair), Richard Tolkien and Gavin Oldham. It will meet at least twice a year and be responsible for determining and agreeing with the Board the framework for the remuneration of the Chief Executive, all other Executive Directors, Jeremy Helliwell, Guy Knight and Peter Forster and such other members of the executive management as it is designated to consider. It is furthermore responsible for determining the total individual remuneration packages of each director including, where appropriate, bonuses, incentive payments and share options. The

Committee will ensure that the remuneration of newly appointed Executives and non-executive directors is within the Company's overall policy.

The Remuneration and Nomination Committee will also be responsible at least once a year for reviewing the structure, size and composition of the Board, preparing a description of the role and capabilities required for a particular appointment and identifying and nominating candidates to fill Board positions as and when they arise.

The Corporate Investment Committee is responsible for making recommendations to the Board on the Group's policy for disposal and/or acquisition of major corporate investments such as shares in London Stock Exchange plc or Euroclear Plc. Its members are Sir Martin Jacomb, Richard Tolkien and Gavin Oldham.

Executive group

The day to day management of the Group is undertaken by the executive group, which comprises Gavin Oldham, Richard Stone, Iain Wallace, Jeremy Helliwell and Guy Knight and typically meets on a weekly basis.

Share dealing

The Company has adopted a code for Directors' dealings which is appropriate for an AIM quoted company. The Directors will comply with Rule 21 of the AIM Rules for Companies relating to Directors' dealings and will take all reasonable steps to ensure compliance by the Group's applicable employees (as defined in the AIM Rules for Companies).

11. Controlling Shareholder and Lock-in arrangements

Immediately following Admission, and assuming all shares available under the Offer are taken up, 124,953,976 Ordinary Shares (representing approximately 78.2 per cent. of the Enlarged Issued Share Capital) will be beneficially owned by the Locked-in Parties which include a trust whose principal beneficiaries are charities. There will be no lock in arrangements for any Directors other than Gavin Oldham.

The Locked-in Parties have agreed that they will not dispose of any interest in Ordinary Shares held by the Locked-in Parties on Admission for a period of one year following Admission (save in certain limited customary circumstances), and that for a further period of one year the Locked-in Parties will not dispose of any interest in such Ordinary Shares (save in certain limited customary circumstances) otherwise than with the prior written consent of KBC Peel Hunt, which will not be unreasonably withheld. Certain of the Locked-in Parties are allowed to sell Shares with a value of approximately £500,000 to pay for capital gains liabilities falling due on 31 January 2009 if KBC Peel Hunt provide their consent in writing (not to be unreasonably withheld). The other Share plc Directors own approximately 0.4 per cent. of the issued ordinary share capital of the Company between them.

Prospective Shareholders in the Company should note that the prior consent of the FSA will be required for any person, either alone or with their associates, *inter alia*, to hold 10 per cent. or more of the Company's issued Ordinary Shares, as such Shareholders will then be regarded as a controller of The Share Centre and Sharefunds.

In order to obtain such consent from the FSA, the prospective Shareholder will be required to provide information to the FSA and may be required to give the FSA certain undertakings. If a Shareholder fails to obtain such consent, yet acquires a stake of 10 per cent. or more of the Company's issued Ordinary Shares or the right to exercise 10 per cent. or more of the voting power in the Company, then the FSA may impose restrictions on The Share Centre and/or Sharefunds, such as the restriction on the payments of dividends or the exercise of voting rights and/or seek a court order for the sale of the shares controlled (directly or indirectly) by that Shareholder. Furthermore, such Shareholder will be guilty of a criminal offence under section 191 of FSMA.

12. Dividend Policy

The Directors intend to pay a dividend of 0.2 pence in June 2008 in respect of the 2007 accounting year (2006: 0.18 pence per Ordinary Share and a special dividend of 1.0 pence per Ordinary Share in recognition of profits arising from sales of the Group's LSE shareholding and the LSE's special dividend to its Shareholders). The special dividend paid in respect of the 2006 accounting year, which cannot be taken as a precedent, indicates that the Group is prepared to share the benefits of success with its Shareholders when appropriate. All shares issued under the Offer and the first allocated tranche of the 2008 Free Shares Offer will be eligible for the 2008 dividend.

The Directors maintain a prudent approach to the distribution of any dividends so as to ensure sufficient resources are retained within the Group to further pursue its growth strategy including continued marketing investment, and to enable the Group to take advantage of any acquisition opportunities which may arise. All dividends will be subject to the future financial performance of the Group including results of operations and cash flows, the Group's financial position and capital requirements, general business conditions, availability of distributable reserves, legal, tax, regulatory and any contractual restrictions on the payment of dividends and any other factors the Directors deem relevant at their discretion, which will be taken into account at the time.

13. The Panel and the application of the Takeover Code

As noted in paragraph 11 above, Gavin Oldham, his family and various family trusts (being the Locked-in Parties), will hold a beneficial interest in 124,953,976 Ordinary Shares on Admission representing approximately 78.2 per cent. of the total voting share capital of the Company in issue at such time. As such, the Locked-in Parties will have the right, as described below, to acquire and/or to continue to acquire Ordinary Shares in the Company without incurring an obligation under Rule 9 of the Code (as described below) to make a general offer.

The Panel is an independent body, whose main functions are to issue and administer the Takeover Code and to supervise and regulate takeovers and other matters to which the Code applies in accordance with the general principles and rules set out in the Code. The Code applies to all offers for public companies (and certain other related transactions and entities), which, *inter alia*, have their registered offices in the UK, the Channel Islands or the Isle of Man and which are considered by the Panel to have their place of central management and control in the UK, the Channel Islands or the Isle of Man. At the date of this document, the Code will, therefore, apply to the Company and certain dealings in its shares. The Code also applies to a range of persons who participate in, or are connected with, or who in any way seek to influence, intervene in, or benefit from, takeovers or other matters to which the Code applies.

Amongst other provisions in the Code which may be relevant to the Company, prospective investors and other third parties, under Rule 9 of the Code, where (i) any person, or group of persons acting in concert, 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 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 Code, 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 increase the percentage of the shares carrying voting rights in which he is interested, such person or persons are normally required by the Panel to make a general offer, in cash, to all the shareholders of the company, to acquire the remaining equity and voting shares in the company, at not less than the highest price paid by him or any persons acting in concert with him, for the acquisition of an interest, within the twelve months prior to the announcement of the offer. Rule 9 of the Code is subject to a very limited number of dispensations.

Where a person holds shares carrying more than 50 per cent. of the voting rights of a company to which the Code applies, he will have the right, so long as his shareholding continues to represent over 50 per cent. of the voting rights of the company, to increase his shareholding and, thereby, his percentage of the voting rights in the company, without incurring any further obligation under Rule 9 of the Code to make a general offer.

14. CREST

The Articles permit Ordinary Shares to be issued and transferred in uncertificated form in accordance with the Regulations. CREST is a computerised paperless share transfer and settlement system which allows shares and other securities, to be held in electronic rather than paper form and transferred otherwise than by written instrument.

The Existing Ordinary Shares are already admitted to, and enabled for settlement in, CREST. In addition, the Offer Shares will be enabled for settlement in CREST on the date of Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within CREST if Shareholders so wish.

15. Taxation

Information regarding United Kingdom taxation is set out in paragraph 12 of Part VI of this document. These details are, however, intended only as a general guide to the current tax position under UK taxation law. Shareholders who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK are strongly advised to consult their own independent financial adviser immediately.

16. Further Information

Your attention is drawn to the additional information in Parts II to VI of this document.

PART II

RISK FACTORS

Potential investors should carefully consider the risks described below, in the light of the information in this document and their personal circumstances, before making any decision to invest in the Company. The risks and uncertainties described below are not the only ones facing the Group and are not intended to be presented in any assumed order of priority. Additional risks and uncertainties not presently known or risks that are currently deemed immaterial may also impair the Group's business operations. If any of the risks described should actually occur, a significant or material adverse effect on the Group's business, results of operations and/or financial condition could occur and the Company could be materially affected. In such circumstances, the price of the Ordinary Shares may fall and potential investors could lose all or part of their investment.

An investment in the Ordinary Shares described in this document is speculative. Potential investors are accordingly advised to consult a person authorised for the purposes of the FSMA who specialises in advising on investments of this kind before making any investment decisions. Potential investors should therefore consider carefully whether investment in the Company is suitable for them, in light of the risk factors outlined below, their personal circumstances and the financial resources available to them.

Risks relating to the Group and its sector

Influence of significant Shareholders

Upon completion of the Offer, assuming all new Ordinary Shares offered are taken up, Gavin Oldham, his family and various family trusts, beneficially own approximately 78.2 per cent. of the Ordinary Shares. As a result, Gavin Oldham and his family could exercise significant influence over matters requiring shareholder approval, which, amongst other things, could delay or prevent an outside party from acquiring or merging with the Group, which may reduce the market price of the Company's Ordinary Shares.

Market fluctuations

A proportion of the Group's revenues are dependent upon the value of stock markets as some administration fees are based upon the market value of funds under administration.

Dealing commissions are dependent upon the frequency of trading and the fee charged. The Company is not able to (nor would it wish to) influence the frequency with which a client trades. Furthermore, if market values fall dealing commissions per trade would decrease as a significant proportion of trades are based on the consideration.

Potential acquisition targets and competition

Future acquisitions of companies or business assets by the Group are expected to be funded through issuing equity, secondary fundraising through the placing of equity or debt and cash generated internally, or a combination of these. The Group has previously made acquisitions and the Directors expect to continue to make such acquisitions. There is no guarantee, however, that there will be any potential acquisitions in the future which meet the Group's criteria or that the Group will obtain the regulatory approvals required in respect of such potential acquisitions.

Further, the financial services industry is competitive. Existing and new competitors may compete with the Group in identifying, assessing and acquiring future companies or businesses, resulting in the Group either being unable to acquire such companies or businesses, or only acquiring them at a higher price, therefore impacting on the Group's growth and profitability.

Finally, the acquisition of FSA authorised firms, businesses and/or portfolios may require the approval of the relevant regulator (such as the FSA), in respect of approval of not only the Group and Gavin Oldham and his family's controller status, but also of the Group's senior management's competence. There is no guarantee that the relevant regulators will provide such approval or that the conditions on which the regulators will grant such approval will be acceptable.

Risks related to future acquisitions

The Group may acquire other companies and businesses if appropriate opportunities become available. Any future acquisition may have unanticipated litigation or a level of claims against which the Group may not have effective or full redress against the vendor of the company or business, or against which the Group may not have much impact into or control over managing or settling. There may also be integration costs as a result of the acquisition, including potential redundancy related costs. Furthermore, any acquisitions may significantly affect the Group's results or operations because the acquisitions will require the attention of the Group's management and may require the diversion of other resources. The negotiation of potential acquisitions as well as the integration of an acquired investment company or business could result in a substantial diversion of management resources, due to the numerous additional risks such as potential losses from unanticipated litigation or levels of claims or an inability to generate sufficient earnings to offset acquisition costs and financial exposures. Future acquisitions may also expose the Group to operational challenges and risks, including (but not limited to):

- Cash flow shortages (including if anticipated earnings are not realised or are delayed, whether by general economic or market conditions or unforeseen internal difficulties, or if expenses are greater than anticipated);
- The value of assets being lower than expected or diminishing because of credit defaults or changes in interest rates, or liabilities assumed being greater than expected or subject to foreign currency exchange rate fluctuations;
- Integrating financial and operational reporting systems;
- Establishing satisfactory budgetary and other financial controls;
- Increasing capital needs and overhead expenses;
- Obtaining and retaining management personnel required for expanded operations.

If the Group fails to successfully manage these operational challenges and risks, it would have a material adverse effect on its business, financial condition or results of operations. No assurance can be given that the Group will be able to manage future acquisitions profitably or to integrate such acquisitions successfully without substantial costs, delays or other problems. In addition, no assurance can be given that any investment companies and businesses acquired will achieve levels of profitability or earnings that will justify the investment made by the Group.

Dependence on key executives and personnel

The Group's future success may be substantially dependent on the continued services and performance of its Executive Directors and senior management and its ability to continue to attract and retain highly skilled and qualified personnel. The Directors cannot give assurances that members of the senior management team or the Executive Directors will continue to remain with the Group or that it will be able to attract personnel of a sufficiently high calibre to meet the Group's recruitment needs.

In order to mitigate some of the risk arising from this dependence on key executives, the Company has implemented a key man insurance policy for the executive group.

Regulatory risks

The financial services industry is heavily regulated in most jurisdictions. The Share Centre and Sharefunds are subject to the FSA's regulatory requirements. These companies, and any future acquisitions by the Group, may not be able to maintain the necessary licences, permits, authorisations or accreditations in jurisdictions in which they currently engage in business, or obtain in new jurisdictions, or may be able to do so only at significant cost.

In addition, the Group may not be able to comply with, or obtain appropriate exemptions from, the wide variety of laws and regulations applicable to financial services operations or holding companies. Failure to comply with or to obtain appropriate authorisations and/or exemptions under any applicable laws could result in restrictions on the Group's ability to do business or to engage in certain activities as are regulated in one or more of the jurisdictions in which it operates and could subject the Group to fines or other sanctions, which could have a material adverse affect on the Group's business. In addition, changes in the laws and regulations to which the Group's operations are subject could have a material adverse affect on the Group's business. The Share Centre's and Sharefunds' investment operations in the United Kingdom are subject to authorisation from the FSA. As FSA authorised companies, these operations will be subject to close supervision by the FSA. Changes in the FSA's requirements from time to time may have an adverse impact on the business of the Group. The cost of compliance could increase if there are changes to the regulatory regime.

Furthermore, given that the framework for supervision of investment business in the United Kingdom must comply with EU directives (which are implemented by Member States through national legislation), changes at the EU level may affect the regulatory regime under which the Group will operate.

The acquisition of financial services companies and, in some cases, portfolios of business is also subject to regulatory control in the UK and most other jurisdictions. Regulatory review will focus on the financial strength, management capability and integrity of the acquiring company and the impact of the proposed transaction on the customers of the target company. Powers of regulators are largely discretionary as to such approval. It is therefore possible that one or more regulators may not approve further acquisitions, thereby curtailing the growth of the Group's business.

The Group now prepares its financial statements in accordance with IFRS adopted for use in the European Union. From time to time the IASB amends IFRS and issues new IFRS and accounting interpretations. These changes may affect the way that transactions are measured and reported in the financial statements.

Exposure to litigation

The Group may be involved in litigation against third parties in the normal course of business and the probable outcome of all such litigation may be taken in the assessment of the Group's liabilities. If the outcome or costs (including potential accrued interest costs) of such litigation is incorrectly estimated, the Group's results could be negatively affected.

The Group may require additional capital in the future, which may not be available or may only be available on unfavourable terms

Future acquisitions by the Group are expected to be funded through a mixture of issuing equity, secondary fundraisings through the placing of equity, debt and the utilising of future cash reserves that are generated through the successful management of and final cash flow extracted from the Company's business. Any equity or debt financing, if available at all, may be on terms that are not favourable to the Group or not acceptable to a regulator whose approval may be required for the transaction. In the case of equity financings, existing shareholders in the Company would be diluted, and in any case such securities may have rights, preferences and privileges that are senior to those of the Ordinary Shares. If the Group cannot obtain adequate capital on favourable terms or at all, its business, financial condition or operating results could be adversely affected and the Group may have to curtail its plans for further acquisitions.

General economic climate

The markets in which the Group operates are directly affected by many national and international factors that are beyond its control. Any one of the following factors, among others, may cause a substantial decline in the financial markets in which the Group operates: legislative, legal and regulatory changes; economic and political conditions in the UK, continental Europe, the US and elsewhere in the world; changes in the supply and demand of capital, industrial disruption, concerns about terrorism and war; the level and volatility of equity, property and commodity markets; the level and volatility of interest rates and foreign currency exchange rates and concerns over inflation and changes in institutional and consumer confidence levels. In recent years, the financial markets have been adversely affected by acts of war, terrorism, other armed hostilities and natural disasters. Uncertain economic prospects or declines in investment markets for the foregoing reasons could adversely affect the operations, business and profitability of the Group.

Loss of business reputation or negative publicity

The Group operates in an industry where integrity and customer trust and confidence are paramount. Accordingly any negative publicity (whether well founded or not) associated with the business or operations of the Group could result in a loss of business and make it more difficult to obtain the requisite regulatory approvals. Accordingly, any mismanagement, fraud or failure to satisfy fiduciary responsibilities, or the negative publicity resulting from such activities or any allegation of such activities, could have a material adverse effect on the Group.

Reliance on Information Technology systems

The Group requires complex and extensive IT systems to run its business. Delay in establishing new IT systems or a failure of existing systems could lead to a delay in the implementation of the Group's business plan and could have a material adverse impact on the Group.

Control systems may prove inadequate

The Group has in place appropriate regulatory, financial and management controls. The Directors believe the Group also has in place appropriate protections against detrimental activities such as fraud, theft, misuse of funds, money laundering or other unauthorised or criminal activities. Nevertheless, such systems may prove inadequate. In the event that such controls fail or the Group is subject to such detrimental activities and such protections prove inadequate, this may lead to a material adverse effect on the Group.

The Share Centre accepts responsibility for Account Customers' stock holdings registered in the name of Share Nominees, and for the acts and omissions of Share Nominees. In the event that any shortfall was identified in relation to holdings within Share Nominees, The Share Centre would be required to make good such shortfall, which may have a material adverse effect on the Group.

Exposure to risks from computer viruses, malicious codes and similar disruptions

The Group's software and systems are exposed to risks from computer viruses, malicious codes, distributed denial of service attacks and similar disruptions. While the Group takes the security of its computer systems very seriously, like other online service providers, computer viruses or malicious codes may cause the Group's systems to incur delays or other service interruptions which may have a material adverse impact on the Group. In addition, the inadvertent transmission of computer viruses could expose the Group to litigation and possible liability. The reputation of the Group could be damaged as a result of publicity of a computer virus or malicious code affecting the Group's systems and this could have a material adverse impact on the Group.

There have been instances where unidentified third parties have individually or collectively taken action to deliberately disrupt the operations of commercial websites. If similar action were taken against the Group in the future, it could limit the Group's ability to operate the website and damage systems it uses to operate its business, which could have a negative impact on the Group's reputation.

Customer privacy, data protection or information technology system security breaches

The Group may be subject to security breaches of its information technology systems. A party that is able to circumvent the Group's security systems, either physically or electronically, could steal personal data held by the Group. The attractiveness of the Group's services depends in part on customers' trust that their identity and details of their transactions will not be disclosed by the Group to third parties (other than outsourced third party suppliers). Security breaches could also expose the Group to litigation and possible liability. If the Group or any of the third party services on which it relies fails to transmit customer information and payment details online in a secure manner, or if they otherwise fail to protect customer privacy in online transactions, there is a risk that the Group's customers and potential customers would be deterred from using the Group's online products.

