

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document and/or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (“FSMA”) if you are in the United Kingdom or, if not, you should immediately consult another appropriately authorised professional adviser.

This document, which comprises an AIM admission document, has been drawn up in accordance with the AIM Rules for Companies. This document does not contain an offer of transferable securities to the public within the meaning of section 85 of FSMA and is not a prospectus for the purposes of the Prospectus Rules made under section 73A of FSMA. Accordingly this document has not been prepared in accordance with the Prospectus Rules, nor has it been approved by the Financial Conduct Authority (the “FCA”) pursuant to section 85 of FSMA and a copy has not been delivered to the FCA under regulation 3.2 of the Prospectus Rules.

Application will be made for all of the Ordinary Shares, issued and to be issued, to be admitted to trading on the AIM market of London Stock Exchange plc (“AIM”).

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority (“UKLA”). 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. Neither the UKLA, nor the London Stock Exchange has examined or approved the contents of this document.

It is expected that admission to AIM will become effective, and that dealings in the Ordinary Shares will commence on 16 December 2013.

The Directors, whose names are set out on page 10 of this document, and the Company accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors and the Company (each of whom has taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

VICTORIA PLC

(Incorporated and registered in England and Wales under the Companies Act 1929 with registered number 282204)

Proposed acquisition of Globesign Limited

Re-Admission to trading on AIM

Nominated Adviser and Broker

CANTOR FITZGERALD EUROPE

Cantor Fitzgerald Europe, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority and is acting as nominated adviser and broker for the purposes of the AIM Rules for Companies exclusively for the Company and no one else in connection with the matters described herein and will not be responsible to any other person for providing the protections afforded to customers of Cantor Fitzgerald Europe, or for advising any other person on the contents of this document or any matter referred to herein. The responsibilities of Cantor Fitzgerald Europe, as nominated adviser, are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or any other person and accordingly no duty of care is accepted in relation to them. Cantor Fitzgerald Europe has not authorised the contents of, or any part of, this document and no representation or warranty, express or implied, is made by Cantor Fitzgerald Europe as to, and no liability whatsoever is accepted by Cantor Fitzgerald Europe in respect of, any of the contents of this document (without limiting the statutory rights of any person to whom this document is issued).

The whole of this document should be read. Your attention is drawn, in particular, to Part I “Letter from the Chairman of Victoria plc” and Part II “Risk Factors” for a more complete discussion of the factors that could affect the Enlarged Group’s future performance and the industry in which it will operate.

A notice convening a General Meeting of Victoria plc to be held at the offices of Brown Rudnick LLP at 8 Clifford Street, London W1S 2LQ on 13 December 2013 commencing at 10.00 a.m. is set out at the end of this document. The Form of Proxy for use in connection with the General Meeting is enclosed with this document and should be returned as soon as possible and, in any event, so as to be received at the offices of the Company’s Registrars, Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible but in any event not later than 10.00 a.m. on 11 December 2013, being 48 hours (excluding weekends and public holidays) before the time appointed for the holding of the General Meeting. The completion and depositing of a Form of Proxy will not preclude a Shareholder from attending and voting in person at the General Meeting.

This document does not constitute an offer to issue or sell, or the solicitation of any offer to subscribe for or buy, any of the Ordinary Shares in any jurisdiction where it may be unlawful to make such offer or solicitation. The distribution of this document in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe such restrictions. Any such distribution could result in a violation of the laws of such jurisdictions. In particular, this document is not for distribution into the United States, Canada, Australia, Japan or the Republic of South Africa and is not for distribution directly or indirectly to any US person. The Ordinary Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the “**US Securities Act**”), or under the securities legislation of, or with any securities regulatory authority of, any state or other jurisdiction of the United States or under the applicable securities laws of any province or territory of Canada or under the securities laws of Australia, Japan or the Republic of South Africa.

Copies of this document will be available free of charge during normal business hours on any day (except Saturdays, Sundays and public holidays) from the registered office of the Company and at the offices of Cantor Fitzgerald Europe at One Churchill Place, Canary Wharf, London EC14 5RB from the date of this document and for a period of at least one month from Admission.

