



ALFRED HENRY

CORPORATE FINANCE LIMITED

Regulated by the Financial Services Authority

PLUS STOCK EXCHANGE CASH SHELLS REVIEW 2011



Hansard is proud to sponsor Alfred Henry's PLUS Shell Review.

Hansard is a London based Financial Public Relations Agency championing smaller quoted companies or private businesses seeking a listing.

We have enjoyed supporting numerous PLUS quoted companies, many of which listed whilst under our care. Hansard remains strongly supportive of PLUS as a stock market for dynamic growing companies. We envisage a busy conclusion to the year as we prepare for a return to stronger investor sentiment in 2012

We offer a suite of services aimed at bringing investors' attention to great stories and if you'd like to discuss how Hansard could help your company please do not hesitate to call me as your link to our team.

Nicholas Nelson
Director

+44 (0) 207 245 1100
nnelson@hansardcomms.com



PLUS | SX

PLUS-SX is a London based stock exchange focused on small and mid-cap companies.

“The PLUS growth market offers cost-effective access to capital for businesses seeking the first step onto a public market, within an environment adapted to their needs. Alongside the ability to raise funds and increase their profile, companies benefit from lower costs and a more flexible regulatory regime. Investments in PLUS-SX companies are eligible for the full range of unquoted company tax reliefs and can be included in SIPPs.”

Vivienne Cassley PLUS Stock Exchange
020 7429 7800
vivienne.cassley@plusmarketsgroup.com
www.plus-sx.com

Welcome to the PLUS STOCK EXCHANGE CASH SHELLS REVIEW 2011

This latest review has identified 18 cash shells quoted on PLUS Stock Exchange (PLUS-SX) with a total of circa £6.5 million in the bank.

I trust you will find this document beneficial and provides an excellent point of reference for advisers and companies considering listing, or reversing into, a PLUS-Quoted cash shell.

If you require further information or advice, please do not hesitate to contact me on 020 7251 3762.



Nick Michaels Director
Alfred Henry Corporate Finance

020 7251 3762
nmichaels@alfredhenry.com
www.alfredhenry.com

OVERVIEW

Apart from a number of new cash shell admissions on PLUS-SX, there has been little takeover activity over the last twelve months compared to previous years.

Nevertheless, with 18 (2010: 18) PLUS-Quoted cash shells holding a combined bank balance of circa £6.5 million (2010: holding circa £5.7 million), there remains an opportunity for the right company seeking a public listing.

Cash shells are companies with a stock market quote, established board of directors and usually money in the bank but no active business. Generally set up as an 'investment vehicle', the directors and shareholders of a cash shell are looking for a business, or businesses, to fund.

There are **18** cash shells on PLUS-SX with
circa **£6.5 million** in the bank.

The average cash in the bank has increased since last year's review to circa £360,681 (2010: circa £310,000), and the average market capitalisation has doubled to circa £2.0 million (2010: circa £1.0 million).

Cash rich **Rare Minerals Plc** is one of the largest PLUS-Quoted cash shells with circa £1.09 million in the bank. The chairman **Nicholas Nelson** and director **Shane Moloney** intend to invest in or acquire companies engaged in the prospecting or mining of valuable minerals including rare earth metals.

Etaireia Investments Plc is one of the smallest with approximately £24 of cash. The company was previously **Aquarius Media Plc**, a public relations agency which was closed down last year after it was unable to meet its liabilities. Etaireia Investments Plc is a general cash shell with no specific sector or regional focus.

REVERSE TAKEOVERS

Reversing into a cash shell provides an excellent opportunity for businesses seeking a public listing, access to experienced directors, a pool of investors, an initial lump of cash and international exposure.

“The main benefit of reversing into a cash shell is that you know the cash is there,” explains Jon Isaacs, corporate finance director at Alfred Henry.

“Whereas a lot of businesses will go through a listing process and a fundraising at the same time, and not really know if they are going to raise the money, with cash shells the money is already sitting in the bank.”

Back in 2007, **1Spatial’s** initial public offer fell through when the company failed to raise enough capital; however it subsequently successfully reversed into AIM listed cash shell, **IQ Holdings**.

Despite the benefits, reversing into a cash shell can be more costly than an initial public offer. Jon Isaacs explains: “You will probably need two sets of lawyers, accountants and corporate advisers for the shell and the company. But for the right company, the benefits of a reverse takeover can outweigh the additional costs.”

CLEAN OR DIRTY?

Clean shells are purpose built with a fresh pool of capital and with the aim of finding a business, or businesses, to invest in or acquire.