Online security

The Group's online operations may be subject to sophisticated schemes or collusion to defraud, launder money or other illegal activities. The Group has been affected by such detrimental activities in the past, as a result of which certain measures have been taken to enhance the Group's online security. While the Group makes continuing efforts to protect itself and its customers from such activities occurring in the future, including anti-money laundering procedures and protections from fictitious transactions and collusions, there is no assurance that such measures will be successful and if they prove unsuccessful, this could adversely affect the operations, business and profitability of the Group.

The Group's counterparties

The Group is exposed to the risk that banks or market counterparties with whom the Group deals may default on their obligations due to bankruptcy, lack of liquidity, operational failure or other reasons. Third parties that owe the Group money, securities or other assets (or third parties that hold money, securities or other assets on behalf of clients) may not perform their obligations to the Group due to operational failure, lack of liquidity, bankruptcy or otherwise. Although the Group regularly reviews credit exposure to specific organisations with which it transacts, defaults may arise from events or circumstances that are difficult to detect or predict. The Group may also fail to receive full information with respect to the trading risks of a counterparty. Any such failure may lead to delays or difficulties in the Group being able to settle trades or access client money.

Forward-looking statements

This document includes certain forward-looking statements, which can be identified by the use of forward-looking terminology, including the terms "proposes", "believes", "estimates", "anticipates", "projects", "expects", "intends", "may", "will", "can", "seeks" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements relate to matters that are not historical facts and include statements regarding the Company and its subsidiaries and its Directors' current intentions, beliefs or expectations concerning, amongst other things, the Group's results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which the Group operates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not an assurance of future performance. The Group's actual results of operations, financial condition and liquidity, and the development of the business sector in which the Group operates, may differ materially from those suggested by the forward-looking statements contained in this document. Therefore, even if the Group's results of operations, financial condition and liquidity, and the development of the industry in which the Group operates, are consistent with the forward looking statements contained in the document, the Group can give no assurance that those results or developments will prove to have been indicative of results or developments in subsequent periods.

All forward-looking statements in this document rely on a number of assumptions concerning future events and are subject to a number of uncertainties and other factors, many of which are outside the Company's control that could cause actual results to differ materially from such statements. Other than in accordance with the Company's obligations under the AIM Rules for Companies, the Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Risks relating to the Ordinary Shares

Investment in AIM traded securities, share price volatility and liquidity

Investment in shares traded on AIM is perceived to involve a higher degree of risk and be less liquid than investment in companies whose shares are listed on the Official List. It is possible that an active trading market may not develop and continue upon Admission. Even if an active trading market develops, the market price for the Offer Shares may fall below the Offer for Subscription Price. As a result of fluctuations in the market price of the Ordinary Shares, investors may not be able to sell their Ordinary Shares at or above the Offer for Subscription Price, or at all. Investors may therefore realise less than, or lose all of, their investment.

The price at which the Ordinary Shares are quoted and the price which investors may realise for their Ordinary Shares will be influenced by a large number of factors, some specific to the Group and its operations and some which may affect the financial services sector or quoted companies generally and which are outside the Group's control. These factors could include the performance of the Group, large purchases or sales of the Ordinary Shares, legislative changes in the financial services industry, general economic, political or regulatory conditions, or changes in market sentiment towards the Ordinary Shares.

The results of the Group may fluctuate significantly as a result of a variety of factors, many of which may be outside the Group's control. Period to period comparisons of the Group's results may not be meaningful and investors should not rely on them as indications of the Group's future performance. The Group's results may fall below the expectations of securities analysts and investors. In addition, stock markets from time to time suffer significant price and volume fluctuations that affect the market prices for securities and which may be unrelated to the Group's operating performance. Any of these events could result in a decline in the market price of the Ordinary Shares.

A change of control of the Company may be difficult to effect under applicable financial services laws

Under the FSMA, any person proposing to acquire "control" over a UK authorised person must give prior notification to the FSA of his intention to do so. The FSA has three months to consider that person's application to acquire "control". In considering whether to approve such application, the FSA must be satisfied that both the acquirer is a fit and proper person to have such "control" and that the interests of consumers would not be threatened by such acquisition of "control". Failure to make the relevant prior application could result in action being taken against the Company by the FSA. It could also result in criminal sanctions being applied to the proposed controller, and restrictions on the exercise of rights connected to the acquired shares, and an order for the sale or transfer of the improperly acquired shares.

A person who is already an approved controller of The Share Centre or Sharefunds by virtue of holding 10 per cent. or more of the shares in the Company or being entitled to exercise or control the exercise of 10 per cent. or more of the voting power in the Company will nevertheless require the prior approval of the FSA if it will increase its level of control beyond certain specified percentages. These are 20 per cent., 33 per cent. and 50 per cent.

Market risk – the value of Ordinary Shares may go down as well as up

Following Admission, it is likely that the Company's share price will fluctuate and may not always accurately reflect the underlying value of the business. The value of Ordinary Shares may go down as well as up and investors may lose some or all of the original sum invested. The price that investors may realise for their holdings of Ordinary Shares, when they are able to do so, may be influenced by a large number of factors, some of which are specific to the Company and others of which are extraneous and which may be sentiment led. Such factors may include the possibility that the market for the Ordinary Shares will be less liquid than for other equity securities and that the price of the Ordinary Shares could be relatively volatile.

Future sales of Ordinary Shares may affect their market price

The Company is unable to predict whether substantial amounts of Ordinary Shares will be sold in the open market following completion of the Offer and Admission. Any sales of substantial amounts of Ordinary Shares in the public market, or the perception that such sales might occur, could materially adversely affect the market price of the Ordinary Shares.

Holding company structure and restrictions on dividends

The Company is a holding company and it is not currently envisaged that it will conduct investment business of its own. Dividends from subsidiaries, together with any investment income, are expected to be the Company's main source of funds to pay expenses and dividends, if any.

The Company intends to pay a dividend to its Shareholders in respect of the year ended 31 December 2007. However, all future dividends will be subject to the future financial performance of the Group including results of operations and cash flows, the Group's financial position and capital requirements, general business conditions, legal, tax, regulatory and any contractual restrictions on the payment of dividends and any other factors the Directors deem relevant at their discretion, which will be taken into account at the time. Accordingly, it is uncertain when, or whether, dividends will be declared by the Company to its Shareholders.

The Company's subsidiaries may from time to time be subject to restrictions on their ability to make distributions to the Company, as a result of a number of factors including lack of distributable reserves, restrictive covenants contained within loan agreements, regulatory, fiscal or other restrictions. There can be no assurance that such restrictions will not have a material adverse effect on the Group's results or financial condition. All or any of these requirements may affect the ability of the Group to pay a dividend.

Risks relating to tax

Any change in the Group's tax status or in taxation legislation could affect the Group's ability to provide returns to Shareholders.

Statements in this document concerning the taxation of investors in Ordinary Shares are based on current UK tax law and practice which is subject to change. The taxation of an investment in the Group depends on the individual circumstances of investors.

PART III

THE OFFER FOR SUBSCRIPTION

1. DETAILS OF THE OFFER FOR SUBSCRIPTION BY SHARE PLC

1.1 Minimum and Maximum Subscription

Up to 4,000,000 Offer Shares are being offered by the Company to the public in the United Kingdom (and in no other jurisdiction) at the Offer for Subscription Price.

The basis of allocation and the allotment of the Offer Shares will be at the absolute discretion of the Directors, who reserve the right to reject, in whole or in part, or to scale down any application and in particular multiple or suspected multiple applications and to present any cheques or banker's drafts for payment on receipt.

If the Offer for Subscription is oversubscribed, an Applicant's Application Form (the term "Application Form" includes for these purposes an online application made through The Share Centre's internet website at www.share.com) may be accepted for a lesser amount than the amount actually applied for with the balance of the amount paid by the Applicant being returned (without interest) by crossed cheque in the name of the Applicant (meaning a person applying for Offer Shares) (or in the case of joint Applicants, the first named Applicant) through the post at the risk of the Applicant(s), or where the Applicant(s) has a Share Account with The Share Centre the balance amount will be paid into the Applicant's Share Account.

An Applicant may subscribe for any whole number of New Ordinary Shares as he or she may wish subject to: (i) the maximum number of Offer Shares being offered pursuant to the Offer for Subscription; and (ii) a minimum Application amount of £500 and a maximum Application amount of £25,000.

Applications are irrevocable. The Offer for Subscription is conditional upon, among other things, (i) Admission and (ii) the Offer for Subscription falling within the €2.5 million exemption to produce a prospectus in accordance with the Prospectus Rules. If the Offer for Subscription does not become unconditional then application monies which have been received will be returned (without interest) to the Applicant (or in the case of joint Applicants, the first named Applicant) by post at the risk of the Applicant(s), or where the Applicant(s) has a Share Account with The Share Centre the Application monies will be paid into the Applicant's Share Account. The Offer for Subscription is not underwritten.

1.2 Settlement and Dealings

Application will be made to London Stock Exchange plc for the Offer Shares to be admitted to trading on AIM. It is expected that the Offer Shares will be admitted to trading on AIM on 15 May 2008. The Offer Shares will be freely transferable and will rank *pari passu* amongst themselves and with the Existing Ordinary Shares for all dividends and other distributions which may be declared, made or paid from Admission.

The Offer Shares will be admitted to and enabled for settlement on CREST. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within CREST if relevant Shareholders so wish. Otherwise, all Offer Shares for successful Applicants who are also customers of The Share Centre with a Share Account will be held by Share Nominees on the Applicant's behalf, unless the Applicant instructs otherwise (in which case an administration fee may apply in accordance with The Share Centre's terms of business and tariff).

Applicants may elect to have their allocation of Offer Shares settled in definitive share certificates. If an Applicant so elects, it is intended that definitive share certificates will be posted to successful Applicants within 14 business days of the date of Admission. Prior to despatch of definitive share certificates, any transfers of Offer Shares will be certified against the register of members. No temporary documents of title will be issued. Successful Applicants will be notified of the number of Offer Shares issued and allotted to them pursuant to the Offer for Subscription by receipt of their respective share certificate(s).

The results of the Offer for Subscription are expected to be announced by the Company via its website, www.share.com, on or around 12 May 2008.

2. TERMS AND CONDITIONS

2.1. Save where otherwise stated, the terms used in the these Terms and Conditions and in the Application Form bear the same meaning as the Admission Document.

2.2. The Company reserves the right to treat as valid any Application not complying fully with these Terms and Conditions or not in all respects complying with the notes on the Application Form. In particular, but without limitation, the Company may accept Applications made otherwise than by completion of an Application Form where the Applicant has agreed, in some other manner acceptable to the Company, to apply in accordance with these Terms and Conditions.

2.3. The Company reserves the right to reject any Application (in whole or in part) or to accept any Application in part only. If any Application is not accepted, or if any contract created by acceptance does not become unconditional, or if any Application is accepted but for a lesser amount than was originally applied for, the Application monies or the balance of the amount paid on application will be returned, (without interest), by post to the Applicant (or in the case of joint Applicants, the first named Applicant) at the risk of the Applicant(s), or where the Applicant(s) has a Share Account with The Share Centre the Application monies or the balance amount will be paid into the Applicant's Share Account. In the meantime, Application monies will be retained in a client money account held by The Share Centre.

2.4. Applicants may pay for their Application by cheque or banker's draft submitted with the Application Form, or if an Applicant is a customer of The Share Centre, by instruction to debit their Share Account or payment by debit card, and payment will be deemed to have been made on receipt of cleared funds.

2.5. The Offer for Subscription is conditional upon, among other things, (i) Admission and (ii) the Offer for Subscription falling within the €2.5 million exemption to produce a prospectus in accordance with the Prospectus Rules.

2.6. The Offer for Subscription is not conditional on any minimum level of subscription under the Offer for Subscription. Accordingly, even if the maximum number of Offer Shares are not subscribed for under the Offer for Subscription, the Company may, subject to the Offer for Subscription becoming unconditional, allot any number of Offer Shares for which valid applications have been made. If, for whatever reason, Admission does not occur Application monies which have been received will be returned (without interest), by crossed cheque by post to the Applicant (or in the case of joint Applicants, the first named Applicant) at the risk of the Applicant(s), or where the Applicant(s) has a Share Account with The Share Centre the Application monies will be paid into the Applicant's Share Account.

2.7. Any person applying for Offer Shares on an Application Form will be agreeing with the Company and The Share Centre in the terms set out below in this paragraph.

By completing and delivering an Application Form each Applicant:

(a) irrevocably offers to apply for the number of Offer Shares set out in Section 2 of the Application Form (or such lesser number of Offer Shares for which such Applicant's Application is accepted) subject to the provisions of the Admission Document, these Terms and Conditions and the Memorandum and Articles of Association of the Company;

(b) authorises The Share Centre and/or the Company to:

(i) allot such Applicant's shares into the name of Share Nominees Limited where the Applicant has a Share Account with The Share Centre (and has not requested otherwise), and pay any monies returnable to the Applicant into its Share Account; or

(ii) either transfer via CREST or send a document of title for the number of Offer Shares for which an Applicant's Application is accepted, and/or a crossed cheque (or banker's draft) for any monies returnable, by post at the Applicant's risk to the address as set out in the Applicant's Application Form;

(c) agrees that, in consideration of the Company agreeing that it will consider and process Applications in accordance with the procedures set out herein, Applications cannot be revoked (except in the event any statutory withdrawal rights arise following publication by the Company of a supplementary Admission Document) and that this paragraph constitutes a collateral contract which will become binding upon despatch by post, delivery by hand or electronic transmission (as the case may be) of its Application Form duly completed to the Company or to The Share Centre;

(d) represents and warrants that the Applicant's remittance will be honoured on first presentation and agrees that, if such remittance is not so honoured, the Applicant will not be entitled to receive the Offer Shares applied for or to enjoy or receive any rights or distributions in respect of such Offer Shares unless and until such Applicant makes a payment in cleared funds for such Offer Shares and such payment is accepted by the Company (which acceptance shall be in its absolute discretion and which may be on the basis that such Applicant indemnifies it against all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of such Applicant's remittance to be honoured on first presentation) and that, at any time prior to the unconditional acceptance by the Company of such late payment, the Company may (without prejudice to its other rights) treat any agreement to allot and issue Offer Shares as void and may allot and issue such Offer Shares to some other person, in which case such Applicant will not be entitled to any refund or payment in respect of such Offer Shares (other than return of late payment);

(e) agrees that all cheques and banker's drafts may be presented for payment on receipt and any definitive document of title and any monies returnable to the Applicant may be retained pending clearance of its remittance and the completion of any verification of identity required by the Money Laundering Regulations 2007 (as amended) and any investigations of any breach or suspected breach of the representation and warranties set out in these Terms and Conditions and that such monies will not bear interest;

(f) undertakes to provide satisfactory evidence of identity within such reasonable time (in each case to be determined in the absolute discretion of the Company) in order to ensure compliance with the Money Laundering Regulations 2007 as amended;

(g) agrees that, in respect of those Offer Shares for which the Applicant's Application has been received and processed and not rejected, acceptance of the Applicant's Application shall be constituted by the Company instructing The Share Centre to enter the Applicant's name(s) on the share register, or where Applicants have a Share Account with The Share Centre (and have not requested otherwise) allot their shares into the name of Share Nominees;

(h) agrees that all documents in connection with the Offer for Subscription and any returned monies will be sent at such Applicant's risk (without interest) and may be sent to the Applicant at its address as set out in the Application Form;

(i) agrees that, having had the opportunity to read the Admission Document, the Applicant shall be deemed to have had notice of and fully understood all information, the risk factors contained within the Admission Document and these Terms and Conditions and representations;

(j) confirms that in making an Application, no reliance is being placed on any information or representation in relation to the Group other than such as may be contained in the Admission

Document and agrees that none of the Company, The Share Centre or any of their respective officers, agents or employees or any person acting on behalf of them or any person responsible solely or jointly for this document, or any part of it, shall have any liability for any such information or representation (excluding any fraudulent representation);

(k) agrees that all Applications, acceptances of Applications and contracts resulting therefrom under, or connected with, the Offer for Subscription shall be governed by, and construed in accordance with, English law and that Applicants submit to the exclusive jurisdiction of the English courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of, or in connection with, any such Application, acceptances of Applications or contracts in any other manner permitted by law or in any court of competent jurisdiction;

(l) irrevocably authorises the Company and/or The Share Centre (or any person authorised by one of them), as its agent, jointly and severally, to do all acts and things deemed necessary and/or desirable in the agent's absolute and unfettered discretion in order to effect the registration of any Offer Shares subscribed for by the Applicant in their name or that of Share Nominees and irrevocably authorises such agent to execute any document required in order to give full effect to the above and, without limitation, to enter such Applicant's name(s) if applicable on the register of members of the Company;

(m) agrees to provide the Company with any information which it may request in connection with its Application or to comply with any relevant legislation;

(n) represents and warrants that, in connection with its Application, the Applicant has observed and complied with the laws and regulations of all requisite territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with their Application in any territory and that the Applicant has not taken any action, including the making of its Application, which will or may result in the Company or The Share Centre (or any of their respective directors, officers, employees or agents) acting in breach of the regulatory or legal requirements of any territory in connection with the Offer for Subscription or the Applicant's Application;

(o) represents and warrants that the Applicant is over 18 years of age;

(p) represents and warrants that, if the Applicant signs the Application Form on behalf of somebody else or a corporation, the Applicant has the authority to do so and such person will also be bound accordingly and will be deemed also to have given the confirmations, representations, warranties and undertakings contained in these Terms and Conditions and undertakes to enclose a valid, legal and binding power of attorney (or a copy thereof duly certified by a solicitor) with the Application Form;

(q) represents and warrants that the Applicant is resident in the United Kingdom and is not a US Person or resident of Canada, Australia or Japan and that the Applicant is applying for Offer Shares from within the United Kingdom and that the Applicant is not applying on behalf of, or with a view to, the offer, sale or delivery, directly or indirectly, to, or for the benefit of, any US Person or resident of Canada, Australia or Japan;

(r) represents and warrants that the information contained in the Application Form is true, accurate and not misleading in any respect;

(s) undertakes that the Applicant will not reproduce or distribute this Admission Document, the Offer Flyer and/or the Application Form, in whole or in part, and that the Applicant will not disclose any of their content or any information therein for any purpose other than for the purposes of considering an investment in the Offer Shares; and

(t) confirms that the Applicant has read and complied with paragraph 2.8 below.

2.8. No person receiving a copy of this Admission Document, the Offer Flyer or an Application Form in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use such Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her or such Application Form could lawfully be used without contravention of any registration or other legal requirements. It is the responsibility of any person outside the United Kingdom wishing to make an Application to satisfy himself or herself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any of the formalities requiring observation in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

2.9. The Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or under the securities legislation of any state of the United States, Australia, Canada or Japan. Accordingly, subject to certain exceptions, the Ordinary Shares may not, directly or indirectly, be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and, subject to certain exceptions, may not be offered or sold within Australia, Canada or Japan or to or for the account or benefit of any national, resident or citizen of Australia, Canada or Japan or any person located in the United States. Neither this document, the Offer Flyer nor the Application Form constitutes an offer, or the solicitation of an offer, to subscribe or buy any of the Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction and neither this document, the Offer Flyer nor the Application Form nor any copy of any of them may be sent or taken into the United States, Australia, Canada or Japan nor may any of them be distributed to any US Person (as defined in Regulation S of the Securities Act of 1933 of the United States of America).