Forward Looking Statements

Certain statements in this document are “Forward Looking statements”. These Forward Looking statements are not based on historical facts but rather on the Directors’ expectations regarding the Company’s future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), planned expansion and business prospects and opportunities. Such Forward Looking statements reflect the Directors’ current beliefs and assumptions and are based on information currently available to the Directors. Forward Looking statements involve significant known and unknown risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the Forward Looking statements, including risks associated with vulnerability to general economic market and business conditions, competition, environmental and other regulatory changes or actions by governmental authorities, the availability of capital, reliance on key personnel, uninsured and underinsured losses and other factors, many of which are beyond control of the Company. Although the Forward Looking statements contained in this document are based upon what the Directors believe to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these Forward Looking statements.

Market and Financial Information

The data, statistics and information and other statements in this document regarding the markets in which the Group operates, or the Group’s position therein, are based on the Group’s records or are taken or derived from statistical data and information derived from the sources described in this document.

In relation to these sources, such information has been accurately reproduced from the published information, and, so far as the Directors are aware and are able to ascertain from the information provided by the suppliers of these sources, no facts have been omitted which would render such information inaccurate or misleading.

Unless otherwise indicated, financial information in this document, including the audited consolidated financial statements of the Company for the financial years ended 2 April 2011, 31 March 2012 and 30 March 2013, which are publically available on the Company’s website www.victoriapl.com and the notes to those financial statements, has been prepared in accordance with International Financial Reporting Standards.

Various figures and percentages in tables in this document have been rounded and accordingly may not total.

Certain financial data has also been rounded. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data.

All times referred to in this document are, unless otherwise stated, references to London time.

United States securities law

The Ordinary Shares have not been and will not be registered under the US Securities Act or securities laws of any US state or other jurisdiction and will not 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 US Securities Act and such other applicable laws.

The Ordinary Shares are generally only being offered and sold outside the United States to persons who are not US Persons (within the meaning of Regulation S under the US Securities Act (“**Regulation S**”)) in transactions complying with Regulation S, which provides an exemption from the requirement to register the offer and sale under the US Securities Act.

The Ordinary Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission (the “**US SEC**”) or by any US state securities commission or authority, nor has any such US authority passed on the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence.

Investment in the Company carries risk. Prospective investors should read the whole text of this document and should carefully consider whether an investment in Ordinary Shares is suitable for them in light of their circumstances and financial resources. Your attention is particularly drawn to Part II of this document which sets out certain risk factors relating to any investment in the Company. All statements regarding the Enlarged Group’s business, financial position and prospects should be viewed in the light of the risk factors set out in Part II of this document.

The contents of the Company’s website, including any websites available from hyperlinks on the Company’s website, do not form part of this document.

CONTENTS

	<i>Page</i>
Expected Timetable of Principal Events	4
Admission Statistics	4
Directors, Secretary and Advisers	5
Definitions	6
Part I Letter from the Chairman of Victoria PLC	10
Part II Risk Factors	17
Part III Section A: Accountant's Report on the Historical Financial Information on Globesign Limited	23
Section B: Historical Financial Information on Globesign Limited	25
Part IV Additional Information	48
Part V Notice of General Meeting	76

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	26 November 2013
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 11 December 2013
General Meeting	10.00 a.m. on 13 December 2013
Completion of the Acquisition	10.00 a.m. on 13 December 2013
Admission and dealings in the Ordinary Shares to commence on AIM	16 December 2013

Notes:

Each of the times and dates in the above timetable is subject to change without further notice. References to all times are to London time.

ADMISSION STATISTICS

Number of Ordinary Shares in issue before and after Admission	7,033,185
Market capitalisation, upon Admission, of the Enlarged Group	£18.07 million
ISIN	GB0009290080
SEDOL	0929008
AIM symbol	VCP

DIRECTORS, SECRETARY AND ADVISERS

Directors	Geoffrey (“Geoff”) Brendon Wilding (<i>Executive Chairman</i>) Ian Alexander Anton (<i>Non-Executive Director</i>) Andrew Nigel Harrison (<i>Non-Executive Director</i>)* *denotes independent director
Registered Office and principal place of business	Worcester Road Kidderminster Worcestershire DY10 1JR
Company Secretary	Terence (“Terry”) Anthony Danks
Nominated Adviser and Broker	Cantor Fitzgerald Europe One Churchill Place Canary Wharf London EC14 5RB
Solicitors to the Company	Brown Rudnick LLP 8 Clifford Street London W1S 2LQ
Auditors and Reporting Accountant	Nexia Smith & Williamson 25 Moorgate London EC2R 6AY
Registrars	Capita Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Website	www.Victoriapl.com