Older shells, where a previous business operation failed but retained a stock market listing with funds leftover or new funds introduced, are known as **dirty shells**. Generally, dirty shells undergo a restructuring and a formal arrangement to eliminate old liabilities.

NEW CASH SHELLS

Listed in November 2010, **Imperial Minerals Plc** is the second largest PLUS-Quoted cash shell with circa £904,062 in the bank. Non-executive chairman **Frank Moxon** intends to invest in, or acquire a company or companies or businesses or assets in, the natural resources sector.

Mandarin Mining Plc joined PLUS-SX in March 2011 with circa £260,000 in the bank. Chairman **Fook Meng Chan** and director **Seng Lai** have adopted an investment strategy focused on investing in or acquiring companies engaged in the prospecting or mining of minerals in Asia.

Listed in April 2011, **Rare Minerals Plc** is the largest PLUS-Quoted cash shell with circa £1.09 million in the bank. As mentioned previously the investment strategy is to invest in or acquire companies engaged in the prospecting or mining of valuable minerals including rare earth metals.

Everest Energy Limited joined PLUS-SX in June 2011 with circa £527,875 in the bank. The directors **Lincoln Moore** and **Charles Wood** (also non-executive directors of **Morano Resources Limited**) intend to make investments or acquisitions in any part of the world in the base metals sector.

Morano Resources Limited joined PLUS-SX in June 2011. Directors **Ross Marsh** and **Ross Warner** intend to make strategic investments or acquisitions in the precious metals sector. At the time of admission, the company had circa £527,875 in the bank.

Pall Mall Resources Ltd joined in July 2011. The company has circa £735,105 in the bank. The directors intend to make strategic investments or acquisitions in the mining and metals sector.

Armstrong Investment Company Plc joined in July 2011 and has circa £587,000 in the bank. The directors **Adam Reynolds** and **Paul Foulger** intends to acquire a controlling interests in small and medium sized private companies in the UK with strong management and significant growth opportunities.

Listed in September 2011, **Nodding Donkey Plc** intends to identify investment opportunities in the oil and gas sectors. The company has circa £220,594 in the bank.

Dirty cash shell, **Chapmore Plc** (formally **Three's A Crowd Plc**) is a general shell with no specific sector, national or regional focus. Chairman **Tom Kristensen** intends to focus on individual investment and acquisition opportunities rather than build a portfolio of investments. In October 2011, Chapmore Plc issued a convertible loan note for €250,000 of which it has received €120,000 and expects to receive the balance within 9 months.

REVERSE TAKEOVERS

Back in March 2011, **Hartfield Securities Plc**, a PLUS-Quoted cash shell, made an offer for the entire issued and to be issued share capital of **Ceres Media Plc**. The enlarged group was subsequently listed on AIM with an estimated market capitalisation of circa £5.7 million at the time of admission.

Norman Fetterman, non-executive chairman of **Ceres Media International Plc** and director of **Alfred Henry Corporate Finance Limited** says "PLUS-SX was an excellent platform for **Hartfield Securities Plc** and our previous shell, **Elm Investments Plc**, to attract quality businesses looking for a fundraising. The added incentive of readymade non-executive directors and a wide shareholder base made us an attractive proposition."

General Industries Plc, one of last year's largest cash shells with £982,000 in the bank, purchased the entire issued share capital of **Skiptons Global Investments Limited**. The enlarged group, renamed **Galileo Resources Plc**, was subsequently listed on AIM with an expected market capitalisation of circa £16.3 million at the time of admission.

One of the largest admissions to PLUS-SX this year was the reverse takeover by **Prime Investments Group Limited** of **Phoenician Corporation V Limited**. The enlarged group is involved in property development with significant Middle Eastern property asset and was admitted with a market capitalisation of circa £253 million.

CORPORATE ADVISERS RANKINGS

Alfred Henry Corporate Finance has moved up to first place since last year's review, acting for 5 PLUS-Quoted cash shells with a combined bank balance of circa £1.9 million and a market capitalisation of £21.5 million.