2.10. Each Applicant's Application is addressed to the Company. The rights and remedies of the Company under these Terms and Conditions are in addition to any rights and remedies which would otherwise be available to the Company and the exercise or partial exercise of any such right in remedy will not prevent the exercise of others.

2.11. The dates and times referred to in these Terms and Conditions and/or the Application Form may be altered by the Company without prior notice.

2.12. It is a condition of the Offer for Subscription that, in order to ensure compliance with the Money Laundering Regulations 2007 (as amended), the Company is entitled to require, at its absolute discretion, verification of identity from any Applicant lodging an Application Form including, without limitation, any person who either: (i) tenders payment by way of a cheque or banker's draft drawn on an account in the name of a person or persons other than the Applicant; or (ii) otherwise appears to the Company to be acting on behalf of some other person. Pending the provision of evidence satisfactory to the Company as to the identity of the Applicant or any person on whose behalf the Applicant appears to be acting, the Company may, in its absolute discretion, retain an Application Form lodged by an Applicant and the cheque or other remittance relating thereto and The Share Centre may not enter the Applicant on the Company's register of members or allot any shares in respect of such Application. The Company reserves the right, in its absolute discretion, to reject any Application in respect of which the Company considers that, having requested verification of identity, it has not received evidence of such identity satisfactory to it by such time as was specified in the request for verification of identity or in any event within a reasonable period. The Company will not be liable to any person for any loss whatsoever and howsoever incurred as a result of the exercise of its discretion to determine whether the verification of identity is required and, if so, whether such verification has been appropriately evidenced by the Applicant. In the event of an Application being rejected in any such circumstances, the Company reserves the right in its absolute discretion to terminate any contract of allotment and issue relating to, or constituted by, such Application Form (in which event the money paid in respect of the Application will be returned (without interest) to the Applicant (or in the case of joint Applicants, the first named Applicant), at the sole risk of the Applicant(s)) and to endeavour to procure other subscribers for the Offer Shares in question (but in each case without prejudice to any rights the Company may have to take proceedings to recover in respect of loss or damage suffered or incurred by it as a result of the failure to produce satisfactory evidence as aforesaid).

2.13. The notes contained within the Application Form form part of these Terms and Conditions.

2.14. No individual allocations of Offer Shares which would, on Admission, represent 10 per cent. or more of the issued ordinary shares capital of the Company at that time will be made.

2.15. Any Applicant wishing to exercise the statutory withdrawal rights contained in section 87Q of FSMA after the publication by the Company of a supplementary Admission Document relating to this Admission Document must do so by lodging a written notice of withdrawal with The Share Centre, Oxford House, Oxford Road, Aylesbury, Buckinghamshire, HP21 8SZ so as to be received no later than two business days after the date on which the supplementary Admission Document is published. Notice of withdrawal which is deposited or received by The Share Centre after the expiry of such period will not constitute a valid withdrawal.

3. APPLICATION PROCEDURE

3.1 Cheques or banker's drafts must be made payable to The Share Centre. The Company reserves the right to reject any Application Form or to accept any Application Form in part only. The right is also reserved to treat as valid any Application Form which does not fully comply with the conditions set out in the Application Form. If any Application Form is not accepted, in whole or in part, the amount paid on application will be returned, (without interest), in each case by cheque sent to the Applicant (or in the case of joint Applicants, the first named Applicant) through the post at the Applicant(s) risk or where the Applicant(s) has a Share Account with The Share Centre the Application monies will be paid into the Applicant's Share Account.

3.2 Applicants should send their completed Application Forms to The Share Centre, Oxford House, Oxford Road, Aylesbury, Buckinghamshire HP21 8SZ.

3.3 Application Forms must be received by The Share Centre no later than 6.00 p.m. on 8 May 2008 or, if the Offer for Subscription is extended beyond that date, by no later than 6.00 p.m. on 15 May 2008 (or such date as the Directors may subsequently resolve, at their sole discretion, to close the Offer for Subscription). Applicants are advised to allow two full business days for delivery by first class post.

3.4 Applications must be made by means of the Application Form and should be accompanied by a cheque (or banker's draft) and drawn in sterling on an account held in the name of the Applicant at a UK clearing bank or if a customer of The Share Centre, by instruction to debit its Share Account or payment by debit card for the amount set out in Section 2 of the Application Form (being the number of Offer Shares an Applicant has applied for in Section 2 of the Application Form multiplied by the Offer for Subscription Price (27p per share)).

3.5 If payment is made by a building society cheque or a banker's draft, Applicants should write their name, address and date of birth on the back of the cheque or banker's draft, and the building society or bank must also endorse on the cheque or draft the name and account number of the person whose account is being debited.

4. OVERSEAS SHAREHOLDERS

No person obtaining or accessing a copy of this document, the Offer Flyer or the Application Form in any territory outside the UK may treat it as constituting an invitation or offer to them. Neither this document, the Application Form nor the Offer Flyer has been submitted to the clearance procedures of any regulatory authorities. Any application made by or on behalf of a person outside the UK will be rejected.

5. GUIDE TO THE APPLICATION FORM

Before making any application to subscribe under the terms of the Offer for Subscription, Applicants should carefully read the Admission Document in full. Applicants' attention is drawn, in particular, to the section headed "Risk Factors". Applicants must carefully consider whether an investment in the Company is suitable for them in light of the information in the Admission Document and the financial resources available to them.

Applicants are advised to consult a person authorised under the FSMA who specialises in advising on the acquisition of shares and other securities.

6. DEFINITIONS

For the purposes of these Terms and Conditions of the Offer for Subscription the following terms shall have the following meanings:

"Admission"	the Admission of the Ordinary Shares, in issue and to be issued pursuant to the Offer, to trading on AIM becoming effective pursuant to the AIM Rules for Companies as described in the Admission Document
"Admission Document"	means the AIM admission document dated 15 April 2008 published by the Company in connection with Admission
"AIM"	AIM, a market operated by the London Stock Exchange plc
"Applicant"	a person applying for Offer Shares pursuant to the Offer
"Application"	an application to subscribe for Offer Shares
"Application Form"	the Application Form incorporated within the Offer Flyer and including, for these purposes, an online application made through The Share Centre's internet website at www.share.com
"Company"	Share plc, incorporated in England and Wales under number 2966283
"CREST"	the relevant system (as defined in the CREST Regulations) for the paperless settlement of share transfers and the holding of shares in uncertificated form (as defined in the CREST Regulations) in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in the CREST Regulations)
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended
"Directors"	the Directors of the Company
"Existing Ordinary Shares"	the issued Ordinary Shares immediately prior to Admission
"FSMA"	the UK Financial Services and Markets Act 2000 (as amended)
"Group"	the Company and its subsidiary undertakings
"Offer" or "Offer for Subscription"	the offer of up to 4,000,000 new Ordinary Shares at the Offer for Subscription Price
"Offer Flyer"	the flyer sent by the Company to eligible offerees inviting them to participate in the Offer for Subscription
"Offer for Subscription Price"	27 pence per Offer Share
"Offer Shares"	new Ordinary Shares available pursuant to the Offer
"Ordinary Shares"	ordinary shares of 0.5 pence each in the capital of the Company
"Prospectus Rules"	the Prospectus Rules made by the Financial Services Authority under section 84 of FSMA brought into force on 1 July 2005 pursuant to Commission Regulation (EC) No. 809/2004
"Share Account"	a nominee based shareholding account with The Share Centre
"Share Nominees"	Share Nominees Limited, incorporated in England and Wales with registered number 2476691

"Terms and Conditions"	these terms and conditions
"The Share Centre"	The Share Centre Limited, incorporated in England and Wales with registered number 2461949
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland
"US Person"	a US Person as defined in Regulation S of the Securities Act of 1933 of the United States of America

PART IV

REGULATORY

1. Membership

The Share Centre is a member firm of the LSE and is authorised by HMRC as a PEP, ISA and CTF provider. The Share Centre is also a member of CREST, APCIMS, TISA and a member of ifs Proshare.

The Share Centre also received ISO 9001:2000 accreditation on 4 September 2000 as a result of its commitment to standards of quality, and the Company holds an 'Investors in People' accreditation.

Sharefunds is a member of the Investment Management Association and Share plc is a member of the Quoted Companies Alliance.

2. Overview of FSA Regulation

The Share Centre and Sharefunds are both authorised and regulated by the FSA. The FSA is the UK's single statutory regulator responsible for regulating the financial services industry in respect of the carrying on of "regulated activities" (including deposit taking, dealing, investment management and most other financial services carried on by way of business in the UK), with the objective of maintaining confidence in the UK financial system, providing public understanding of the system, securing a sufficient degree of protection for consumers and helping to reduce financial crime. It is an offence for any person to carry on a regulated activity in the UK unless that person is authorised by the FSA or falls under an exemption. The FSA's rules are contained in its Handbook of Rules and Guidance.

As authorised firms in the UK, The Share Centre and Sharefunds will be able to benefit from European single markets directives, allowing them to provide certain services throughout the EEA, subject to certain regulatory requirements of the FSA and in some cases, certain local regulatory requirements. These benefits would arise under MiFID for The Share Centre and under UCITS for Sharefunds.

As FSA authorised firms, The Share Centre and Sharefunds are subject to supervision by the FSA. The FSA has prescribed arrangements for senior management arrangements, systems and controls which must be complied with, and places an emphasis on risk identification and management in relation to the financial and operational condition of investment business. In addition, both The Share Centre and Sharefunds must comply with certain requirements in respect of prudential risk management and associated systems and controls. The Share Centre and Sharefunds are also required to comply with the FSA's conduct of business rules in connection with their regulated business.

3. FSA Supervision

The FSA carries out the supervision of authorised firms through a variety of methods, including the collection of information from statistical returns and periodic financial statements, skilled persons reports and visits to authorised firms.

The FSA has adopted a risk-based approach to the supervision of authorised firms. Under this approach, the FSA periodically performs formal assessments of authorised firms and groups carrying on business in the UK other than those firms designated as 'low impact' firms, which varies in length according to the risk profile of the authorised firm. The FSA's risk assessment approach generally involves analysis of information which it receives during the normal course of its supervision, such as regular prudential returns on the financial position of the authorised firm or which it acquires through a series of meetings with senior management of the authorised firm. After each risk assessment, the FSA will inform the authorised firm of its views on the authorised firm's risk profile. This may include details of any remedial action that the FSA requires.

4. FSA Capital Adequacy Requirements

The Share Centre and Sharefunds are each required to maintain capital resources equal to or in excess of its capital resources requirement at all times. The method of calculation of the capital resources requirement for The Share Centre is set out in the General Prudential Sourcebook for Banks, Building Societies and Investment Firms, whilst the method of calculation for Sharefunds is set out in the Prudential Sourcebook for UCITS Firms. Assets held in respect of capital resources are subject to specific valuation rules contained within these Sourcebooks. Failure to maintain capital resources in excess of the capital resources requirement is one of the grounds on which the FSA's investigation and enforcement powers may be exercised.

For 2007 the Group's consolidated capital resources requirement was £1,757,000. As at 31 December 2007 the Group's capital resources for FSA purposes were approximately £16.1 million.

5. Restrictions on Dividend Payments

UK company law prohibits a company from declaring a dividend to its shareholders unless it has "profits available for distribution". The determination of whether a company has profits available for distribution is based on its accumulated realised profits less its accumulated realised losses. While the FSA rules impose no statutory restrictions on an authorised firm's ability to declare a dividend, the FSA strictly controls the requirement for authorised firms to maintain a surplus of capital resources over its capital resources requirement.

6. FSA Supervision of Management

The FSA supervises the management of authorised firms through the approved persons regime, by which any appointment of persons to perform certain specified "controlled functions" within a regulated entity, must be approved by the FSA.

7. FSA Intervention and Enforcement

The FSA has extensive powers to intervene in the affairs of an authorised firm, including the power to impose fines of an unlimited amount and the ultimate sanction of the withdrawal of permission to carry on a regulated business. The FSMA imposes on the FSA statutory obligations to monitor compliance with the requirements imposed by the FSMA, and to enforce the rules made by the FSA under the FSMA. The FSA has power, among other things, to enforce and take disciplinary measures in respect of breaches of its rules.

The FSA also has the power to institute proceedings for criminal offences arising under the FSMA, and to institute proceedings for the offence of insider dealing under Part V of the Criminal Justice Act 1993, and breaches of money laundering regulations. The FSA's stated policy is to pursue criminal prosecution in all appropriate cases.

8. FSA Fees and Levies

As authorised firms, The Share Centre and Sharefunds are subject to FSA fees, Financial Ombudsman Service ("FOS") levies and Financial Services Compensation Scheme levies. In 2007, these fees totalled £20,355 for The Share Centre and £3,072 for Sharefunds.

PART V

FINANCIAL INFORMATION

Section 1 Accountants' Report on the Financial Information

Deloitte & Touche LLP
3 Rivergate
Temple Quay
Bristol
BS1 6GD

The Board of Directors
on behalf of Share plc
Oxford House
Oxford Road
Aylesbury
Buckinghamshire
HP21 8SZ

KBC Peel Hunt Ltd
111 Old Broad Street
London
EC2N 1PH

15 April 2008

Dear Sirs

Share plc

We report on the financial information set out in Part V of the AIM admission document dated 15 April 2008 of Share plc (the "Company" and, together with its subsidiaries, the "Group") (the "Admission Document"). This financial information has been prepared for inclusion in the Admission Document on the basis of the accounting policies set out in note 2 to the financial information. This report is required by Annex I item 20.1 of Commission Regulation (EC) No 809/2004 (the "Prospectus Directive Regulation") as applied by Paragraph (a) of Schedule Two to the AIM Rules for Companies and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 2 to the financial information.

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

Save for any responsibility arising under Paragraph (a) of Schedule Two to the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in accordance with this report or our statement, required by and given solely for the purposes of complying with Annex I item 23.1 of the Prospectus Directive Regulation as applied by Paragraph (a) of Schedule Two to the AIM Rules for Companies, consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments 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 jurisdictions outside the United Kingdom, including the United States of America, 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 Group as at the dates stated and of its profits, cash flows and changes in equity for the periods then ended in accordance with the basis of preparation set out in note 2.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f) as applied by 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 Annex I item 1.2 of the Prospectus Directive Regulation as applied by Schedule Two to the AIM Rules for Companies.

Yours faithfully

Deloitte & Touche LLP
Chartered Accountants

Deloitte & Touche LLP is the United Kingdom member firm of Deloitte Touche Tohmatsu ("DTT"), a Swiss Verein whose member firms are separate and independent legal entities. Neither DTT nor any of its member firms has any liability for each other's acts or omissions. Services are provided by member firms or their subsidiaries and not by DTT.

Section 2 Financial Information

Consolidated income statement for the year ended 31 December

	Notes	*2005* *£'000*	*2006* *£'000*	*2007* *£'000*
Revenue	5	9,427	10,618	11,721
Administrative expenses		(8,510)	(9,515)	(10,558)
Operating profit	8	917	1,103	1,163
Investment revenue	10	676	789	947
Other gains and losses	11	1,362	1,514	1,203
Profit before taxation		2,955	3,406	3,313
Taxation	12	(720)	(961)	(867)
Profit for the period		2,235	2,445	2,446
Basic earnings per share*	14	1.4p	1.6p	1.5p
Diluted earnings per share*	14	1.4p	1.5p	1.5p

All results are in respect of continuing operations.

* The Directors consider that the underlying earnings per share as presented in note 14 represent a more consistent measure of the underlying performance of the business as this measure excludes 'Other gains and losses' and one-off items of income or expense.

Consolidated statement of recognised income and expense for the year ended 31 December

	Notes	*2005* *£'000*	*2006* *£'000*	*2007* *£'000*
Gains on revaluation of available-for-sale investments taken to equity	24	165	2,352	1,492
Losses on revaluation of available-for-sale investments taken to equity		(709)	–	–
Exchange gains on available-for-sale investments taken directly to equity		–	–	175
Tax on items taken directly to equity		163	(705)	(496)
Net (expense)/income recognised directly in equity		(381)	1,647	1,171
Transfers				
Transferred to profit or loss on the sale of available-for-sale investments	24	(1,362)	(1,589)	(1,163)
Tax on transfers from equity		409	477	350
		(1,334)	535	358
Profit for the year		2,235	2,445	2,446
Total recognised income for the year		901	2,980	2,804
Attributable to equity shareholders		901	2,980	2,804

Consolidated balance sheets at 31 December

	Notes	*2005* *£'000*	*2006* *£'000*	*2007* *£'000*
Non-current assets				
Intangible assets	15	100	84	68
Property, plant and equipment	16	135	184	156
Available-for-sale investments	17	4,146	4,869	5,373
		4,381	5,137	5,597
Current assets				
Trade and other receivables	19	5,464	6,223	5,717
Cash and cash equivalents	19	10,298	12,053	11,642
Derivative financial instruments	20	36	–	135
Deferred tax assets	21	85	69	178
		15,883	18,345	17,672
Total assets		20,264	23,482	23,269
Current liabilities				
Trade and other payables	22	(5,799)	(5,909)	(5,456)
Current tax liabilities		(327)	(551)	(463)
		(6,126)	(6,460)	(5,919)
Net current assets		9,757	11,885	11,753
Non-current liabilities				
Deferred tax liabilities	21	(1,178)	(1,406)	(1,454)
Total liabilities		(7,304)	(7,866)	(7,373)
Net assets		12,960	15,616	15,896
Equity				
Share capital	23	798	798	779
Capital redemption reserve	25	–	–	19
Share premium account	27	29	29	29
Employee benefit reserve	26	(370)	(416)	(439)
Retained earnings	28	9,753	11,920	11,893
Revaluation reserve	24	2,750	3,285	3,615
Equity shareholders' funds		12,960	15,616	15,896

Consolidated cash flow statement for the year ended 31 December

	Notes	*2005* *£'000*	*2006* *£'000*	*2007* *£'000*
Net cash from operating activities	29	184	(252)	236
Investing activities				
Interest received		564	662	811
Dividend received from trading investments		112	127	137
Proceeds on disposal of available-for-sale investments		1,362	1,589	1,163
Purchase of property, plant and equipment		(90)	(120)	(47)
Purchase of derivative financial instrument		–	–	(95)
Net cash received from investing activities		1,948	2,258	1,969
Financing activities				
Equity dividends paid		(219)	(251)	(1,851)
Share capital redemption		–	–	(765)
Net cash used in financing		(219)	(251)	(2,616)
Net increase/(decrease) in cash and cash equivalents		1,913	1,755	(411)
Cash and cash equivalents at the beginning of the year		8,385	10,298	12,053
Cash and cash equivalents at the end of the year		10,298	12,053	11,642

Notes to the financial information

1 General information

Share plc is a company incorporated in the United Kingdom under the Companies Act 1985. The financial information is presented in pounds Sterling which is the currency of the primary economic environment in which the Group operates.