DEFINITIONS

The following words and expressions shall have the following meanings in this document unless the context otherwise requires:

“2006 Act”	the Companies Act 2006, as amended
“Acquisition”	the proposed acquisition by the Company of the entire issued share capital of Globesign pursuant to the Acquisition Agreement
“Acquisition Agreement”	The conditional agreement dated 26 November 2013 between (1) the Company and (2) the Vendors, further details of which are set out in paragraph 16.1 of Part IV of this document
“Acquisition Facilities”	each of Facility A and Facility B of the Acquisition Facilities Agreement
“Acquisition Facilities Agreement”	the £12.5 million facility agreement between Barclays Bank Plc, and Victoria Plc, Victoria Carpets Limited and Westwood Yarns Limited dated 26 November 2013 under which the Acquisition Facilities are made available to Victoria on the terms therein, further details of which are set out in paragraph 16.2 of Part IV (<i>Additional Information</i>) of this document
“Admission”	the admission of the issued and to be issued Ordinary Shares to trading on AIM and such admission becoming effective in accordance with Rule 6 of the AIM Rules
“Admission Document”	this document
“AIM”	the AIM market operated by the London Stock Exchange
“AIM Rules”	together the AIM Rules for Companies, the AIM Rules for Nominated Advisers and the AIM Disciplinary Procedures and Appeals Handbook
“AIM Rules for Companies”	the AIM Rules for Companies published by the London Stock Exchange, as amended from time to time which sets out the rules, responsibilities and guidance notes in relation to companies whose shares are admitted to trading on AIM
“AIM Rules for Nominated Advisers”	the AIM Rules for Nominated Advisers setting out the eligibility, ongoing obligations and certain disciplinary matters in relation to nominated advisers published by the London Stock Exchange, as amended from time to time
“Articles”	the articles of association of the Company adopted on 28 July 2010
“Audit Committee”	the audit committee of the Board
“Australian Subsidiary”	The Victoria Carpet Company Pty Ltd, a wholly owned subsidiary of Victoria situated in Australia
“Business Day”	a day other than a Saturday, Sunday or other day when banks in the City of London, England are not generally open for business
“Cantor”	Cantor Fitzgerald Europe, nominated adviser and broker to the Company

“certificated” or “certificated form”	is the description of a share or other security which is not in un-certificated form (that is not in CREST)
“Company” or “Victoria”	Victoria plc
“Connected Persons”	connected persons as defined in section 252 of the 2006 Act
“CAGR”	compound annual growth rate
“CREST”	the relevant system (as defined in the Uncertificated Securities Regulations) in respect of which Euroclear UK & Ireland is the operator (as defined in the un-certificated Securities Regulations) in accordance with which securities may be held or transferred in Uncertificated form
“Directors” or “Board”	the directors of the Company (each a “Director”) whose names appear on page 10 of this Admission Document
“EBITDA”	operating earnings before interest, tax, depreciation and amortisation, stated before any non-underlying items
“Enlarged Group”	the Company as enlarged by the Acquisition, to include Globesign and its Subsidiary
“EU” or “European Union”	has the meaning given to it in Article 299(1) of the Establishing the European Economic Community Treaty as amended by, among others, the Treaty on European Unity (the Maastricht Treaty), the Treaty of Amsterdam and the Treaty of Lisbon
“Euroclear UK & Ireland”	Euroclear UK & Ireland Limited
“Existing Ordinary Shares”	the 7,033,185 Ordinary Shares in issue at the date of this Admission Document
“Existing Bank Facilities”	means: <ul style="list-style-type: none"> (a) the term loan originally in the maximum aggregate principal amount of £2,000,000 made available by Barclays Bank PLC to the Company pursuant to the terms of a facility agreement dated 11 July 2012 (accepted by the Company on 13 July 2012) and as amended by letters of variation in July, September and December 2012 and as further amended by letter of variation on 26 November 2013 (the “Existing Term Facility Agreement”) (b) the revolving loan originally in the maximum aggregate principal amount of £8,000,000 made available by Barclays Bank PLC to the Company pursuant to the terms of a facility agreement dated 11 July 2012 (accepted by the Company on 13 July 2012) and amended by letters of variation in July, September and December 2012 and as further amended by letter of variation on 26 November 2013 (the “Existing Revolving Facility Agreement”) and (c) the on-demand multi option facility made available by Barclays Bank PLC to the Company, Victoria Carpets Limited and Westwood Yarns Limited, pursuant to the terms of a facility agreement dated 11 July 2012 (accepted by the Company on 13 July 2012) (the “Existing Overdraft Facility Agreement”)