Corporate Adviser	No of Cash Shells	Total of Market Cap (£m)	Estimated Total of Cash Holding ^
Alfred Henry Corporate Finance Ltd	5	£21.5	£1,936,000
Rivington Street Corporate Finance Ltd	4	£3.6	£398,962
Beaumont Cornish Ltd	3	£4.5	£1,790,855
St Helens Capital Partners LLP	2	£3.6	£1,124,656
W H Ireland Ltd	1	£1.2	£370,466
Keith Bayley Rogers & Co. Ltd	1	£0.2	£184,311
Zeus Capital Limited	1	£0.8	£587,000
Loeb Aron & Company	1	£0.2	£100,000
TOTAL	18	£35.6	£6,492,250

*"The experience that **Alfred Henry** has gained over the years in advising PLUS companies is evident from the informed way they have guided our mutual clients. Nick and Jon have formed a close working relationship with PLUS and remain current on the prevailing views and opinions of its regulation team. This has proven important in ensuring that new applications are pre-emptive and enable an admission document to pass through the hoops with little delay. Moreover, despite them being at the top of their game, they always find time to respond quickly to clients and with a personal touch."*

Nicholas Nelson Director
Hansard Communications

PROGRESSIVE GROWTH

Dot Digital Group Plc, the leading provider of search marketing services, intuitive Software as a Service and managed services to digital marketing professionals successfully completed its move from PLUS to the AIM market.

The company was admitted in March 2011 with a market capitalisation of circa £21 million. With brands including dotMailer, dotSEO, dotCommerce and dotSearch, Dot Digital Group Plc is now one of the UK's leading provider of services to the digital marketing sector.

Founded in 1999 to provide bespoke website design and development services, the business is industry recognised through its market leading brand name "dotMailer" – a service originally developed as an email marketing solution for a division of the BBC. In 2008, following the increasing focus towards digital marketing, the company underwent a rebranding, becoming "dotMailer – The Digital Marketing Agency," providing website design and development, content management, e-commerce packages and survey tools.

dotMailer originally listed on the PLUS Stock Exchange in 2009 through the **reverse takeover** of West End Ventures Plc, a PLUS listed cash shell which had cash of circa £800,000 at the time of reverse. **Alfred Henry Corporate Finance** listed West End Ventures Plc, advised on the reverse takeover and acquisition. Associated company **Jeffreys Henry LLP** acted as reporting accountant in respect of the AIM move.

Peter Simmonds, Chief Executive of Dot Digital Plc commented: "At the time of the reverse, the management of dotMailer viewed the PLUS listing as providing not only an opportunity to widen and strengthen the shareholder base and to implement certain disciplines required by a public company but also a strengthened negotiating position when exploring acquisition targets and help attract and retain key staff."

"The additional funds made available helped to expand as a digital marketing agency. In May 2010, the Company successfully acquired a search engine marketing company, Netcallidus, which included a share element in the consideration."

"With its position as a public company established, the directors believe that additional advantages could be achieved through a move to AIM. Both **Alfred Henry** and **Jeffreys Henry LLP** have been instrumental in assisting us with the moves onto both PLUS and AIM and with our acquisition."

CASH SHELLS RANKED BY CASH

Company	Market Cap (£m)	Estimated Cash Holding ^	Corporate Adviser	Auditor
Rare Minerals Plc	£9.7	£1,088,000	Alfred Henry Corporate Finance Ltd	Jeffreys Henry LLP
Imperial Minerals Plc	£2.1	£904,062	St Helens Capital Partners LLP	Littlejohn LLP
Pall Mall Resources Ltd	£1.5	£735,105	Beaumont Cornish Ltd	Littlejohn LLP
Armscote Investment Company Plc	£0.8	£587,000	Zeus Capital Limited	Jeffreys Henry LLP
Morano Resources Ltd	£1.5	£527,875	Beaumont Cornish Ltd	Littlejohn LLP
Everest Energy Ltd	£1.5	£527,875	Beaumont Cornish Ltd	Littlejohn LLP
NJD Capital Plc	£1.2	£370,466	W H Ireland Ltd	Sagars LLP
Alpha Universal Management Plc	£0.3	£294,067	Rivington Street Corporate Finance Ltd	Mazars LLP
Ecovista Plc	£3.3	£273,000	Alfred Henry Corporate Finance Ltd	Jeffreys Henry LLP
Mandarin Mining Plc	£0.6	£260,000	Alfred Henry Corporate Finance Ltd	Jeffreys Henry LLP
Nodding Donkey Plc	£1.5	£220,594	St Helens Capital Partners LLP	Adler Shine LLP
Hellenic Capital Plc	£0.2	£184,311	Keith Bayley Rogers & Co. Ltd	Littlejohn LLP