2 Basis of preparation

The consolidated financial information has been prepared for inclusion in this AIM admission document for the application by Share plc for Admission. It shows the consolidated track record of the Group for the three years ended 31 December 2007.

As a company seeking Admission, Share plc is required to present certain historical financial information in its AIM admission document on a basis consistent with the accounting policies adopted in its financial statements. Therefore the Directors of the Company have prepared financial information for the Group in accordance with International Financial Reporting Standards as adopted for the first time in the Group's consolidated financial statements for the year ended 31 December 2007. To ensure comparability, the Directors have elected to prepare this financial information in accordance with IFRS in respect of all accounting periods presented.

The financial information presented has been prepared in accordance with the requirements of the AIM Rules for Companies; and in accordance with this basis of preparation. The basis of preparation describes how the financial information has been prepared in accordance with those International Financial Reporting Standards as adopted by the EU (IFRSs as adopted by the EU), and IFRIC interpretations issued and effective, or issues and early adopted, as at the date of this information except as described below.

IFRSs as adopted by the EU do not provide for the specific accounting treatments set out below and accordingly in preparing the financial information certain accounting conventions commonly used for the preparation of historical financial information for inclusion in investment circulars as described in the Annexure to SIR 2000 (Investment Reporting Standard applicable to public reporting engagements on historical financial information) issued by the UK Auditing Practices Board have been applied. The application of these conventions results in the following material departures from IFRSs as adopted by the EU:

1. No comparative figures have been provided
2. No reconciliation to previous GAAP has been provided

In other respects IFRSs as adopted by the EU have been applied.

The Group has adopted IFRS 7 *Financial Instruments: Disclosures* which is effective for annual reporting periods beginning on or after 1 January 2007, and the related amendment to IAS 1 *Presentation of Financial Statements*. Although only effective from 1 January 2007, where available, information for the earlier years has been disclosed. Four interpretations issued by the International Financial Reporting Interpretations Committee are effective for 2007. These are: IFRIC 7 *Applying the Restatement Approach under IAS 29, Financial Reporting in Hyperinflationary Economies*; IFRIC 8 *Scope of IFRS 2*; IFRIC 9 *Reassessment of Embedded Derivatives*; and IFRIC 10 *Interim Financial Reporting and Impairment*. The adoption of these interpretations has not led to any changes in the Group's accounting policies.

At the date of this AIM admission document, the following standards and interpretations, relevant to the Group's activities, which have not been applied in this financial information were in issue but not yet effective:

IFRS 8 *Operating Segments*

IFRIC 11 IFRS 2 – *Group and Treasury Share Transactions*

2 Basis of preparation (continued)

The Directors anticipate that the adoption of these standards and interpretations in future periods will have no material impact on the financial statements of the Group except for additional segment disclosures when IFRS 8 comes into effect for periods commencing on or after 1 January 2009.

3 Accounting policies

Basis of consolidation

The Group financial information consolidates the financial information of the Company and its subsidiaries, The Share Centre Limited, The Share Centre (Administration Services) Limited, The Shareholder Limited, and Sharefunds Limited, which all make up their annual financial statements to 31 December. Other subsidiaries are not included in the consolidation as they are not trading and not material to the Group.

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

Investments held as available-for-sale

Investments classified as held for sale are measured at fair value at the reporting date. Cost to sell is also taken into consideration where material.

Gains and losses arising from changes in fair value are recognised directly in equity (the amounts are shown in a separate reserve, called "Fair Value Reserve"), until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for the period.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT and any other sales related taxes.

Revenue is recognised on an accruals basis and primarily comprises dealing commissions, interest income on client money and fees earned in the provision of broking and custodian services.

Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable.

Dividend income from investments is recognised when the shareholders' right to receive payment has been established, typically on cash receipt.

Leasing

Leases are classified as finance leases whenever 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.

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

Foreign currencies

The consolidated and individual financial statements of each Group company are presented in pounds Sterling, which is the currency of the primary economic environment in which they operate. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Income and expense items are translated into Sterling at the prevailing exchange rate on the date of the transaction.

Exchange differences are recognised in profit or loss in the period in which they arise.

3 Accounting policies (continued)

Operating profit

Operating profit is stated before investment income and any other gains or losses which arise in respect of the available-for-sale investments held by the Group.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's 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 the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets or liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying value of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

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 of assets over their estimated useful lives, using the straight-line method, on the following bases:

Motor vehicles, computer hardware, fixtures and equipment 25%

The gain or loss arising from the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

Intangible fixed assets

The Group's investment in the share.com domain name is stated at cost and is amortised over 10 years on a straight-line basis from the year of completion of the transaction purchase.

Investments in subsidiaries

Fixed asset investments in subsidiaries are shown at cost less provision for any impairment.

3 Accounting policies (continued)

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the 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 (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Any intangible assets with an indefinite useful life are tested for impairment annually and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of the fair value less costs to sell and the value in use. In assessing the 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 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.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Financial instruments

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

Financial assets

Investments are recognised and derecognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: Financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Available-for-sale financial assets

Listed and unlisted shares held by the Group are classified as being AFS and are stated at their fair value. Fair value is determined in the manner described in note 20. Gains and losses arising from changes in fair value are recognised directly in equity in the revaluation reserve with the exception of impairment losses, interest calculated using the effective interest rate method and foreign exchange gains and losses on monetary assets, which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investments' revaluation reserve is included in the profit or loss for the period.

Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

3 Accounting policies (continued)

Financial instruments (continued)

The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the balance sheet date. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in profit or loss, and other changes are recognised directly in equity.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Trade receivables

Trade receivables are measured at initial recognition at fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. In accordance with market practice, certain balances with clients, Stock Exchange member firms and other counterparties are included as debtors.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For shares classified as AFS, a significant or prolonged decline in fair value of the security below its cost is considered to be objective evidence of impairment. For all other financial assets, including redeemable notes classified as AFS and finance lease receivables, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty
- Default or delinquency in interest or principal payments, and
- It becoming probable that the borrower will enter bankruptcy or financial reorganisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

3 Accounting policies (continued)

Financial instruments (continued)

In respect of AFS equity securities, impairment losses previously recognised through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised directly in equity.

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 to a known amount of cash and are subject to an insignificant risk of changes in value. Included within cash balances are amounts held on client settlement accounts as shown in note 19.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities ‘at FVTPL’ or ‘other financial liabilities’.

The Group has no financial liabilities ‘at FVTPL’. ‘Other financial liabilities’, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

Trade payables

Trade payables are measured at fair value. In accordance with market practice, certain balances with clients, Stock Exchange member firms and other counterparties are included as creditors.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or they expire.

Derivative financial instruments

Derivative financial instruments are used solely by the Group to reduce or eliminate exposure to interest rate risks. Further details of derivative financial instruments are disclosed in notes 19 and 20 to the financial statements.

3 Accounting policies (continued)

Financial instruments (continued)

The derivative used by the Group is initially recognised at fair value at the date the derivative contract is entered into and is subsequently remeasured to its fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately.

The derivative is presented as a non-current asset if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

Share-based payments

The Group has applied the requirements of IFRS 2 *Share-based Payment*. In accordance with the transitional provisions, IFRS 2 has been applied to all grants of equity instruments after 7 November 2002 that were unvested at 1 January 2006.

The Group issues equity-settled share-based payments to certain employees. Equity share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions. Fair value is measured using the Black-Scholes model. Details of the Group's share-based payments are disclosed in note 31 to these financial statements.

Purchase of shares for Employee Benefit Trust

During the year, the Group acquired a number of shares in Share plc, which are held by Sharesecure Ltd, a trustee provider, 100 per cent. owned by Share plc. This purchase was made to meet potential obligations arising from the issue of share options made to employees. The original cost of investment has been deducted in arriving at shareholders' funds (the amounts are shown in a separate reserve, called 'Employee Benefit Reserve').

Pension scheme

If requested, the Group contributes 8 per cent. of the employee's gross salary to a defined contribution pension scheme of the employee's choice. Contributions are charged to the income statement as they become payable. The assets of these schemes are held separately from those of the Group in independently administered funds.

Balances with clients and counterparties

In accordance with market practice, certain balances with clients, Stock Exchange member firms and settlement offices are included in debtors and creditors gross for their unsettled bought and sold transactions respectively.

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Allowance for bad debts

The Group makes a provision for the element of fees which it believes will not be recovered from customers. This is based on past experience and detailed analysis of the outstanding fees position particularly with regard to the value of customers' portfolios relative to the fees owed.

Fair value of investments

The Group currently holds investments in London Stock Exchange plc and Euroclear plc. These are held as available-for-sale financial assets and are measured at fair value at the balance sheet date. London Stock Exchange plc shares trade in an active market and the fair value is readily determined by market price. The Euroclear plc shares do not trade in an active market and therefore a view is formed as to fair value based on the most recently traded price and the net asset value of the business adjusted for liquidity considerations.

Fair value of derivative financial instruments

The Group has a single derivative financial instrument. Its fair value is determined by reference to the market valuation for that instrument.

Share-based payments

The Company's shares have been traded on Sharemark since 2000. This provides a market price to help determine the fair value of equity-settled share-based payments, but in addition to this, estimations are made as to price volatility, risk free interest rate and expected life. These estimations enable the Black-Scholes model to then be used to determine the fair value of these equity-settled share-based payments.

Impairment

The assets on the balance sheet are reviewed for any indications of impairment. This is done with reference to the recoverability and market value of the assets concerned but may involve an element of judgement or estimation in determining whether there are any indications of impairment and the extent of any impairment loss.

5 Revenue

An analysis of the Group's revenue is as follows:

	2005	*2006*	*2007*
	£'000	*£'000*	*£'000*
Commission income	3,246	3,490	3,699
Fee income	4,252	4,784	5,140
Interest income on customer deposits	1,929	2,344	2,882
	9,427	10,618	11,721

6 Business and geographical segments

The Group currently operates in only one business segment, being the provision of stockbroking and custodian services. As the business only operates in this one segment, no additional business segmental analysis has been shown. In addition, all activities of the Group are located within the UK and therefore the Group operates in a single geographic segment and no additional geographic segmental analysis has been shown.

7 Changes in accounting estimates

IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' requires the Group to disclose details of changes in accounting estimates. The Group has reviewed its accounting estimates concerning its bad debt provision in respect of fees and this has resulted in a change in accounting estimates. In the previous accounting period, a full provision was made for all fees remaining outstanding on customers' accounts for a period longer than nine months. A project was carried out during 2007 to collect outstanding fees. Based on this experience, the Group believes that the period of time that fees remain outstanding is not an indication of bad debt. Instead the key indication of bad debt should be the shortfall on the value of holdings in customers' accounts compared with their outstanding fees liability. This change in accounting estimates has resulted in a reduction in the bad debt provision of £46,000. There were no changes in accounting estimates in 2005 or 2006.

8 Operating profit

Operating profit for the year has been arrived at after charging:

	2005	*2006*	*2007*
	£'000	*£'000*	*£'000*
Depreciation of property, plant and equipment	91	71	75
Amortisation of intangible assets	16	16	16
Staff costs (see note 9)	3,744	4,221	4,793
Operating lease rentals –property	338	374	384
Operating lease rentals –other	70	76	76

Auditors' remuneration

The analysis of auditors' remuneration is as follows:

	2005	*2006*	*2007*
	£'000	*£'000*	*£'000*
Audit fees: Fees payable to the Group's auditors for the audit of the Group's annual accounts and those of its subsidiaries	44	60	60
Fees payable to the Group's auditors for other services to the Group			
Tax services	20	8	24
Other corporate finance services	–	–	33
Total non-audit fees	20	8	57

9 Staff costs

	2005 Number	*2006 Number*	*2007 Number*
The average number of employees of the Group (including executive directors) was:			
Operating and support functions	78	78	88
Administrative and systems related functions	29	29	32
	107	107	120

	2005 £'000	*2006 £'000*	*2007 £'000*
Staff costs during the year (including non-executive directors)			
Wages and salaries	2,721	3,055	3,564
Profit sharing bonus	514	546	477
Social security costs	351	386	424
Pension costs	158	204	230
Share-based payments	–	30	98
	3,744	4,221	4,793

10 Investment revenue

	2005 £'000	*2006 £'000*	*2007 £'000*
Interest on bank deposits	564	662	810
Dividends from equity investments	112	127	137
	676	789	947

Investment revenue earned on financial assets by category of asset is as follows:

	2005 £'000	*2006 £'000*	*2007 £'000*
Loans and receivables (including cash and bank balances)	564	662	810
Available-for-sale financial assets	112	127	137
	676	789	947

11 Other gains and losses

	2005 £'000	*2006 £'000*	*2007 £'000*
(Decrease)/increase in the fair value of investments held at year end	–	(75)	40
Profit on disposal of available-for-sale investments	1,362	1,589	1,163
	1,362	1,514	1,203

12 Taxation

	2005 £'000	2006 £'000	2007 £'000
Current taxation	(896)	(979)	(891)
Deferred taxation	(20)	(16)	24
Adjustments in respect of prior years	196	34	–
	(720)	(961)	(867)

Corporation tax for 2005, 2006 and 2007 is calculated at 30 per cent of the estimated assessable profit for the year. The standard rate of corporation tax is expected to fall to 28 per cent. from April 2008.

The tax assessed for the year can be reconciled to the profit per the income statement as follows:

	2005 £'000	2006 £'000	2007 £'000
Profit before taxation	2,955	3,406	3,313
Tax at 30% thereon	(886)	(1,022)	(994)
Effects of			
Expenses not deductible for tax purposes	(57)	(3)	–
Allowable deductions for employee share schemes	–	–	86
Rate change	–	–	3
UK dividend income	10	13	22
Rate differences on current tax	17	17	16
Adjustments in respect of prior years	196	34	–
	(720)	(961)	(867)

In addition to the amount charged to the income statement, in 2007 and 2006 deferred tax relating to the revaluation of the Group's investments amounting to £398,000 and £705,000 respectively has been charged directly to equity. In 2005 deferred tax relating to the revaluation of the Group's investments amounting to £163,000 was credited directly to equity.

13 Dividends

	2005 £'000	2006 £'000	2007 £'000
Amounts recognised as distributions to equity holders in the period			
Final dividend of 0.18 pence per ordinary share, (2006: 0.16 pence, 2005: 0.1452p)	222	255	288
Special dividend of 1.00 pence per ordinary share (2006: Nil, 2005: Nil)	–	–	1,596
Less amount received on shares held via ESOP	(3)	(4)	(33)
	219	251	1,851

Dividends proposed for the 2007 financial year to be paid in 2008 per 0.5 pence ordinary share are 0.20 pence. This would amount to a gross dividend payment of £312,000 given the current share capital. This proposed final dividend is subject to approval at the Annual General Meeting and has not been included as a liability in these financial statements.

14 Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares during the year.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue assuming conversion of all potential dilutive ordinary shares. The potential ordinary shares consist of those share options and warrants where the exercise price is less than the average price of the Company's ordinary shares during the year, and convertible loan notes. The calculation results in a difference of only a small fraction of a penny, which is eliminated altogether in roundings.

Underlying basic and diluted earnings per share are calculated as for basic and diluted earnings per share but using an adjusted earnings figure before any one-off gains, losses, income or expense. The main adjustment is in respect of 'other gains' which appear in the income statement and principally relate to the profits from the sale of London Stock Exchange plc shares during the year. The Directors consider that the underlying earnings per share represent a more consistent measure of the Group's underlying performance.

Earnings	*2005* *£'000*	*2006* *£'000*	*2007* *£'000*
Earnings for the purpose of basic and diluted earnings per share, being net profit attributable to equity holders of the parent company	2,235	2,445	2,446
Other gains and losses	(1,313)	(1,514)	(1,203)
One-off income	–	(200)	–
Related profit share paid	170	222	144
Taxation impact of the above adjustments	342	448	318
Earnings for the purposes of underlying basic and diluted earnings per share	1,434	1,401	1,705

Number of shares	*Number ('000)*	*Number ('000)*	*Number ('000)*
Weighted average number of ordinary shares	159,830	160,020	161,440
Non vested shares held by employee share ownership trust	(2,453)	(2,697)	(2,374)
Basic earnings per share denominator	157,377	157,323	159,066
Effect of potential dilutive share options	236	544	522
Diluted earnings per share denominator	157,613	157,867	159,588
Basic earnings per share (pence)	1.4	1.6	1.5
Diluted earnings per share (pence)	1.4	1.5	1.5
Underlying basic earnings per share (pence)	0.9	0.9	1.1
Underlying diluted earnings per share (pence)	0.9	0.9	1.1

15 Intangible assets

	Share.com domain name £'000
Cost	
At 1 January 2005, 2006 and 2007 and 31 December 2005, 2006 and 2007	164
Accumulated amortisation	
At 1 January 2005	48
Charge for the year	16
At 31 December 2005	64
Charge for the year	16
At 31 December 2006	80
Charge for the year	16
At 31 December 2007	96
Net book value	
At 31 December 2005	100
At 31 December 2006	84
At 31 December 2007	68

16 Property, plant and equipment

	Motor vehicles £'000	Computer hardware £'000	Fixtures and equipment £'000	Total £'000
Cost				
At 1 January 2005	12	754	335	1,101
Additions	–	69	21	90
At 31 December 2005	12	823	356	1,191
Additions	–	87	33	120
Disposals	–	(673)	(333)	(1,006)
At 31 December 2006	12	237	56	305
Additions	–	46	1	47
At 31 December 2007	12	283	57	352
Accumulated depreciation				
At 1 January 2005	4	645	316	965
Charge for the year	3	67	21	91
At 31 December 2005	7	712	337	1,056
Charge for the year	3	58	10	71
Disposals	–	(673)	(333)	(1,006)
At 31 December 2006	10	97	14	121
Charge for the year	2	59	14	75
At 31 December 2007	12	156	28	196
Net book value				
At 31 December 2005	5	111	19	135
At 31 December 2006	2	140	42	184
At 31 December 2007	–	127	29	156

17 Available-for-sale investments

	2005 £'000	2006 £'000	2007 £'000
Unlisted investment at fair value	1,595	1,555	1,908
Listed investment at fair value	2,551	3,314	3,465
	4,146	4,869	5,373

All investments held by the Group have been classified as available-for-sale. These available-for-sale assets have been included at fair value where a fair value can be reliably calculated, with the revaluation gains and losses reflected in the investment revaluation reserve as shown in note 24, until sale when the cumulative gain or loss is transferred to the income statement.

Euroclear plc ("Euroclear")

The unlisted investment comprises 6,030 shares in Euroclear of one Euro each. These shares have a historical cost of £217,390 representing the investment made in CrestCo. Ltd which was acquired by Euroclear during 2002. As at 31 December 2005, 2006 and 2007, each share has an estimated fair value of £264.46, £257.95 and £316.39 respectively, based on the last traded price within the Euroclear bulletin board system and an analysis of Euroclear's net assets as shown in their published financial information.