“Existing Bank Facilities Agreements”	means the Existing Term Facility Agreement, the Existing Revolving Facility Agreement and the Existing Overdraft Facility Agreement
“Form of Proxy”	the form of proxy sent to holders of Existing Ordinary Shares enclosed with this document for use by Shareholders in connection with the General Meeting
“FCA”	the Financial Conduct Authority of the United Kingdom
“FSMA”	the Financial Services and Markets Act 2000, as amended
“General Meeting”	the general meeting of the Company, to be held at the offices of Brown Rudnick LLP, 8 Clifford Street, London W1S 2LQ at 10.00 a.m. on 13 December 2013
“Globesign”	Globesign Limited and its wholly owned subsidiary Westex
“Group”	the Company and its subsidiaries prior to the Acquisition
“HMRC”	Her Majesty’s Revenue & Customs
“IFRS”	International Financial Reporting Standards, as adopted for use in the European Union
“Incentive Contract”	the contract for differences dated 19 April 2013 between the Company and Geoff Wilding
“Investment Company Act”	the United States Investment Company Act of 1940, as amended
“ITEPA”	Income Tax (Earnings and Pensions) Act 2003
“London Stock Exchange”	London Stock Exchange plc
“LTIP”	Victoria PLC 2008 Long Term Incentive Plan
“Notice”	the notice convening the General Meeting, which is set out at Part V of this document
“Official List”	the Official List of the UKLA
“Ordinary Shares”	ordinary shares of 25p each in the capital of the Company
“Panel”	Panel on Takeovers and Mergers
“Proposals”	means (a) the Acquisition; and (b) Admission
“Prospectus Directive”	the Prospectus Directive (2003/71/EC)
“Prospectus Rules”	the prospectus rules of the UK Listing Authority made in accordance with section 73A of FSMA as amended from time to time brought into effect on 1 July 2005 pursuant to Commission Regulation (EC) No.809/2004 and the Prospectus Regulations 2005 (SI 2005/1433)
“PSP”	Victoria PLC 2011 Performance Share Plan
“QCA Guidelines”	the Corporate Governance Code for small and mid-size Quoted Companies 2013 published by the Quoted Companies Alliance, as amended from time to time
“Registrars”	Capita Asset Services

“Remuneration Committee”	the remuneration committee of the Board
“Resolution”	the resolution set out in the Notice
“Securities Act”	the United States Securities Act of 1933, as amended
“Shareholders”	holders of Ordinary Shares
“Share Options”	options granted under the Victoria PLC 2008 Long Term Incentive Plan and the Victoria PLC 2011 Performance Share Plan, in each case to subscribe for Ordinary Shares
“Takeover Code”	the City Code on Takeovers and Mergers (as amended from time to time)
“Target Group”	Globesign and Westex
“UKLA” or “UK Listing Authority”	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
“uncertificated” or “in uncertificated form”	a share or shares recorded on the register of members as being held in uncertificated form in CREST, entitlement to which, by virtue of the Uncertificated Securities Regulations, may be transferred by means of CREST
“Uncertificated Securities Regulations”	the Uncertificated Securities Regulations 2001 (SI/2001/3755)
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“£”, “pound”, “p” or “pence”	British pound sterling, the legal currency of the United Kingdom
“United States” or “US”	the United States of America, its territories and possessions, any state in the United States, the District of Columbia and other areas subject to its jurisdiction
“Vendors”	together John Shirt, John Snee, Simon Walker, Simon Thomas and Mark Vale
“Westex”	Westex (Carpets) Limited