Chapmore Plc	£0.2	£165,000	Alfred Henry Corporate Finance Ltd	Jeffreys Henry LLP
Aspartus Resources Plc	£7.7	£150,000	Alfred Henry Corporate Finance Ltd	Jeffreys Henry LLP
Imperial Music and Media Plc	£2.9	£104,064	Rivington Street Corporate Finance Ltd	Welbeck Associates
Consolidated Africa Mining Plc	£0.2	£100,000	Loeb Aron & Company	Buzzacott LLP
The Talbex Group Plc	£0.1	£777	Rivington Street Corporate Finance Ltd	B M Howarth Ltd
Etaireia Investments Plc	£0.3	£24	Rivington Street Corporate Finance Ltd	Welbeck Associates
TOTAL	£35.6	£6,492,250		
AVERAGE	£2.0	£360,681		

^ Assumed Cash Holding and all other data is extracted from the company's latest interim or final accounts and adjusted to take into account known subsequent events such as fundraisings, disposals and investments. Data collected in November 2011. Printed on 29 November 2011. Cash shells are PLUS-SX investment vehicles with no active business and no material investments. Investment vehicles which have more investments than cash have been excluded from the Cash shells data but are included in the table "Investment companies" on the following page.

Whilst every care has been taken in the preparation of this information, it may contain errors and/or omissions. This review is for general information only and not intended to provide specific advice or information. Professional advice should always be sought before taking any action.

INVESTMENT COMPANIES

Investment vehicles that were featured in last year's cash shells report or may have previously been known as a cash shell but since began trading or currently hold more investments than cash have been excluded from the main report. They have however been included in the table below.

Company	Market Cap (£m)	Estimated Cash Holding ^	Corporate Adviser	Auditor
Circle Opportunities Plc	£1.6	£185,593	St Helens Capital Partners LLP	Adler Shine LLP
Gledhow Investments Plc	£0.5	£609,834	N/A **	UHY Hacker Young LLP
Agneash Soft Commodities Plc	£0.9	£240,000	Rivington Street Corporate Finance Ltd	Littlejohn LLP
ZimNRG Plc	£0.6	£155,313	Loeb Aron & Company Ltd	Edwards Veeder (Oldham) LLP
Ronaldsway Private Equity Plc	£0.6	£183,709	Rivington Street Corporate Finance Ltd	Welbeck Associates
Oriental City Group Plc	£0.2	£136,504	Alfred Henry Corporate Finance Limited	Mazars LLP
Hot Rocks Investments Plc	£1.4	£100,000	St Helens Capital Partners LLP	Littlejohn LLP
Japanese Turnaround Capital Plc	£2.0	£4,857 (¥590,964)	Alexander David Securities Ltd	RSM Tenon Audit Limited
BWA Group Plc	£0.7	£107,882	St Helens Capital Partners LLP	Additions
Cherwell Capital Plc	£0.3	£32,605	N/A **	James Cowper LLP

Phoenician Corporation IV Ltd	£5.0	£50,103	City & Westminster Corporate Finance Ltd	Littlejohn LLP
Alpha Prospects Plc	£3.4	£27,264	Rivington Street Corporate Finance Ltd	Calder & Co
Fast Bet Solutions Plc (formally Silvanus One Plc)	£0.3	£20,322	Rivington Street Corporate Finance Ltd	Haysmacintyre
Devilfish Gaming Plc	£0.5	£4,272	Rivington Street Corporate Finance Ltd	Hart Shaw LLP
In-Solve Plc	£0.4	£1,411	Rivington Street Corporate Finance Ltd	Price Bailey LLP
H.B. Properties Plc	£0.9	£0	Alfred Henry Corporate Finance Ltd	Jeffreys Henry LLP
The East African Oil & Energy Exploration Company Plc	£0.5	£0	Rivington Street Corporate Finance Ltd	Rochesters LLP

** Gledhow Investments Plc and Cherwell Capital Plc came to OFEX (now known as PLUS-SX) before it became a prescribed market, therefore no corporate advisor is associated with its admission.

ALFRED HENRY CORPORATE FINANCE

With 5 cash shells holding a total of circa £1.9 million in the bank, Alfred Henry Corporate Finance is one of the leading advisers for companies considering listing, or reversing into, a PLUS-Quoted cash shell.



Nick Michaels Director

020 7251 3762
nmichaels@alfredhenry.com
www.alfredhenry.com



Jon Isaacs Director

020 7251 3762
jisaacs@alfredhenry.com
www.alfredhenry.com

JEFFREYS HENRY LLP

With a team dedicated to working with AIM and PLUS listed companies and having been ranked in the top 12 UK audit firms by Hemscott, Jeffrey's Henry is a real alternative to the larger accountancy firms in terms of cost-effective services, hands-on approach and close partner contact.



Justin Randall Partner

020 7309 2222
jrandall@jeffreyshenry.com
www.jeffreyshenry.com