London Stock Exchange plc ("LSE")

The Group was also the beneficial owner of 411,434 LSE ordinary shares of 5p each as at 31 December 2005 and 252,941 and 175,000 as at 31 December 2006 and 2007 respectively. These shares have a fair value of £6.20, £13.10 and £19.80 each as at 31 December 2005, 2006 and 2007 respectively, based on the traded market price. The changes in holding reflect the disposal shares.

18 Subsidiaries

The Group includes the following subsidiary undertakings:

Subsidiary undertaking	*Principal activity*	*Proportion of ordinary shares held by the Company*
The Share Centre Limited	Retail stock broking	100%
The Share Centre (Administration Services) Limited	Administration services	100%
The Shareholder Limited	Publishing/mail order	100%
Share Nominees Limited	Bare trustee nominee[1]	100% [2]
Stock Academy Nominees Limited	Bare trustee nominee[1]	100% [2]
Sharesecure Limited	Bare trustee[1]	100%
Personal Retirement Account Limited	Dormant[1]	100%
ShareMark Limited	Share trading market[1]	100%
Sharefunds Limited	OEIC Authorised Corporate Director	100%

1 Subsidiaries not included in consolidation other than at cost in investments as the companies are not trading and not material to the Group

2 Ordinary shares held by The Share Centre Limited

All the above companies are registered and incorporated in England and Wales.

19 Other financial assets

Trade and other receivables

	2005 £'000	2006 £'000	2007 £'000
Gross amounts receivable	3,852	4,563	3,651
Allowance for doubtful debts	(181)	(258)	(154)
	3,671	4,305	3,497
Foreign tax recoverable	8	1	–
Other debtors	571	39	53
Prepayments and accrued income	1,214	1,878	2,167
	5,464	6,223	5,717

Trade receivables are measured at initial recognition at fair value. These principally represent unsettled customer trades with market counterparties. No provision is considered necessary in respect of amounts outstanding from market counterparties. In respect of non-counterparty amounts included within trade receivables, appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the value of the asset is impaired.

Included in the Group's trade receivable balance are debtors with a carrying amount of £137,000, £369,000 and £519,000 for 2005, 2006 and 2007 respectively which are past due date at the reporting date for which the Group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The largest element of these balances is in respect of fees due from customers and those customers have sufficient investment balances on their accounts to cover the fees due.

Ageing of past due but not impaired trade receivables

	2005 £'000	2006 £'000	2007 £'000
0-90 days	57	229	218
90-180 days	37	91	78
180+ days	43	49	223
Balance at the end of the period	137	369	519

Movement in the allowance for doubtful debts

	2005 £'000	2006 £'000	2007 £'000
Balance at the beginning of the period	178	181	258
Impairment losses recognised	193	266	147
Amounts written off as uncollectible	(12)	(8)	(3)
Impairment losses reversed	(178)	(181)	(248)
Balance at the end of the period	181	258	154

In determining the recoverability of trade receivables the Group considers any changes in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. In respect of balances due from customers, the principal consideration is the customers' asset holdings relative to any fees owed. The concentration of credit risk in respect of customer balances is limited due to the customer base being large and unrelated. The credit risk related to market counterparties is limited due to the regulated nature of those counterparties and the stock held against the balances due in respect of unsettled sales. Accordingly, the Directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

19 Other financial assets (continued)

Ageing of impaired trade receivables

	2005	2006	2007
	£'000	*£'000*	*£'000*
0-90 days	12	10	14
90-180 days	11	9	13
180+ days	158	239	127
Balance at the end of the period	181	258	154

Cash and cash equivalents

	2005	2006	2007
	£'000	*£'000*	*£'000*
Cash and cash equivalents	8,283	11,236	10,538
Cash held on trust for clients (a)	2,015	817	1,104
	10,298	12,053	11,642

Cash and cash equivalents comprise cash held by the Group with major banks with instant or short term access.

(a) This amount is held by The Share Centre Limited in trust on behalf of clients but may be used to complete settlement of outstanding bargains and dividends due.

At 31 December segregated deposit amounts held by the Group on behalf of clients in accordance with the client money rules of the Financial Services Authority amounted to £64,485,000, £80,802,000 and £94,885,000 in 2005, 2006 and 2007 respectively. The Group has no beneficial interest in these deposits and accordingly they are not included in the balance sheet.

With regard to the maturity of non-derivative financial assets, the non-derivative financial assets held by the Group amount to trade receivables as detailed above, cash and cash equivalents as detailed above and equity investments in London Stock Exchange plc and Euroclear plc shares. The equity investments are classified as available-for-sale and will be realised when economic conditions are appropriate and the Directors consider it to be in the best interests of the Group.

Financial risk management

The Group maintains a risk averse attitude and the principal assets of the Group are cash balances held with major banks and investments in London Stock Exchange plc and Euroclear plc. The Group conducts regular reviews of capital adequacy, cash flow and general financial performance as part of its ongoing risk management framework and as part of meeting its regulatory obligations in particular under the Capital Requirements Directive (CRD) and FSA rules. The Group uses financial derivatives to minimise or mitigate its exposure to interest rate risk as detailed below.

Foreign currency risk management

The Group's principal trading entity, The Share Centre Limited, trades investments in equities and funds on behalf of its customers. The Company operates such that all those investments are Sterling denominated and all fees and amounts receivable are denominated and payable in Sterling. The Group only operates in the UK and all suppliers are UK based with amounts payable in Sterling. As such the Group has no trading exposure to foreign currency risk.

The Group does hold 6,030 shares in Euroclear plc. These shares are denominated in Euros and as such the Group is exposed to an element of foreign exchange risk in respect of the impact of currency movement on the value of this investment. Dividend income received in respect of this investment in Euros is not material and the Group does not hedge any of the exposure in respect of this investment.

19 Other financial assets (continued)

Foreign currency sensitivity analysis

The Group only has an exposure to movements in Sterling relative to the Euro in respect of the investment in Euroclear plc which is Euro denominated. If there were a 10 per cent. move in the value of Sterling against the Euro then the value of this investment would move by 10 per cent.

Interest rate risk

The Group has no external borrowings and is not exposed to interest rate or refinancing risk in this regard.

The Group does hold client money balances (cash held on behalf of customers) and earns interest on those balances which forms a significant part of the Group's revenues. The interest paid to customers is typically the base rate less 3.5 per cent. As such, the Group's revenue in this regard is effectively fixed at 3.5 per cent. of the client money balances as it is unaffected by movements in interest rates unless rates fall below 3.5 per cent.

The Group has a financial derivative policy to protect interest income in the event that rates fall below 3.5 per cent. This policy guarantees the Group interest income of 3.5 per cent. on £90 million in the event that base rates fall below 3.5 per cent.

The Group is also subject to interest rate risk in respect of its own principal cash balances. These balances earn interest at the prevailing rate and the income is disclosed in the income statement under Investment Revenues.

The Group uses current accounts and short term money market deposits for all its own cash and its client money. These monies are currently split between two institutions –Bank of Scotland and HSBC –and all client monies are, in accordance with the FSA's client money rules, maintained in customer trust status bank accounts separate from the Group's own funds.

Interest rate sensitivity

The direct link between the bank base rate and the interest rate paid to customers means that the Group's interest income from client money balances is not sensitive to interest rate movements either up or down. Were interest rates to fall below 3.5 per cent. the Group's interest rate floor policy would be triggered to protect the Group's interest income in this regard.

The interest income on its own principal balances is though affected by changes in interest rates. Given the cash balances at the year end a 0.25 per cent. movement in interest rates would impact investment income by £27,000 per annum. This impact, after taking into account the corresponding increase/decrease in the Group's tax charge, would lead to a change in retained profit for the period.

Liquidity risk

The Group actively maintains cash balances on short term deposits such that it has sufficient funds available for operations. The principal other investment the Group has on its balance sheet is in London Stock Exchange shares which are actively traded and therefore relatively liquid. As such the Group is not exposed to any significant liquidity risk.

Credit risk

The Group has a large and diverse customer base such that there is no concentration of credit risk. Customers can only trade with available funds or stock in their account and this limits any exposure to credit risk in this regard. An allowance is made against amounts owed to the Group where there is insufficient value of stock within a customer account to cover any fees due. Amounts shown on the balance sheet are net of this allowance.

The majority of trade receivables are funds due from other financial institutions in settlement of trades. The credit risk in this respect is therefore considered to be limited. Credit risk within the Group's business is further minimised by the collateral held within the Group's nominee company.

19 Other financial assets (continued)

Cash is predominantly held with Bank of Scotland and HSBC all within the UK. The Board has only sanctioned use of banks with high credit ratings assigned by international agencies and because of this policy and the nature of the banking counterparties used credit risk on these liquid funds is limited. The Group conducts a regular review, at least annually, of the banks it uses and their respective credit ratings. In line with the FSA's guidance on client money the diversification of deposits is also considered in this review process.

Equity price risk

The Group is exposed to equity security price risk in respect of the investments it holds on its balance sheet – namely London Stock Exchange plc and Euroclear plc shares.

A significant proportion of the Group's revenues is derived from fees which are charged to customers based on the value of their holdings. Through this fee charging structure the Group is also exposed to an element of security price risk on the investments held by customers. More generally a significant reduction in equity values and a consequent or concurrent reduction in investor dealing activity would have a potentially significant impact on the Group's financial performance.

Equity price sensitivity analysis

If equity prices had been 10 per cent. higher/lower during 2007 then the net profit after tax of the Group would have been £255,000 higher/lower as a result of the impact of those higher/lower equity prices on customer portfolio valuations and therefore on ad valorem fees charged by the Group.

In addition, the fair value of the Group's investments in London Stock Exchange plc and Euroclear plc may have been similarly affected although such changes would have impacted shareholders' funds through the revaluation reserve rather than the income statement.

Carrying amounts and fair values

Market values have been used to determine the fair values of cash and cash equivalents as well as for available-for-sale financial assets. For those equity investments which do not have a quoted market price in an active market, fair value has been determined by reference to the last available traded price and a comparison with the net asset value per share and other similar metrics, making allowances where appropriate for any illiquidity.

20 Derivative financial instruments

	2005	*2006*	*2007*
	£'000	*£'000*	*£'000*
Financial assets carried at fair value through profit or loss (FVTPL):			
Held for trading derivatives that are not designated in hedge accounting relationships:			
Interest rate floor policy	36	–	135

The derivative held at 31 December 2005 had a three year life to November 2007. The derivative financial instrument held at 31 December 2007 has a three year life and is therefore valid until November 2010. Further details of interest rate risk and the financial derivative instrument held by the Group are disclosed in note 19.

21 Deferred tax

The following are the major deferred tax assets and liabilities recognised by the Group and movements thereon during the current and prior period.

	Share-based payments £'000	*Accelerated tax depreciation £'000*	*Revaluation of financial assets £'000*	*Total £'000*
As at 1 January 2005	–	–	(1,750)	(1,750)
Credit to income	–	85	–	85
Recycled from equity to income	–	–	409	409
Credit to equity	–	–	163	163
As at 31 December 2005	–	85	(1,178)	(1,093)
Charge to income	–	(16)	–	(16)
Recycled from equity to income	–	–	477	477
Charge to equity	–	–	(705)	(705)
As at 31 December 2006	–	69	(1,406)	(1,337)
(Charge)/credit to income	27	(13)	–	14
Recycled from equity to income	–	–	350	350
(Charge)/credit to equity	95	–	(398)	(303)
As at 31 December 2007	122	56	(1,454)	(1,276)

22 Trade and other payables

	2005 £'000	*2006 £'000*	*2007 £'000*
Trade creditors	3,963	4,318	3,517
Other taxation and social security	112	184	160
Accruals and deferred income	1,159	1,132	1,352
Other creditors	565	275	427
	5,799	5,909	5,456

23 Called up share capital

					Ordinary shares of 0.5p each	
	2005		*2006*		*2007*	
	Number	*£'000*	*Number*	*£'000*	*Number*	*£'000*
Authorised	300,000,000	1,500	300,000,000	1,500	296,175,000	1,481
Allotted, called up and fully paid	159,629,728	798	159,629,728	798	155,804,728	779

The decrease in share capital is as a result of a share repurchase as noted in Note 25.

24 Revaluation reserve

	2005	*2006*	*2007*
	£'000	*£'000*	*£'000*
Balance at 1 January	4,084	2,750	3,285
(Decrease)/Increase in fair value of available-for-sale investments	(544)	2,352	1,492
Deferred tax effect of increase in fair value of available-for-sale investments	163	(705)	(447)
Disposal of available-for-sale investments	(1,362)	(1,589)	(1,163)
Tax on disposal of available-for-sale investments	409	477	350
Deferred tax impact of change in tax rate from 30% to 28%	–	–	98
Balance at 31 December	2,750	3,285	3,615

25 Capital redemption reserve

	2005	*2006*	*2007*
	£'000	*£'000*	*£'000*
Balance at 1 January	–	–	–
Repurchase and cancellation of 3,825,000 0.5p ordinary shares	–	–	19
Balance at 31 December	–	–	19

In December 2007 the Company repurchased and cancelled a total of 3,825,000 shares as shown in note 28.

26 Employee benefit reserve

	2005	*2006*	*2007*
	£'000	*£'000*	*£'000*
Balance at 1 January	(249)	(370)	(416)
Purchase of ESOP shares	(231)	(141)	(273)
Sale of ESOP shares	75	38	74
Transfer to retained earnings on the sale of ESOP shares	35	14	(14)
Cost of matching and free shares in the Share Incentive Plan	–	43	190
Balance at 31 December	(370)	(416)	(439)

As explained in note 3, the employee benefit reserve represents shares in Share plc purchased by Sharesecure Ltd. Sharesecure Limited is a trustee of two employee benefit trusts which are used to purchase shares to meet potential obligations arising from the issue of share options made to Directors and employees, and to meet requirements arising from the issue of matching and partnership shares under the Share Incentive Plan. The number of shares held at the year end were as follows:

	2005		*2006*		*2007*	
	Number	*Average purchase price (pence)*	*Number*	*Average purchase price (pence)*	*Number*	*Average purchase price (pence)*
Ordinary shares of 0.5p each	2,640,451	14.0	2,781,156	15.0	2,356,233	18.6

During 2005, 2006 and 2007 the employee benefit trusts purchased or received back from leaving employees a total of 1,708,804, 816,496, 1,022,552 Ordinary 0.5p shares respectively. 849,002, 675,791 and 1,447,475 shares were sold by the employee benefit trusts or allocated to employees by way of matching shares or free shares in 2005, 2006 and 2007 respectively. The shares purchased had a total consideration of £230,677, £153,529 and £279,499 for 2005, 2006 and 2007 respectively.

27 Share premium account

	2005 £'000	2006 £'000	2007 £'000
Balance at 1 January and 31 December	29	29	29

28 Retained earnings

	2005 £'000	2006 £'000	2007 £'000
Balance at 1 January	7,772	9,753	11,920
Repurchase of 3,825,000 shares at 20p each	–	–	(765)
Retained profit for the period	2,235	2,445	2,446
Dividends paid	(219)	(251)	(1,851)
Credit to equity for equity-settled share-based payments	–	30	98
Transfer from employee benefit reserve on sale of ESOP shares	(35)	(14)	14
Cost of matching and free shares in the Share Incentive Plan	–	(43)	(190)
Deferred tax on share-based payments	–	–	95
Exchange gains on available-for-sale investments	–	–	175
Deferred tax on exchange gains on available-for-sale investments	–	–	(49)
Balance at 31 December	9,753	11,920	11,893

29 Notes to the cash flow statements

	2005 £'000	2006 £'000	2007 £'000
Operating profit	917	1,103	1,163
Other gains and losses	(156)	(60)	(118)
Depreciation of property, plant and equipment	91	71	75
Amortisation of intangible assets	16	16	16
Share-based payments	–	(13)	18
Operating cash flows before movement in working capital	868	1,117	1,154
(Increase)/decrease in receivables	(97)	(783)	506
Increase/(decrease) in payables	248	112	(454)
Cash generated by operations	1,019	446	1,206
Income taxes paid	(835)	(698)	(970)
Net cash from operating activities	184	(252)	236

30 Operating lease arrangements

At the balance sheet date the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2005		*2006*		*2007*	
	Land and buildings £'000	*Other £'000*	*Land and buildings £'000*	*Other £'000*	*Land and buildings £'000*	*Other £'000*
Within one year	–	13	–	12	–	10
One to five years	140	51	128	63	80	33
Over five years	2,119	–	1,785	–	1,450	–
Total	2,259	64	1,913	75	1,530	43

Operating lease payments principally represent rentals payable by the Group for its office premises. The current lease runs until 2016 with a break clause exercisable in 2011. The commitments above are the minimum non-cancellable payments due and therefore only run to the break point at which the Group could, if it so chose, end the lease.

31 Share-based payments

The Group operates an Enterprise Management Incentive (EMI) approved share option scheme which enables the regular granting of share options to managers at six monthly intervals and discretionary grants to the Directors, Jeremy Helliwell, Guy Knight and Peter Forster as deemed appropriate by the Board Remuneration Committee. In addition, the Group has an Approved Share Option Scheme and an Unapproved Share Option Scheme. With the exception of some options granted under the unapproved share option scheme, the vesting period for options is three years and they expire 10 years after the date of grant.

Details of the share options outstanding during the year are as follows:

	2005		*2006*	
	Number of share options	*Weighted average exercise price (pence)*	*Number of share options*	*Weighted average exercise price (pence)*
Outstanding at the beginning of the year	3,977,048	14.0	3,907,197	15.0
Granted during the year	650,000	14.0	607,960	18.1
Exercised during the year	(350,000)	1.1	(211,500)	3.7
Expired or forfeited during the year	(369,851)	15.8	(472,564)	14.8
Outstanding at the end of the year	3,907,197	15.0	3,831,093	16.2
Exercisable at the end of the year	1,798,382	16.5	2,156,771	17.0

	2007	
	Number of share options	*Weighted average exercise price (pence)*
Outstanding at the beginning of the year	3,831,093	16.2
Granted during the year	1,040,518	22.7
Exercised during the year	(286,589)	10.7
Expired or forfeited during the year	(312,714)	15.7
Outstanding at the end of the year	4,272,308	18.2
Exercisable at the end of the year	2,286,391	16.3

31 Share-based payments (continued)

The weighted average market share price at the date of exercise for options exercised during 2005, 2006 and 2007 was 14.0 pence, 19.2 pence and 27.8 pence respectively. The share options outstanding at the end of the year, their exercise prices and contractual lives are as detailed in note 32.

The Group has applied the requirements of IFRS 2 in respect of share-based payments. During the years ended 31 December 2006 and 31 December 2007, the Group made eight equity-settled share-based payments to staff. These payments were made under the Group's Enterprise Management Incentive (EMI) approved share option scheme with the exception of options over 21,937 shares made as part of the final grant and which were granted under the unapproved share option scheme. In all cases there are no performance conditions attached to the options, and the option exercise price equals the market price, as determined by the previous Sharemark auction, at the date of grant.