PART I
LETTER FROM THE CHAIRMAN

VICTORIA PLC

(Incorporated and registered in England and Wales under the Companies Act 1929 (as amended) with registered number 282204)

Directors:

Geoff Wilding (*Executive Chairman*)
Alexander Anton (*Non-Executive Director*)
Andrew Harrison (*Non-Executive Director*)

Registered Office:

Worcester Road
Kidderminster
Worcestershire
DY10 1JR

26 November 2013

To all holders of Existing Ordinary Shares, and for information only, to holders of Share Options

Dear Shareholder,

Proposed acquisition of Globesign Limited
Admission to trading on AIM
and
Notice of General Meeting

1. INTRODUCTION

On 26 November 2013, the Company entered into an agreement to acquire the entire issued share capital of Globesign, and its wholly owned subsidiary, Westex. Globesign is an owner-managed UK manufacturer of carpets based in Cleckheaton, West Yorkshire.

The Acquisition is classified as a reverse takeover for the purposes of the AIM Rules and is therefore conditional, *inter alia*, on the approval by Shareholders of the Resolution at the General Meeting to be held at 10.00 a.m. on 13 December 2013 at the offices of Brown Rudnick LLP at 8 Clifford Street, London W1S 2LQ, notice of which is set out at Part V of this document. No Ordinary Shares are to be issued in respect of the Acquisition and there will be no changes to the board of Directors of Victoria.

The Acquisition is being funded from Existing Bank Facilities and the new Acquisition Facilities with Barclays Bank plc.

The purpose of this document is to convene the General Meeting, to provide you with information on, the background to and reasons for the Proposals. The Board unanimously considers that the Resolution is in the best interests of the Company and its Shareholders as a whole and recommends that Shareholders vote in favour of the Resolution.

2. REASONS FOR THE PROPOSALS

Acquisition

Since their appointment in October 2012, the new Board has undertaken a detailed review of the Victoria business. This has entailed focusing on reducing costs and improving the Group's working capital position principally through better stock management and increasing the productivity of its existing assets. The Board believes, as a result of the Acquisition, the Enlarged Group will benefit from a strengthened senior management team, with a clear and focused strategy for further turnaround and growth. The Directors expect the Acquisition will be accretive to underlying earnings per share of the Company.

Revenue and profit before taxation of Globesign have increased from £14.3 million and £3.1 million respectively during the year ended 27 February 2010 to a record £17.5 million and £3.7 million respectively during the year ended 2 March 2013.

Consideration payable pursuant to the terms of the Acquisition Agreement is:

- (i) initial cash consideration of £16.0 million;
- (ii) deferred consideration of up to £8.0 million at the end of the third anniversary of the Acquisition if the Target Group generates an average EBITDA of £4.2 million over the preceding three years. On account payments shall become payable at the end of each anniversary for the first two years if certain targets are met;
- (iii) deferred consideration at the end of each of the first, second and third anniversaries of the Acquisition being 100 per cent. of the profit after tax generated by the Target Group in excess of £2.7 million; and
- (iv) deferred consideration at the end of each of the fourth and fifth anniversaries of the Acquisition being 50 per cent. of the sum by which the profits after tax generated by the Target Group exceeds the greater of (i) the highest profit after tax figure achieved during the previous three years; and (ii) £2.7 million.

3. INFORMATION ON THE COMPANY

Victoria, with its head offices in Kidderminster, Worcestershire, is a well-established international manufacturer and distributor of carpets and floorcoverings to the mid to high-end residential and commercial sectors through its operations in the UK, Australia and Canada.

Victoria is organised across three geographical divisions: the UK, Australia and Canada, which are considered further below.

UK

The UK operations are broadly split across two entities: Victoria Carpets and Westwood Yarns.

Victoria Carpets manufactures high quality tufted and wilton woven carpets, as well as distributing Luxury Vinyl Tiles (LVT) through its Victoria Luxury Flooring (VLF) division. Westwood Yarns is a dry-woollen spinning mill in the UK producing yarn primarily for Victoria.

Victoria Carpets sales are mainly to the independent retail sector as well as major retail groups. The Group also distributes floor coverings in Ireland through its long established Irish brands – Munster Carpets and Navan Carpets.

Australia

Victoria Carpets designs and produces a range of tufted carpets for the residential and commercial markets internally and worldwide and is one of the largest carpet manufacturers in Australia.