A fair value has been determined for each grant made during the year using the Black-Scholes model. The main assumptions are as follows:

Grant date	*22 June 2006*	*10 July 2006*	*8 December 2006*	*22 December 2006*
Share price at date of grant	20p	20p	16p	15p
Risk free interest rate	4.5%	4.5%	5.0%	5.0%
Dividend yield	1%	1%	1%	1%
Volatility	30%	30%	30%	30%
Average maturity at exercise	5 years	5 years	5 years	5 years
Fair value per option	6.2p	6.2p	5.1p	4.8p

Grant date	*19 March 2007*	*2 April 2007*	*22 June 2007*	*22 December 2007*
Share price at date of grant	15p	14.5p	26p	30p
Risk free interest rate	5.25%	5.25%	5.5%	5.5%
Dividend yield	1%	1%	1%	1%
Volatility	30%	30%	30%	30%
Average maturity at exercise	5 years	5 years	5 years	5 years
Fair value per option	4.9p	4.7p	8.6p	9.9p

In addition, the Company operates a Share Incentive Plan (SIP). This scheme is open to all employees and allows them to allocate up to £1,500 per annum of their pre-tax salary to purchase shares in Share plc through a partnership scheme without paying National Insurance contributions or Income Tax. For every share purchased through the partnership scheme, The Share Centre Limited purchases two matching shares. The employee must remain in employment for three years from the date of purchase of the partnership shares in order to qualify for the corresponding matching shares and in order for those shares to be transferred to them tax free. The employee retains rights over both their own shares and the matching shares, receives dividends and is able to vote at meetings once the shares are purchased.

The fair value for those shares given as matching shares under the arrangements of the SIP has been determined by the market price, as determined by the previous Sharemark auction, at the date of purchase. This has ranged from 14.5p to 35p during 2007. The cost is then applied over three years, being the qualifying period during which the employee must remain in employment with the company.

In addition, the SIP enables the Company to grant employees free shares with a value of up to £3,000 per eligible employee per annum. On 21 December 2007, the Company granted 606,690 shares to employees based on a formula taking into account length of service and salary, grants ranged in value from £929 to £3,000. The cost of these free shares has been treated in the same way as for matching shares with that cost applied over three years, being the qualifying period during which the employee must remain in employment with the Company.

31 Share-based payments (continued)

It is Group policy that, where possible, shares to settle the SIP and the share options issued will be purchased in the market rather than issued as new shares.

The total expense for equity-settled share-based payments for the Group in 2006 and 2007 was £90,000 and £301,000 respectively which in each case is then applied across the three years to vesting date. An adjustment is made to this figure in respect of members of staff to whom options and shares have been granted but who have left the Company's employ during the vesting period. The net charge for 2006 and 2007 is £30,000 and £98,000 respectively. No IFRS 2 charge is taken in respect of share-based payments made in 2005 on the grounds of immateriality.

32 Share options

At 31 December the following share options to subscribe for ordinary shares were outstanding:

Exercise period First date	*Exercise period Last date*	*Exercise price Pence*	*Unapproved share option scheme Number*	*Approved share option scheme Number*	*EMI scheme Number*	*2007 total Number*	*2006 total Number*	*2005 total Number*
29 Jul 1999	29 Jul 2006	1.1	–	–	–	–	–	50,000
6 Apr 2001	6 Apr 2008	1.1	–	–	–	–	–	100,000
18 Mar 2002	18 Mar 2009	1.1	–	–	–	–	50,000	50,000
21 Jun 2004	21 Jun 2011	36.0	–	74,023	–	74,023	135,134	135,134
21 Jun 2004	14 Nov 2011	20.0	–	–	138,889	138,889	138,889	138,889
15 Nov 2004	15 Nov 2011	20.0	372,778	–	–	372,778	372,778	372,778
22 Dec 2004	22 Dec 2011	22.0	–	–	121,133	121,133	136,133	136,133
22 Jun 2005	22 Jun 2012	16.0	–	–	155,623	155,623	213,248	213,248
21 Dec 2005	14 Nov 2011	20.0	–	–	200,000	200,000	200,000	200,000
22 Dec 2005	22 Dec 2012	10.0	–	–	185,000	185,000	340,700	402,200
21 Mar 2006	21 Mar 2013	12.0	300,000	–	–	300,000	300,000	300,000
22 Jun 2006	22 Jun 2013	14.0	–	–	106,846	106,846	134,670	143,715
22 Dec 2006	22 Dec 2013	16.0	–	–	107,763	107,763	135,219	145,509
19 Mar 2007	21 Jun 2011	36.0	61,111	–	–	61,111	–	–
21 Mar 2007	21 Mar 2013	12.0	200,000	–	–	200,000	200,000	200,000
7 Apr 2007	7 Apr 2014	16.0	–	–	–	–	–	50,000
21 Jun 2007	14 Nov 2011	20.0	–	–	11,111	11,111	11,111	11,111
22 Jun 2007	22 Jun 2014	15.0	–	–	110,437	110,437	139,369	149,627
22 Dec 2007	22 Dec 2014	14.0	–	–	119,740	119,740	148,615	158,853
22 Dec 2007	22 Dec 2017	30.0	21,937	–	–	21,937	–	–
21 Mar 2008	21 Mar 2013	12.0	200,000	–	–	200,000	200,000	200,000
21 Apr 2008	21 Apr 2015	14.0	–	–	–	–	–	83,334
22 Jun 2008	22 Jun 2015	14.0	–	–	141,951	141,951	179,052	190,000
7 Oct 2008	7 Apr 2014	16.0	–	–	–	–	–	50,000
22 Dec 2008	22 Dec 2015	14.0	–	–	161,808	161,808	199,287	210,000
22 Jun 2009	22 Jun 2016	20.0	–	–	177,909	177,909	215,532	–
10 Jul 2009	10 Jul 2016	20.0	–	–	50,000	50,000	50,000	–
21 Oct 2009	21 Apr 2015	14.0	–	–	–	–	–	83,333
8 Dec 2009	8 Dec 2016	16.0	–	–	7,960	7,960	7,960	–
22 Dec 2009	22 Dec 2016	15.0	–	–	188,224	188,224	223,396	–
19 Mar 2010	19 Mar 2017	15.0	–	–	125,000	125,000	–	–
2 Apr 2010	2 Apr 2017	14.5	–	–	160,415	160,415	–	–
7 Apr 2010	7 Apr 2014	16.0	–	–	–	–	–	50,000
22 Jun 2010	22 Jun 2017	26.0	–	–	244,587	244,587	–	–
22 Dec 2010	22 Dec 2017	30.0	–	–	328,063	328,063	–	–
10 Jan 2011	10 Jul 2016	20.0	–	–	50,000	50,000	50,000	–
21 Apr 2011	21 Apr 2015	14.0	–	–	–	–	–	83,333
19 Sept 2011	19 Mar 2017	15.0	–	–	50,000	50,000	–	–
10 Jul 2012	10 Jul 2016	20.0	–	–	50,000	50,000	50,000	–
19 Mar 2013	19 Mar 2017	15.0	–	–	50,000	50,000	–	–
			1,155,826	74,023	3,042,459	4,272,308	3,831,093	3,907,197

33 Related party transactions

There were no related party transactions during 2005. During 2006 and 2007 the Group made contributions totalling £975 and £2,025 respectively to The Share Foundation to enable contributions to be made to the Child Trust Funds of children under the care of the Official Solicitor within Buckinghamshire. The Share Foundation is a national charity established to provide financial support to looked-after children without parents through additional contributions to their Child Trust Funds. Gavin Oldham, Chief Executive of Share plc, is the Chairman and founder of The Share Foundation.

Remuneration of key management personnel

The remuneration of the Directors, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	Year ended 31 December 2005 £'000	*Year ended 31 December 2006 £'000*	*Year ended 31 December 2007 £'000*
Short-term employee benefits	771	877	863
Share-based payments	–	8	23
	771	885	886

34 Post balance sheet events

On 15 January 2008 The Share Centre Limited announced a new initiative to issue free shares to customers who open, or transfer in, full value Individual Savings Accounts (ISAs) during the 2007/8 or 2008/9 tax years. This initiative, similar to ones operated by the Company in 2000 and 2001, will issue up to 4,000,000 shares to customers.

The Group has announced its intention to float on AIM. The initial announcements in this regard were made during 2007 and advisors were duly appointed. The costs incurred prior to the year end were not material and so have not been included in the Group's results. However, significant costs have been and will be incurred during 2008 linked with this process which is intended to culminate in the Group's shares being admitted to trading on AIM during 2008. These costs, which are estimated at £0.8 million (inclusive of VAT), are clearly one-off in nature and not part of the underlying performance of the business, but they will impact retained earnings in 2008.

PART VI

ADDITIONAL INFORMATION

1. Responsibility Statement

(a) The Directors of the Company, whose names appear on page 3 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Directors (having 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.

2. The Company

(a) The Company was incorporated and registered in England and Wales under the Companies Act 1985 on 8 September 1994 with registered number 02966283 as a limited company under the name The Share Centre (Holdings) Limited. The Company re-registered as a public limited company and changed its name to Share plc on 7 February 2000. The liability of the members of the Company is limited.

(b) The principal legislation under which the Company operates is the Act and regulations made thereunder.

(c) The registered office and principal place of business of the Company is at Oxford House, Oxford Road, Aylesbury, Buckinghamshire HP21 8SZ and its telephone number is 01296 41 41 41.

(d) The Company currently has the following subsidiaries:

(i) The Share Centre Limited;

(ii) The Share Centre (Administration Services) Limited;

(iii) The Shareholder Limited;

(iv) ShareMark Limited;

(v) Sharefunds Limited;

(vi) Sharesecure Limited;

(vii) Personal Retirement Account Limited;

(viii) Stock Academy Nominees Limited; and

(ix) Share Nominees Limited.

(e) On Admission, the Company's subsidiary undertakings will be:

Name	*Registered Office*	*Country of Incorporation*	*Percentage Held*
The Share Centre Limited	Oxford House, Oxford Road, Aylesbury, Bucks HP21 8SZ	England and Wales	100%
The Share Centre (Administration Services) Limited	Oxford House, Oxford Road, Aylesbury, Bucks HP21 8SZ	England and Wales	100%

Name	*Registered Office*	*Country of Incorporation*	*Percentage Held*
The Shareholder Limited	Oxford House, Oxford Road, Aylesbury, Bucks HP21 8SZ	England and Wales	100%
ShareMark Limited	Oxford House, Oxford Road, Aylesbury, Bucks HP21 8SZ	England and Wales	100%
Sharefunds Limited	Oxford House, Oxford Road, Aylesbury, Bucks HP21 8SZ	England and Wales	100%
Sharesecure Limited	Oxford House, Oxford Road, Aylesbury, Bucks HP21 8SZ	England and Wales	100%
Personal Retirement Account Limited	Oxford House, Oxford Road, Aylesbury, Bucks HP21 8SZ	England and Wales	100%
Stock Academy Nominees Limited	Oxford House, Oxford Road, Aylesbury, Bucks HP1 8SZ	England and Wales	100%
Share Nominees Limited	Oxford House, Oxford Road, Aylesbury, Bucks HP1 8SZ	England and Wales	100%

3. Share Capital

(a) At the date of incorporation, the Company had an authorised share capital of £250,000 divided into 250,000 Ordinary Shares of 100p each (of which two shares were issued fully paid to the subscribers of the Memorandum of Association).

The following alterations to the Company's share capital have taken place since 9 September 1994:

(i) By an ordinary resolution passed on 29 September 1994 the share capital of the Company was increased to £450,000 divided into 450,000 shares of £1 each;

(ii) Between 29 September 1994 and 30 September 1994 a total of 247,750 shares of £1 each were allotted for a total consideration of £379,000;

(iii) Between 29 December 1995 and 19 January 1996 3,800 shares of £1 each were allotted for a total consideration of £76,000;

(iv) As of 17 August 1996 the number of shares of £1 each in issue was 251,552;

(v) On 24 November 1997 Gavin Oldham transferred 146,000 shares of £1 each into four trusts (Gavin Oldham 1-4 Trusts) and Virginia Oldham transferred 15,000 shares of £1 each into the Virginia Oldham Trust;

(vi) As of 25 August 1998 the number of shares in issue was 253,102 of £1 each;

(vii) As of 18 August 1999 the number of shares of £1 each in issue was 290,814;

(viii) On 7 February 2000, the name of the Company was changed to Share plc by special resolution and the Company was re-registered as a public limited company. Its share capital was increased to £1,500,000 and divided into 300,000,000 shares of 0.5p each;

(ix) On 7 February 2000 87,424,500 Ordinary Shares were allotted to existing and new Shareholders for a total consideration of £437,122.50;

(x) On 31 March 2000 335,000 shares were allotted to various Shareholders for a total consideration of £2,785;

(xi) Between 23 June 2000 and 17 August 2000 3,458,576 shares were allotted to Share Nominees Limited;

(xii) As of 24 August 2000, the number of shares in issue was 149,563,576 with an aggregate nominal value of £747,817.88;

(xiii) Between 29 September 2000 and 20 April 2001 874,371 shares were allotted to Share Nominees Limited for total consideration of £7,596.86;

(xiv) On 4 May 2001 231,000 shares were allotted: 181,500 to Share Nominees Limited and 50,000 to Pauline Bates for total consideration of £1,375.11;

(xv) Between 18 May 2001 and 27 July 2001 3,377,005 shares were allotted to Share Nominees Limited for total consideration of £19,540.65;

(xvi) As of 23 August 2001 the number of shares in issue was 154,046,452;

(xvii) Between 12 October 2001 and 24 May 2002 1,333,535 shares were allotted to Share Nominees Limited for total consideration of £6,667.68;

(xviii) As of 17 August 2002 the number of shares in issue was 155,379,987;

(xix) Between 27 September 2002 and 6 August 2003 1,231,991 shares were allotted to Share Nominees Limited for total consideration of £6,159.96;

(xx) As of 15 August 2003 the number of shares in issue was 156,611,978;

(xxi) Between 9 September 2003 and 30 December 2003 3,017,750 shares were allotted to Share Nominees Limited for total consideration of £15,088.75;

(xxii) As of 14 August 2004 the number of shares in issue was 159,629,728;

(xxiii) As of 1 September 2007 the number of shares in issue remained 159,629,728;

(xxiv) On 30 November 2007 the Company bought back 3,825,000 of its shares for consideration of £765,000;

(xxv) As of 24 December 2007 the 3,825,000 shares bought back were cancelled; and

(xxvi) As at 24 December 2007 the share capital of the Company was £1,480,875 and the number of shares in issue was 155,804,728.

(b) On 28 March 2008,

(i) by ordinary resolution, the Directors were generally and unconditionally authorised in accordance with section 80 of the Act to exercise all the powers of the Company to allot relevant securities (as defined in section 80(2) of the Act) up to an aggregate nominal value of £20,000 pursuant to the Offer; and up to an additional aggregate nominal amount of £255,000 provided that the authority expires at the conclusion of the next annual general meeting of the Company after the date of the passing of the resolution or 15 months after the date of the resolution (if earlier) unless renewed or extended prior to such time except that the Company may before the expiry of such period make an offer or agreement which would or might require relevant securities to be allotted after the expiry of such period and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired. This authority replaced any existing like authority, which is hereby revoked with immediate effect;

(ii) by special resolution, in substitution for any existing power under section 95 of the Act but without prejudice to the exercise of any such power prior to the date of the resolution the Directors were empowered pursuant to section 95 of the Act to allot equity securities (as defined in section 94 of the Act) for cash as if section 89(1) of the Act did not apply to any such allotment (all previous such authorities being hereby revoked) provided that the power conferred by the resolution was limited to: the allotment of equity securities in connection with any rights issue, open offer or other pre-emptive offer to holders of ordinary shares in the Company and other persons entitled to participate therein in proportion (as nearly as may be practicable) to the shareholdings of such members (or, as appropriate, to the number of shares which such other persons are for these purposes deemed to hold), but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange in any territory or any other matter whatsoever; the allotment of equity securities up to an aggregate nominal amount of £40,000 pursuant to the Offer and the 2008 Free Share Offer; and other than as set out above, the allotment of equity securities up to an aggregate nominal amount of £77,500, which authority shall expire at the conclusion of the next annual general meeting of the Company after the date of passing of the resolution or 15 months after the date of passing of the resolution (if earlier) unless renewed or extended prior to such time except that the Company may, before the expiry of any power contained in the resolution, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

(c) The authorised and issued share capital of the Company as they will be immediately following Admission and assuming full take up of Offer for Subscription:

Authorised			*Issued and Fully Paid*	
Amount(£)	*Number*		*Amount(£)*	*Number*
1,480,875	296,175,000	Ordinary Shares of 0.5p each	779,023.64	159,804,728

(d) Save as disclosed above:

(i) no share or loan capital of the Company has been issued for cash or other consideration and no such issues are proposed; and

(ii) no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any share or loan capital of the Company.

(e) Save as disclosed in this Part VI, no share or loan capital of the Group is under option or agreed, conditionally or unconditionally, to be put under option.

(f) There are no listed or unlisted securities issued by the Company not representing share capital.

(g) The Company does not hold any treasury stock.

(h) The ordinary shares in the Company's capital are all in registered form.

(i) No Shareholder in the Company has different voting rights to the holders of Ordinary Shares.

4. Memorandum of Association

The Memorandum of Association of the Company provides that the Company's principal objects are to carry on all or any of the business of a holding company and an investment company. The objects of the Company are set out in clause 4 of the Memorandum of Association and include carrying on the business of a holding company and the business of an investment company, investing and dealing with Company money, borrowing and lending money and acquiring, holding and selling shares.

5. Articles of Association

The Articles of Association which will be in force on Admission include provisions to the following effect. The following is a description of significant rights and does not purport to be complete or exhaustive.

5.1 *Share capital*

The Shareholders by ordinary resolution, or the Directors by board meeting, can determine to issue shares with preferred, deferred, or other special rights or restrictions.

The Directors have the power under the Articles to offer, allot, issue or grant options over unissued shares of the authorised share capital of the Company at such a time and for such consideration as the Board may determine.

The Company can pay commissions by way of cash or the allotment of fully or partly paid shares (or both).

The Company can issue redeemable shares and is entitled to give financial assistance (subject to the Act).

5.2 *Alteration of share capital and purchase of own shares*

The Company may by ordinary resolution increase its share capital, consolidate or sub-divide all or any of its shares and cancel any unsubscribed shares. It may by special resolution reduce its share capital, any capital redemption reserve, any share premium account and/or any other non-distributable reserves.

The Company may purchase its own shares.

5.3 *Class rights and shares in uncertificated form*

If the Company were to have separate classes of shares, the special rights attached to such class of shares can be varied or abrogated by the written consent of holders of three quarters in nominal value of that class of shares or by a special resolution passed at a class meeting, whether or not the Company is being wound up.

The Directors of the Company have the power to order any class of share to be a participating security and shares in that class may be issued in uncertificated form (which can be changed to certificated form).

5.4 *Share certificates*

Every person named as a Shareholder in the register of members shall be entitled to a share certificate for each class of shares held by him.

5.5 *Lien and calls on shares*

The Company has a first and paramount lien on every share for all money payable in respect of that share and can deduct from dividend payments moneys due on account of calls.

The Board may make calls on the members for any money unpaid on their shares, subject to certain notice and timing conditions. In the event of non-payment the shares are liable to be forfeited on notice.

5.6 ***Transfer of shares***

The Directors have the right to decline to register any transfer of shares all or any of which are not fully paid, provided that, where such shares are admitted to the Official List or to trading on AIM, such refusal cannot prevent dealings in the shares of that class from taking place on an open and proper basis. Notice and reasons must be given by the Directors to the transferee for any refusal within two months of the transfer being lodged with the Company.

The Directors are also entitled to refuse to register any transfer of shares, unless: (i) there are no more than four transferees; (ii) the transfer instrument is in respect of only one class of share; and (iii) the transfer instrument and any appropriate share certificate is lodged at the registered office of the Company (or such place as the Directors decide) with evidence of the right to transfer the shares (as reasonably required by the Directors).

5.7 ***Transmission of shares***

If a member dies, the survivor or survivors where he was a joint holder and his personal representatives or administrators where he was a sole holder or the only survivor of joint holders shall be the only person(s) recognised by the Company as having any title to his shares. The Articles do not release the estate of a deceased member from any liability in respect of any share held by him solely or jointly with other persons.

Any person becoming entitled to a share in consequence of the death or bankruptcy of a member or by operation of law may, upon such evidence as to his title being produced as the Board reasonably requires, and subject to the provisions of the Articles, elect (i) to be registered as the holder of the share by giving notice in writing; or (ii) elect to have some person nominated by him registered as the holder by executing an instrument of transfer of the share to that person. All the provisions of the Articles relating to the transfer of shares apply to the notice or instrument of transfer.

Subject to the requirements of the Articles, a person who becomes entitled to a share in consequence of the death or bankruptcy of a member or by operation of law shall be entitled to receive, and may give a good discharge for, all dividends and other money payable in respect of the share. Such a person shall not be entitled to receive notice of or to attend or vote at meetings of the Company or at any separate meetings of the holders of any class of shares or to any of the rights or privileges of a member until he shall have become a holder in respect of the share in question.

The Board may at any time give notice requiring any such person to elect either to be registered or to transfer the share and if the notice is not complied with within sixty days the Board may withhold payment of all dividends and other distributions and payments declared in respect of the share until the requirements of the notice have been complied with.

5.8 ***Pre-emption rights***

The Act applies in relation to pre-emption rights. The Board may by special resolution of the shareholders of the Company dis-apply pre-emption rights.

5.9 ***CREST***

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. The Articles are consistent with CREST membership and, amongst other things, allow for the holding and transfer of shares in uncertificated form.

5.10 ***General meetings***

The provisions relating to the calling and holding of general meetings and annual general meetings are in line with the provisions of the Companies Acts 1985 and 2006. Meetings can be called on short notice (i) for an AGM, by all members entitled to attend and vote; and (ii) for all other general meetings, by a majority in number (holding not less than 95 per cent. in nominal value) of those entitled to attend and vote at the meeting. There is also provision for giving notice of meetings by way of a website.

All business transacted at a general meeting is deemed special, as is all business at an annual general meeting, other than certain commonplace exceptions.

Two members present in person, by corporate representative or by proxy and entitled to vote constitute a quorum, unless each is a corporate representative of the same corporation or a proxy of the same member.

5.11 ***Polls and votes***

At any general meeting, all resolutions put to the vote are decided on a poll.

Every member is entitled to one vote for each share held by him. In the case of equality of votes, the chairman is entitled to a casting vote.

No member shall (without the Board's consent) be entitled to vote at any general meeting of the holders of any class of shares in the Company unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

If any member, or any person appearing to be interested in the shares in the Company held by such member, has been served with a statutory notice requiring disclosure as to the beneficial ownership of shares and is in default for the prescribed period in supplying to the Company the information thereby required, the Board can serve on the holder of such default shares a notice stating that: (i) the member shall not be entitled to be present or to vote (either in person or by representative or by proxy) at any general meeting or any poll or to exercise any other right conferred by membership in relation to any such meeting or poll; and (ii) where the default shares represent not less than 0.25 per cent. in nominal value of the issued shares of their class (a) any dividend or other money payable in respect of the default shares shall be withheld by the Company (with no obligation to pay interest on it) and the member cannot elect to receive shares instead of that dividend; and (b) no transfer (other than an excepted transfer) of any shares held in certificated form by the member shall be registered unless the member is not himself in default as regards supplying the information required, and the member proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer.

The Company may at any time withdraw such a notice by written notice, and such notice shall be deemed to have been withdrawn at the end of the period of 7 days (or such shorter period as determined by the Directors) following receipt by the Company of the information required by the statutory notice in respect of all the shares to which the notice related.

5.12 ***Proxies and corporate representatives***

A member can appoint one or more proxies in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. Proxy instruments must be in writing (and can be sent by electronic means) and shall be accepted by the Company as valid if accompanied by the power of attorney or other written authority under which it is signed.

Any member which is a corporation can by resolution of its Directors or other governing body authorise person(s) to act as its representative(s) at any meeting of the Company.

5.13 ***Directors***

The minimum number of Directors is two and the maximum number is 20. This provision can be altered by an ordinary resolution of the Company.

Unless a person is a retiring Director or is recommended by the Board, he shall not be eligible for election to the office of Director unless a member has proposed him by written notice and deposited such between 7 and 42 days before the relevant meeting, together with written notice signed by the proposed person and that person's particulars.

A Director can be appointed (i) by ordinary resolution or (ii) by the Board either to fill a casual vacancy or as an addition to the existing Board and such person shall hold office until the following AGM and shall then be eligible for election (but shall not be counted in determining the Directors to retire by rotation).

At each AGM, one-third of the Directors are required to retire from office by rotation (the Directors to retire being those longest in office since their last election). In addition a Director who is not required to retire by rotation but who was elected by a resolution of the Company in a meeting that took place two years previously shall also retire.

A retiring Director shall be eligible for re-election. A Director retiring by rotation shall, if willing, be deemed to have been reappointed if the vacancy is not filled unless the Company resolves to the contrary.

The Articles contain provisions relating to the removal and disqualification of Directors. A Director vacating his office automatically ceases to be a member of any committee of the Board and a Director of any company in the Company's group.

The quorum for a board meeting may be fixed by the Directors and, if not fixed, is two Directors. Where there is an equality of votes, the chairman has a second or casting vote. Board resolutions may be in writing and meetings may be held by telephone.

5.14 ***Directors' fees***

The aggregate fees which the Directors (other than alternate Directors) shall be entitled to receive for their services in the office of Director shall not exceed £200,000 per annum (in aggregate), unless otherwise approved by ordinary resolution of the Company in general meeting. Such sum shall be divided between the Directors as they shall agree, or, failing agreement, equally.

The Directors shall also be entitled to be repaid all travelling, hotel and other expenses of travelling to and from board meetings, committee meetings, general meetings, or otherwise incurred while engaged on the business of the Company. Any Director who by request of the Board performs special services or goes or resides abroad for any purposes of the Company may be paid such extra remuneration by way of salary, commission, percentage of profits or otherwise as the Board may decide.

5.15 ***Pensions and benefits***

The Board may exercise all the powers of the Company to 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 any body corporate which is or has been a subsidiary undertaking of the Company or a predecessor in business of the Company or of any such subsidiary undertaking, 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 before 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.

5.16 ***Directors' interests***

Provided a Director has disclosed the nature and extent of any material interest, then he may be a party to a contract or arrangement in which he has a personal interest, may be an officer/employee or a party to a contract or arrangement with a body corporate promoted by or which the Company has an interest in (or accountable for any benefit he derives from such) and act and receive remuneration in a professional capacity for the Company (otherwise than as auditor). Note that these provisions apply both before and after 1 October 2008.

A Director cannot vote, or be counted in the quorum, at a board meeting or committee meeting on any resolution concerning a matter in which he has a material interest (other than as a result of his interests in shares or otherwise through the Company) or a duty which conflicts or may conflict with the interests of the Company, subject to certain exemptions (in summary being resolutions relating to guarantees, underwriting, arrangements to benefit employees, insurance, indemnification of duties and companies in which he holds less than 1 per cent. of that companies shares or voting rights).

The Company can by ordinary resolution suspend or relax the provisions of the Articles or ratify any contract or arrangement not authorised by reason of a contravention of the Articles (provided that nothing in the Articles permit the Company to cease to comply with the AIM Rules for Companies, the DTR or the Listing Rules of the UK Listing Authority).

From 1 October 2008 (or such later date as section 175 of the Companies Act 2006 is brought into force), the Board can give prior section 175 authority in relation to any matter put to it which would otherwise involve a breach of duty by a Director if a conflict or potential conflict of interest arose. Interested Directors cannot count in the quorum and their votes cannot be counted when the Directors consider granting authorisation. A Director is not accountable to the Company for any benefit he derives from a matter authorised, nor shall he be in breach of the general duties he owes to the Company where a conflict or potential conflict in relation to a relationship with another person has been authorised and the Director absents himself from any discussion of it and agrees to receive none of the documentation in relation to it.

A Director is not under a duty to the Company for any information obtained otherwise than in his role as Director where he owes a duty of confidentiality in respect of such information. Where a conflict of interest arises, there will only be no duty to account to the Company where the conflict has been authorised by the Board.

5.17 ***Dividends***

Dividends (both in cash and *in specie*) can be declared by ordinary resolution out of profits available for distribution up to an amount recommended by the Board. Where shares are registered in the name of a nominee, the amount of the dividend is that as would be paid if the beneficial owner was the registered holder.

The Board can pay interim dividends as are felt justified by the profits of the Company available for distribution and the position of the Company and the fixed dividend payable on any shares of the Company with preferential rights half-yearly or on fixed dates whenever such profits in the opinion of the Board justify that course. No interim dividend shall be paid in respect of shares which carry deferred or non-preferential rights if, at the time of payment, any preferential dividend is in arrear.

Dividends unclaimed for one year can be invested or used by the Company until claimed and, if unclaimed for 12 years after declaration, are forfeited.

The Board may, if authorised by an ordinary resolution of the Company, offer the holders of ordinary shares the right to elect to receive additional ordinary shares, credited as fully paid, instead of cash in respect of any dividend or any part (to be determined by the Board) of any dividend specified by the ordinary resolution.

Before recommending a dividend, the Board may set aside profits of the Company as a reserve to be properly applied at the discretion of the Board.

5.18 ***Capitalisation of profits***

On recommendation of the Board, the Company can by ordinary resolution capitalise all or part of the profits of the Company in paying up, at par, unissued shares to members if they would otherwise have been entitled to them if they have been paid by way of a dividend and to other persons specified in the resolution.

5.19 ***Distribution of assets on a winding-up***

On any voluntary winding-up of the Company, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Insolvency Act 1986, divide among the members *in specie* the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members, in accordance with the existing rights of the members.

5.20 ***Indemnity and insurance***

The Directors, secretary, auditors and other officers of the company shall be indemnified out of the assets of the company against any liability incurred by them to the extent permitted by company law.

Insurance can be taken out at the cost of the Company for all current and past Directors, officers, employees or trustees of pension schemes of the Company or any of its associated companies, other than an auditor, in connection with liability incurred (with any negligence, default, breach of duty or breach of trust) in relation to any such person's duties or office.

5.21 ***Borrowing powers***

The Board may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital, and, subject to relevant statutes, to issue debentures and other securities, whether outright or as collateral security, for any debt, liability or obligation of the Company or of any third party.

6. Directors' and Other Interests

(a) The interests of the Directors and their immediate families (which are beneficial interests save as indicated below) in the issued share capital of the Company including, so far as the Directors are aware, after making due and careful enquiry, interests of persons connected (within the meaning of section 252 of the Companies Act 2006) with the Directors which interests, if such connected persons were Directors, would be required to be disclosed pursuant to the Act, and the existence of which is known to or could with reasonable diligence be ascertained by the Directors, both as at the date of this document and as they will be immediately after Admission, are as follows:

Name	*No. of Ordinary Shares prior to Admission*	*Percentage of Existing Ordinary Shares*	*No. of Ordinary Shares following Admission*	*Percentage of Enlarged Issued Share Capital*
Gavin David Redvers Oldham	124,953,976	80.20%	124,953,976	78.19%
Richard William Stone	42,088	0.03%	42,088	0.03%
Iain Paul Wallace	213,637	0.14%	213,637	0.13%
Sir Martin Wakefield Jacomb	388,864	0.25%	388,864	0.24%
Richard Ian Tolkien	15,420	0.01%	15,420	0.01%

(b) Save for the interests shown below and those of the Directors shown in paragraph 6(a) above, as at 14 April 2008 (being the last practicable date prior to the publication of this document), so far as the Directors are aware, no person other than those listed below has any interest (within the meaning of Rule 5 of the Disclosure and Transparency Rules) in the Existing Ordinary Shares which amounts to 3 per cent. or more of the Existing Ordinary Shares. No person holding such an interest has different voting rights to the holders of Ordinary Shares.

Name	No. of Ordinary Shares	Percentage of Existing Ordinary Shares	Percentage of Enlarged Share Capital
Share Nominees Limited[1]	31,885,626	20.47%	19.95%
Cuillin Investments Limited	6,375,000	4.09%	3.99%

[1] Share Nominees Limited is a bare trustee nominee company holding ordinary shares on behalf of customers and staff.

(c) The Directors have been granted options under the EMI and unapproved share option schemes, as set out below:

Name	Number	Date of grant	Exercise Periods	Exercise Price
Richard William Stone	50,000	10/07/06	10/07/09 – 10/07/16	20p
	50,000	10/07/06	10/01/11 – 10/07/16	20p
	50,000	10/07/06	10/07/12 – 10/07/16	20p
	50,000	19/03/07	19/03/10 – 19/07/17	15p
	50,000	19/03/07	19/03/11 – 19/07/17	15p
	50,000	19/03/07	19/03/12 – 19/07/17	15p
	38,925	02/04/07	02/04/10 – 02/04/17	14.5p
	18,973	22/12/07	22/12/10 – 22/12/17	30p
Iain Paul Wallace	200,000	15/11/01	21/12/05 – 14/11/11	20p
	11,111	15/11/01	21/06/07 – 14/11/11	20p
	207,778	15/11/01	21/06/07 – 14/11/11	20p
	200,000	21/03/03	21/03/06 – 21/03/13	12p
	200,000	21/03/03	21/03/07 – 21/03/13	12p
	200,000	21/03/03	21/03/08 – 21/03/13	12p
	61,111	19/03/07	19/03/07 – 20/06/11	36p
	41,274	02/04/07	02/04/10 – 02/04/17	14.5p
	19,960	22/12/07	22/12/10 – 22/12/17	30p
Sir Martin Wakefield Jacomb	165,000	15/11/01	21/06/04 – 15/11/11	20p
Richard Ian Tolkien	100,000	21/03/03	21/03/06 – 21/03/13	12p

The Company has agreed, conditional upon Admission, to grant options over 250,000 Ordinary Shares to each of Richard Stone, Iain Wallace, Jeremy Helliwell and Guy Knight and to grant options over 600,000 Ordinary Shares to certain senior managers. The options are exercisable between 3 years and 10 years following Admission (subject to the individual concerned remaining employed by the Group at the time of exercise) at an exercise price of 14.5p per Ordinary Share.

Details of the EMI scheme are summarised at paragraph 8 of this Part VI.

(d) As at 14 April 2008 (being the last practicable date prior to publication of this document) and save as disclosed in this paragraph 6, the Directors are not aware of any person or persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.

(e) Save as disclosed in this document, the Directors do not 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 Group.

(f) The Company and the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company.

(g) There are no outstanding loans granted by the Company to any of the Directors, nor are there any guarantees provided by the Company for their benefit.

(h) Save as disclosed in this paragraph 6, no Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the

Company taken as a whole and which was effected by the Company since its incorporation and which remains in any respect outstanding or unperformed.

(i) Neither the Directors, nor any member of their respective families, has a related financial product (as defined in the AIM Rules for Companies) referenced to the Ordinary Shares.

7. Directors' Details

(a) The Directors have entered into the following service agreements/letters of appointment:

On 14 April 2008 Gavin Oldham entered into a service agreement with The Share Centre which replaced a service agreement entered into by him on 12 May 2005. The service agreement provides for him to act as a Director and Chief Executive of The Share Centre for a salary of £115,000 per annum and states that The Share Centre will make pension contributions of 8 per cent. of Mr Oldham's annual salary. The agreement may be terminated by either party giving 12 months' notice. Following termination of his appointment, Mr Oldham is subject to certain non-solicitation and non-competition restrictions for a 12 month period.

On 14 April 2008 Richard Stone entered into a service agreement with The Share Centre which replaced a service agreement entered into by him on 10 April 2006. The service agreement provides for him to act as Group Finance Director for a basic salary of £103,000 per annum and states that The Share Centre will make pension contributions of 8 per cent. of Mr Stone's annual salary. The agreement may be terminated by either party giving 6 months' notice. Following termination of his appointment, Mr Stone is subject to certain non-solicitation and non-competition restrictions for a 12 month period.

On 14 April 2008 Iain Wallace entered into a service agreement with The Share Centre which replaced a service agreement entered into by him on 20 December 1999. The service agreement provides for him to act as Group Compliance & Legal Services Director for a basic salary of £105,000 per annum and states that The Share Centre will make pension contributions of 8 per cent. of Mr Wallace's annual salary. The agreement may be terminated by either party giving 6 months' notice. Following termination of his appointment, Mr Wallace is subject to certain non-solicitation and non-competition restrictions for a 12 month period.

On 18 March 2008 Sir Martin Jacomb entered into a letter of appointment with the Company which replaced a letter of appointment which he entered into on 16 April 2002. The letter of appointment provides for him to act as a non-executive director of the Company for a fee of £20,800 (now £25,000) per annum. The appointment may be terminated by either party giving one month's notice.

On 18 March 2008 Richard Tolkien entered into a letter of appointment with the Company which replaced a letter of appointment which he entered into on 27 January 2005. The letter of appointment provides for him to act as a non-executive director of the Company for a fee of £17,160 (now £20,000) per annum. The appointment may be terminated by either party giving one month's notice.

Save as disclosed in paragraph (a), none of the Directors has a contract of employment or letter of appointment with the Company or any member of the Group with a notice or contract period of one year or more or with provisions for predetermining compensation on termination of an amount which equals or exceeds one year's salary and benefits in kind.

(b) Following Admission the Company will have 125 employees.

(c) The aggregate remuneration and benefits in kind (including bonuses and profit shares) paid by the Group to the Directors for the year ending 31 December 2007 was approximately £0.5 million.