The majority of Victoria revenues are to the residential market with the remaining revenues generated from contract residential and contract commercial clients.

Canada

Colin Campbell is a trade only designer showroom catering to the A & D community in Western Canada with showrooms in Vancouver and Calgary.

History

The issued share capital of Victoria was admitted to trading on AIM on 17 January 2013, having previously been listed on the Main Market. In accordance with the AIM Rules and the Listing Rules, the Company's audited financial results, prepared in accordance with IFRS for each of the three financial years ended 30 March 2013, 31 March 2012 and 2 April 2011 are publicly available on its website: www.Victoriapl.com.

4. INFORMATION ON GLOBESIGN

Overview

Globesign is a private limited company based in Cleckheaton, West Yorkshire, controlled and owned by the Vendors, which has a wholly owned subsidiary called Westex.

The principal activity of Westex is the manufacture and sale of carpets. The business operates from two dedicated manufacturing locations which include the spinning and dyeing of yarn and the manufacture of a wide range of carpet types and colours.

History

Westex was established over 30 years ago and has evolved from manufacturing carpet to also spinning and dyeing the yarn used in its construction.

Globesign was incorporated in December 2004 to facilitate the acquisition of the Westex business via a MBO team on 29 April 2005. The MBO team comprised John Shirt (Finance Director), John Snee (Production Director), Simon Walker (Production Manager), Mark Vale (UK Sales Director), Simon Thomas (Export and Group Sales Director) and Paul Hanson (who retired from the business in June 2012).

Operations

The business has three principal divisions, spinning and manufacturing, which operate from a site in Cleckheaton and its dyeing operation which is based in nearby Dewsbury. Westex also owns a distribution centre in Luton, as a hub for sales to customers in the South of England.

The current senior management, who will continue working with the business post-Acquisition, have worked at Westex for about 15 years and owned it since 2005. They are an experienced management team and are expected to continue in their management role for a minimum of five years post-Acquisition.

Westex also owns a commercial site at Delph which is currently occupied by Rowan Ashworth Limited and Prosell Building Products Limited. Management are currently evaluating the development opportunities for the site. In addition, the majority of the Dewsbury site is currently unutilised.

5. SUMMARY HISTORICAL FINANCIAL INFORMATION

The financial information set out in the table below has been extracted from the historical financial information of Globesign included in Part III of this document. Shareholders should read the full historical financial information in Part III of this document and not rely solely upon the summary below.

	<i>Year ended 2 March 2013 £'000</i>	<i>Year ended 3 March 2012 £'000</i>	<i>Year ended 26 February 2011 £'000</i>
Turnover	17,484	16,766	16,305
Gross profit	8,486	8,048	8,129
Profit before taxation	3,678	3,313	3,240
Net assets	16,388	16,166	14,790

Summary proforma historical financial information of the Enlarged Group is:

	<i>Victoria</i> Year ended 30 March 2013 £'000	<i>Globesign</i> Year ended 2 March 2013 £'000	<i>Total</i> £'000
Turnover	70,909	17,484	88,393
Gross profit	17,230	8,486	25,716
Profit/(loss) before taxation	(3,520)	3,678	158
Net assets	38,473	16,388	54,861

6. PRINCIPAL TERMS OF THE ACQUISITION

Pursuant to the terms of the Acquisition Agreement the Company has agreed to acquire the entire issued share capital of Globesign from the Vendors for:

- (i) initial cash consideration of £16.0 million;
- (ii) deferred consideration of up to £8.0 million at the end of the third anniversary of the Acquisition if the Target Group generates an average EBITDA of £4.2 million over the preceding three years. On account payments shall become payable at the end of each anniversary for the first two years if certain targets are met;
- (iii) an annual payment at the end of each of the first three anniversaries of the Acquisition being 100 per cent. of the net profit generated by the Target Group in excess of £2.7 million; and
- (iv) an annual payment at the end of each of the fourth and fifth anniversaries of the Acquisition being 50 per cent. of the sum by which the profits after tax generated by the Target Group exceeds the greater of (i) the highest profit after tax figure achieved during the previous three years; and (ii) £2.7 million.

The consideration will be funded by Victoria from Existing Bank Facilities and the Acquisition Facilities.