(d) Save as set out below, the Directors have not held any directorships of any company (other than the Company) or partnerships in the last five years:

Director	*Current Directorships and interests in partnerships*	*Directorships (and partnerships) resigned during the past five years*
Gavin David Redvers Oldham	Che Sara Sara Limited Personal Retirement Account Limited PFEG The Assets Committee of the Church Commissioners for England The Church Commissioners for England Share Nominees Limited Sharefunds Limited Shareholder Limited (The) ShareMark Limited Sharesecure Limited Stock Academy Nominees Limited The Share Centre (Administration Services) Limited The Share Centre Limited The Share Foundation West Highland Air Transport Limited	None
Richard William Stone	Personal Retirement Account Limited Share Nominees Limited Sharefunds Limited Shareholder Limited (The) ShareMark Limited Sharesecure Limited Stock Academy Nominees Limited The Share Centre (Administration Services) Limited The Share Centre Limited	Huntswood CTC Limited
Iain Paul Wallace	Personal Retirement Account Limited Sharefunds Limited Sharesecure Limited The Share Centre Limited	Internet Conception Limited
Sir Martin Wakefield Jacomb	Canary Wharf Group plc Five Arrows Limited Pension Insurance Corporation Limited Sharefunds Limited The Share Centre Limited	Amteus plc Asia House Delta Public Limited Company Minorplanet Systems plc Oxford Playhouse Productions Limited Pasley-Tyler Holdings plc Rio Tinto Pension Fund Trustees Limited The Oxford Playhouse Limited The Oxford Playhouse Trust Vote 2004
Richard Ian Tolkien	Dartbridge Partners Limited Parkwood Holdings plc The Share Centre Limited	The Ranelagh Sailing Club Limited

(e) No Director has, or has had, any interest, direct or indirect, in any transaction which is, or was, unusual in its nature or conditions or is, or was, significant to the business of the Company.

(f) None of the Directors has any unspent convictions in relation to indictable offences, nor has any of them been personally bankrupt or entered into an individual voluntary arrangement with creditors.

(g) None of the Directors has been a director of a company or a partner in a partnership at the time or within 12 months preceding the time at which the company or partnership entered into receivership, compulsory liquidation, creditors voluntary liquidation, administration, a company voluntary arrangement or a partnership voluntary arrangement or any composition or arrangement with creditors generally or any class of creditors.

(h) No Director has had a receivership of any of his assets or of any assets of any partnership in which he was a partner at the time of or within twelve months of such receivership.

(i) None of the Directors has been publicly criticised by a statutory or regulatory authority (including recognised professional bodies), 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.

(j) There are no outstanding loans granted by the Company to any of the Directors nor has any guarantee been provided by the Company for the benefit of any Director.

8. Share Schemes

The Company has established the following employees' share schemes:

Management Share Incentive Schemes

Share plc SIP

(a) All employees (except Gavin Oldham) are entitled to join the Share Incentive Plan (SIP). This operates by allowing staff to make contributions from their gross salary of up to £125 per month (or 10 per cent. of overall salary whichever is less). The minimum contribution is £10 per month. As at 11 April 2008, a total of 2,849,150 shares were held by employees within the Share plc SIP, representing 1.8 per cent. of the Existing Ordinary Shares.

(b) Contributions are used to purchase partnership shares. For every partnership share purchased the company contributes two matching shares. This is the maximum ratio of matching to partnership shares permissible.

(c) The shares are allocated to the employees from the shares held by Sharesecure at the prevailing trading price on Sharemark. Allocations take place once per month.

(d) The company may also periodically allot free shares to employees within the SIP. The maximum permissible allocation being £3,000 per annum. At the most recent allotment of free shares, 606,690 shares were given to 113 staff on the basis of salary and period of service.

(e) A member of staff pays no income tax, national insurance or capital gains tax on the sums involved provided they are left within the SIP for five years. After three years the employee has an entitlement to the matching and free shares but tax may be payable if shares are sold before five years have elapsed. If an employee withdraws or sells the partnership shares within the first three years the matching and free shares are forfeited.

(f) The Company is exempt from employers' national insurance contributions on that element of the employee salary which is invested in partnership shares.

Gavin Oldham's SIP equivalent

(a) The SIP has two elements: (i) a salary sacrifice by an employee and (ii) a matching element from The Share Centre. Gavin Oldham can not, by virtue of his position as controller and shareholding, participate in the scheme and therefore receives a lump sum annual payment – which he then uses to purchase Share plc shares – equivalent to the benefit a member of staff would receive from being part of the scheme. This is calculated by reference to the two elements as below:

(i) The Company pays £250 for each £125 sacrificed into the SIP by employees. This totals £3,000 per annum. The gross payable to Gavin Oldham to give the after tax equivalent of this sum is £5,000.

(ii) The employees participating in the scheme can sacrifice up to £125 per month. They effectively receive this amount gross. Assuming a tax rate of 40 per cent., the benefit of this per annum is £600. The gross payable to Gavin Oldham to give the after tax equivalent of this sum is £1,000.

(b) The total payable to Gavin Oldham in order to match the position as if he were able to participate in the SIP is therefore £6,000.

Share Option Schemes

Senior Managers EMI Share Option Scheme

(a) All senior grade managers (which excludes Jeremy Helliwell and Guy Knight) are granted share options within the Company's EMI scheme twice per annum. On 22 June and 22 December. The number of options granted is calculated by creating a pool based on options over 10,000 shares for each senior manager and then redistributing the total in proportion to salary.

(b) These options are granted with a strike price equivalent to the prevailing market price. They have a vesting period of three years and expire ten years after grant.

Directors EMI Share Options

(a) The Directors have, from time to time, on an individual by individual basis been granted share options by the Board Remuneration Committee. The most common circumstance for such grants has been at the time of joining the Board. These grants are *ad hoc* in nature.

(b) There is now also in place a long term share incentive plan, established in March 2007, which grants share options to Directors and Jeremy Helliwell and Guy Knight based on the level of operating profit growth. A pool of options over shares with a total value based on £1 of value for every £5 of operating profit growth is calculated. This is then distributed at the discretion of the Remuneration Committee but with the expectation that salary will form a significant part of the basis for distribution.

(c) The Executive Directors and Jeremy Helliwell and Guy Knight also receive an entitlement on the same basis as the senior managers scheme.

(d) As with all other EMI options these options are all granted at a strike price equivalent to the prevailing market price, with a three year vesting period and expiring after ten years.

(e) Gavin Oldham is granted options as an Executive Director under the above, but his options are unapproved and not within the EMI scheme. These are exercisable immediately, but he is expected to hold resultant shares for a minimum period of 3 years.

Sharesecure share purchases

In order to cover allotments of shares in the Company pursuant to the Company's SIP and the possibility of share options being exercised pursuant to the Company's Share Option Schemes, Ordinary Shares are purchased in the secondary market, currently Sharemark, by Sharesecure Limited. Purchases are typically made on a weekly basis. In the recent period up until 4 April 2008, Sharesecure has sought to make regular purchases of around 40,000 Ordinary Shares each week. Following the proposed admission to AIM, purchases are intended to be executed on either Sharemark or AIM. The Directors will use the last auction price on Sharemark, or where there is no auction price on Sharemark, the closing price on AIM as at the last scheduled Sharemark auction date, as a benchmark for setting a purchase limit price on Sharesecure's dealing instructions. Sharesecure has undertaken to continue purchasing Ordinary Shares on this basis in order solely to cover such allotments referred to above (with a margin built in to ensure that there are sufficient reserves of shares within Sharesecure to avoid having to issue new Ordinary Shares to cover allotments of shares in the Company pursuant to the Company's SIP and the possibility of share options being exercised pursuant to the Company's Share Option Schemes if there is a lack of liquidity within the secondary market or Sharesecure does not fill orders for a period of time), although the precise number of shares purchased, the frequency of purchase and the price limit shares are to be purchased at may be subject to change.

9. Material Contracts

The following contracts, not being contracts in the ordinary course of business have been entered into by the Company or any member of the Group during the two years immediately preceding the publication of this document and which are, or may be, material:

Introduction Agreement

On 15 April 2008 the Company, the Directors and KBC Peel Hunt entered into an introduction agreement ("**Introduction Agreement**") pursuant to which KBC Peel Hunt has agreed to assist the Company in seeking Admission. The Introduction Agreement contains certain warranties from the Company and the Directors and certain indemnities from the Company and Gavin Oldham, in each case, in favour of KBC Peel Hunt. The Introduction Agreement also contains provisions which enable KBC Peel Hunt to terminate the Introduction Agreement in certain circumstances prior to Admission including circumstances where any of the warranties are found to be untrue, inaccurate or misleading in any material respect.

Lock-In Agreements

On 15 April 2008 each of the Locked-in Parties entered into a lock-in agreement with the Company and KBC Peel Hunt pursuant to which each of the Locked-in Parties has undertaken not to dispose of any Ordinary Shares or rights over Ordinary Shares for a period of 12 months from the date of Admission and for a further period of 12 months thereafter only to effect such disposals with the prior consent of KBC Peel Hunt, save in the event of an offer for the Company or in other limited circumstances. Certain of the Locked-in Parties are allowed to sell or charge Shares with a value of approximately £500,000 to pay for capital gains liabilities falling due on 31 January 2009 if KBC Peel Hunt provide their consent in writing (not to be unreasonably withheld).

Compromise Agreements

On 7 April 2008, as part of the restructuring of the Company's board of directors, the Company entered into compromise agreements ("**Compromise Agreements**") with each of Martin Jeremy Helliwell, Guy James Knight and Peter Melville Forster pursuant to which each of Martin Jeremy Helliwell, Guy James Knight and Peter Melville Forster agreed to step down from the Company's board in exchange for a cash payment. The total cash payments made pursuant to the Compromise Agreements are not material and are included within the total costs of Admission set out in paragraph 14(h) of this Part VI.

10. Litigation

No member of the Group is or has been involved in any governmental, legal or arbitration proceedings which may have or have had during the 12 month period prior to 14 April 2008 (the last practicable date prior to the printing of this document) a significant effect on the financial position or profitability of the Group nor, so far as the Directors are aware, are any such proceedings pending or threatened by or against the Group.

11. Working Capital

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

12. Taxation

UK Taxation

The paragraphs set out below are based on current UK legislation and an understanding of current HM Revenue & Customs published practice as at the date of this document.

The paragraphs are intended as a general guide and apply only to corporate Shareholders who are resident and individual Shareholders who are resident ordinarily resident and domiciled in the UK for tax purposes (except where express reference is made otherwise). They relate only to such Shareholders who hold their shares directly as an investment (other than under a personal equity plan or an individual savings account) and who are absolute beneficial owners of those shares. These paragraphs do not deal with certain types of Shareholders, such as persons holding or acquiring shares in the course of trade or by reason of their, or another's, employment, collective investment schemes and insurance companies.

The statements do not constitute advice to any Shareholder. 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.

Tax on Dividends

Under current UK taxation legislation no tax will be withheld from dividends paid by the Company.

An individual who is resident in the UK for tax purposes and who receives a dividend from the Company will generally be entitled to a tax credit in respect of the dividend received. The value of the tax credit is currently one ninth of the amount of the dividend received (or 10 per cent. of the aggregate of the amount of the dividend and tax credit). Such an individual will be liable to income tax on an amount equal to the aggregate of the dividend and tax credit (the "gross dividend"), which will be regarded as the top slice of his income for tax purposes and will be subject to UK income tax at the special dividend rate of tax as described below.

Individuals who are not higher rate taxpayers will be liable to tax on the gross dividend at 10 per cent. This means that the tax credit will satisfy such individual's liability to pay income tax in respect of the gross dividend and there will be no further tax to pay.

In the case of individuals who are liable to income tax at the higher rate, tax will be payable on dividends at the "dividend upper rate" (currently 32.5 per cent.). The 10 per cent. tax credit will be set against his liability to tax in respect of the gross dividend. Therefore, he will have to pay additional tax equal to 22.5 per cent. of the gross dividend (or 25 per cent. of the net dividend received), to the extent that the gross dividend, when treated as the top slice of his income, falls above the threshold for higher rate income tax.

UK resident taxpayers who are not liable to United Kingdom tax on dividends, including pension funds, charities and certain individuals such as those holding shares through a personal equity plan or an individual savings account, will not be entitled to claim repayment of the tax credit attaching to dividends paid by the Company.

Subject to certain exceptions, a corporate Shareholder which is resident for tax purposes in the UK is not liable to tax on a dividend paid by the Company to it and is not able to claim repayment of the tax credit attaching to the dividend.

Subject to the provisions of any double tax agreement between the UK and their country of residence, a Shareholder who is not resident in the UK for tax purposes will not generally be entitled to claim repayment of the tax credit attaching to any dividend paid by the Company. Persons who are not resident in the UK should consult their own professional advisers as to whether they are entitled to claim any part of the tax credit, the procedure for doing so and what relief or credit may be claimed in the jurisdiction in which they are resident for tax purposes in respect of such tax credit. A Shareholder resident (or otherwise subject to tax) outside the UK may also be subject to local taxation on dividend income under the law of that other jurisdiction.

Tax on Capital Gains

Liability to UK tax on capital gains will depend on the individual circumstances of Shareholders.

A disposal of shares by a Shareholder who is resident or ordinarily resident in the UK may, depending on individual circumstances (including the availability of exemptions and reliefs), give rise to either a chargeable gain or an allowable loss.

A Shareholder who is an individual and who is temporarily non-resident in the UK may, under anti-avoidance legislation, still be liable to UK taxation on any capital gain realised (subject to available exemption or relief).

Each individual has an annual exemption to capital gains tax. The annual exemption reduces chargeable gains and for 2008/09 the exemption is £9,600.

The Finance Bill 2008 includes proposed legislation that for individuals will withdraw taper relief and indexation allowance for disposals of assets on or after 6 April 2008, and from this date will impose an 18 per cent. flat rate of capital gains tax on chargeable gains. This proposed legislation may be subject to change until the Finance Bill receives Royal Assent.

In the case of a Shareholder within the charge to UK corporation tax, chargeable gains will be taxed at the standard UK rates (28 per cent. for fiscal year 2009) subject to small companies' relief if relevant. Indexation allowance may continue to apply.

Stamp Duty and Stamp Duty Reserve Tax

No liability to stamp duty or stamp duty reserve tax ("SDRT") will arise on the allotment of New Ordinary Shares by the Company pursuant to the Offer for Subscription.

Any subsequent conveyance or transfer on sale of Ordinary Shares will normally be subject to stamp duty or SDRT. The transfer or conveyance on sale of Ordinary Shares will be liable to *ad valorem* stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration paid. Stamp duty is normally the liability of the purchaser or transferee of the Ordinary Shares. An unconditional agreement to transfer such shares will normally give rise to SDRT, generally at the rate of 0.5 per cent. of the amount or value of the consideration paid for such shares, but such liability will be cancelled, or any SDRT paid refunded, if the agreement is completed by a duly stamped transfer within six years of the agreement having become unconditional. SDRT is normally the liability of the purchaser or transferee of the Ordinary Shares.

Under the CREST system for paperless share transfers, no stamp duty or SDRT will arise on a transfer of shares into the system, unless the transfer into CREST is itself for consideration in money or moneys' worth, in which case a liability to SDRT will arise, usually at the rate of 0.5 per cent. of the amount or value of consideration given. Transfers or shares within CREST are generally liable to SDRT (at a rate of 0.5 per cent. of the consideration paid) rather than *ad valorem* stamp duty, and SDRT on relevant transactions settled within the system or reported through it for regulatory purposes will be collected and accounted for to HMRC by CRESTCo.

The above statements are intended as a general guide to the current stamp duty and SDRT position. Certain categories of person, including market makers, brokers, dealers and persons connected with depository arrangements and clearance services, are not liable to stamp duty or SDRT and others may be liable at a higher rate or may, although not primarily liable for the tax, be required to notify and account for it under the Stamp Duty Reserve Tax Regulations 1986.

13. Consents

(a) KBC Peel Hunt, which is authorised and regulated in the United Kingdom by the Financial Services Authority, and is the Company's Nominated Adviser and Broker, has given and not withdrawn its written consent to the issue of this document with the inclusion of its name in the form and context in which it appears.

(b) Deloitte & Touche LLP have given and not withdrawn their written consent to the inclusion of their report set out in Part V in the form and context in which it is included.

14. General Information

(a) The Company's auditors are Deloitte & Touche LLP of 3 Rivergate, Temple Quay, Bristol BS1 6GD who are members of the Institute of Chartered Accountants of England and Wales.

(b) The accounting reference date for the Company is 31 December.

(c) The financial information set out in this document does not constitute statutory accounts within section 434 of the Companies Act 2006.

(d) Save as disclosed in Sections 5 and 6 of Part I of this document there has been no significant change in the financial or trading position of the Group since 31 December 2007, being the date of the latest financial information in Section 2 of Part V of this document.

(e) There are no known trends, uncertainties, demands, commitments or events that are reasonably expected to have a material effect on the Company's prospects for at least the current financial year.

(f) Save as disclosed in Section 2 of Part V of this document, the Company has no principal investments and there are no principal investments in progress and there are no principal future investments on which the Board has made a firm commitment.

(g) Save as disclosed in this document, the Directors are unaware of any exceptional factors which have influenced the Company's activities.

(h) The total costs, charges and expenses (including professional fees, stamp duty, and stamp duty reserve tax and costs of printing and distribution of documents) payable by the Company in relation to the Admission are estimated to amount to £0.8 million (inclusive of VAT).

(i) Save as disclosed in this document, no person (other than professional advisers named in this document and trade suppliers) has:

  (1) received, directly or indirectly, from the Company within the 12 months preceding the application for Admission; or

  (2) entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from the Company on or after Admission, any of the following:

    – fees totalling £10,000 or more;

    – securities in the Company with a value of £10,000; or

    – any other benefit with the value of £10,000 or more at the date of Admission.

(j) The amount and percentage of immediate dilution resulting from the Offer assuming full take up of the Offer is 4,000,000 Ordinary Shares, but excluding the 2008 Free Share Offer, amounting to 2.6 per cent. dilution.

(k) Save as disclosed in this document, there are no patents or other intellectual property rights, licences or particular contracts which are of fundamental importance to the Company's business.

(l) As far as the Directors are aware, there are no environmental issues that may affect the Company's utilisation of its tangible fixed assets.

(m) The Ordinary Shares (including the Offer Shares) are (and will be on Admission) in registered form and capable of being held in uncertificated form. The Ordinary Shares have been created under the Act.

(n) Where information has been sourced from a third party this information has been accurately reproduced. So far as the Company, the Directors are aware and are able ascertain from information provided by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

15. Availability of Admission Document

Copies of this document will be available free of charge to the public from the Company's registered office, on the Company's website (www.share.com) and at the offices of KBC Peel Hunt Ltd at 111 Old Broad Street, London EC2N 1PH, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) until one month from Admission.

15 April 2008