The Acquisition Agreement contains customary warranties and indemnities including a tax covenant given by the Vendors in favour of the Company.

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

7. FINANCING THE ACQUISITION

The Acquisition and associated expenses will be funded through a mixture of cash and debt, approximately £4.0 million from Existing Bank Facilities and £12.5 million from the Acquisition Facilities. The Acquisition facilities are repayable in quarterly instalments, the first such repayment instalment is due 31 March 2014, and with final balancing repayment at the expiry of the term being on the third anniversary of the Acquisition Facilities Agreement; however, Victoria may refinance the whole or a portion of this debt at an earlier date subject to market conditions.

The Board believes the Enlarged Group's level of indebtedness is appropriate taking into account the current market conditions whilst offering the prospect of attractive returns for Shareholders.

Details of the terms of the Existing Bank Facilities and the Acquisition Facilities Agreement are set out in paragraphs 16.2 and 16.8 of Part IV (*Additional Information*) of this document.

8. STRATEGY OF THE ENLARGED GROUP FOLLOWING THE ACQUISITION

Victoria operates primarily in the UK and Australia, with some product exported whilst the Target Group operates principally in the UK, with some product exported. These markets are highly competitive and the Acquisition does not transform the Enlarged Group into a materially different market; competition will remain from other domestic manufacturers and imported product.

9. CURRENT TRADING AND PROSPECTS FOR THE ENLARGED GROUP

Despite a difficult operating environment, Victoria has generated a satisfactory result for the six months ended 28 September 2013. The board does not envisage economic conditions in the carpet market materially improving during the second half of the financial year but believes by continuing to apply sound operating principles the Enlarged Group will begin to generate acceptable returns for shareholders.

10. INFORMATION ON THE DIRECTORS

The Board consists of two Non-Executive Directors and one Executive Director. Brief biographies of the Directors are set out below. Paragraph 6 of Part IV of this document contains details of current and past directorships and certain other information relating to the Directors. No changes to the Board composition are currently envisaged following the Acquisition.

Geoff Wilding (aged 50) – *Executive Director and Chairman*

Geoff Wilding Bsc is a former investment banker. He set up his own investment company in New Zealand in 1989. He was previously a significant shareholder in one of Australasia's largest flooring retailers, Flooring Brands Limited and is currently a director of Chorus Law Limited.

Alexander Anton (aged 54) – *Non-Executive Director*

Alexander Anton, a member of the founding family of Victoria, was appointed to the main Board in 1995 and is a former Chairman. He is currently a Trustee of The Queen's Club, London and Chairman of Legacy Portfolio.

Andrew Harrison (aged 51) – *Senior Non-Executive Director*

Andrew Harrison has more than twenty years as a solicitor in private practice, specialising in company law. He has advised on a wide variety of corporate transactions, including management buy-outs and buy-ins, corporate acquisitions and disposals and listed company take-overs.

Terry Danks (aged 66) – *Company Secretary, Victoria and Finance Director, Victoria Carpets Limited*

Terry Danks was appointed as Company Secretary to Victoria PLC in 1993. Terry joined Victoria Carpets in 1985 as Chief Accountant and has been responsible for both the accounting and IT function within the company since that date. Terry was subsequently appointed as Finance Director of Victoria Carpets in 1989. Terry has a breadth of experience and knowledge of the industry and his high standards of financial control are invaluable to the Group.

11. CORPORATE GOVERNANCE

The Directors recognise the importance of, and are supportive of, high standards of corporate governance. Although compliance with the UK Corporate Governance Code is not compulsory for AIM companies, the Directors intend to apply the principles insofar as they consider them appropriate for a public company of Victoria's size and current stage of development whose securities are traded on AIM, taking into account the recommendations contained in the QCA Guidelines.

The Board comprises three Directors, one Executive and two Non-Executives, and reflects a blend of different experiences and backgrounds.

The Company has established an Audit Committee that will continue to operate following Admission, with its formerly delegated duty and responsibility. The Audit Committee will continue to meet at least twice a year and will be responsible for reviewing the integrity of the financial statements of the Enlarged Group, the Enlarged Group's compliance with legal and regulatory requirements, and the adequacy and effectiveness of the Enlarged Group's internal financial controls and risk management processes including the extent to which internal audit review is required. It will review the external auditors' performance and independence and make recommendations to the Board on the appointment of the auditors.

The Company has established a Remuneration Committee that, will continue to operate following Admission, with its formerly delegated duty and responsibility. The Remuneration Committee will continue to meet at least twice a year and will be responsible for determining and reviewing with the Board the policy for the remuneration of the Executive Director and such other members of management it is designated to consider. Within the terms of the agreed policy, it shall determine the total individual remuneration of the Executive

Director. The Remuneration Committee shall continue to also approve the design of, and determine targets for, any performance related pay schemes, review the design of any share incentive plans, and determine the awards to the directors of the subsidiaries of the Group.

The Board will continue to comply with Rule 21 of the AIM Rules relating to directors' dealings and will also take all reasonable steps to ensure compliance with that rule by the Enlarged Group's applicable employees. The Company has adopted a code on dealing in securities of the Company and will take all reasonable steps to ensure compliance by the Directors and relevant employees in due course.

The Board will hold regular meetings at which financial and other reports will be considered and, where appropriate, voted on.

12. DIVIDEND POLICY

The Board's objective is to grow the Enlarged Group's business whilst maintaining a progressive dividend policy. However, it should be noted that a significant proportion of income generated by Westex in the five years following the Acquisition will become payable to the Vendors as deferred consideration.

13. GENERAL MEETING

The notice convening the General Meeting is set out at the end of this document. A General Meeting has been convened for 10.00 a.m. on 13 December 2013 at the offices of Brown Rudnick LLP at 8 Clifford Street, London W1S 2LQ for the purpose of considering and, if thought fit, passing the Resolution as set out in full in the Notice.

Your attention is again drawn to the fact that the Acquisition is conditional and dependent upon the Resolution being passed (there are also additional conditions which must be satisfied before the Acquisition can be completed). Because of the size of Globesign when compared to Victoria, the Acquisition is classified under the AIM Rules as a reverse takeover and its implementation requires the approval of Shareholders. No Ordinary Shares are to be issued in respect of the Acquisition and there will be no changes to the board of Directors of Victoria.

Resolution 1

Resolution 1 proposes that the Acquisition be approved and that the Directors be authorised to take all steps and enter into all agreements and arrangements necessary or desirable to implement the Acquisition.

Resolution 1 will be proposed as an ordinary resolution and will be taken on a poll. This resolution must be approved by Shareholders who together represent a simple majority of the Ordinary Shares being voted (whether in person or by proxy) at the General Meeting. The Acquisition will not proceed unless Resolution 1 is passed.

For further information in relation to the Resolution to be proposed at the General Meeting, see the Notice of General Meeting at the end of this document, which contains the Resolution.

14. TAXATION

Information regarding certain taxation considerations for corporate, individual and trustee shareholders in the United Kingdom is set out in paragraph 14 of Part IV of this document.

15. ADMISSION AND DEALINGS

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 dealings, for normal settlement, will commence at 8.00 a.m. on 16 December 2013. This date and time may change.

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. The Articles permit the holding of Ordinary Shares under the CREST system. The Company has applied for the Ordinary Shares to be admitted to

CREST with effect from Admission. Accordingly, settlement of transactions in Ordinary Shares held in uncertificated form following Admission will take place within the CREST system.

CREST is a voluntary system and the holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

16. FURTHER INFORMATION

Your attention is drawn to the further information set out in Parts II to IV of this document, including the risk factors set out in Part II. You are advised to read the whole of this document.

17. ACTION TO BE TAKEN

A Form of Proxy is enclosed with this document for use by Shareholders in connection with the General Meeting. Whether or not you intend to be present at the General Meeting, Shareholders are asked to complete, sign and return the Form of Proxy in accordance with the instructions printed thereon. To be valid, completed Forms of Proxy must be received by the Company's Registrars, Capita Asset Services, Proxies, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, as soon as possible and in any event so as to arrive not later than 10.00 a.m. on 11 December 2013, being 48 hours (excluding weekends and public holidays) before the time appointed for the holding of the General Meeting. The completion and return of the Form of Proxy will not preclude Shareholders from attending the General Meeting and voting in person should they wish to do so. Accordingly, whether or not Shareholders intend to attend the General Meeting they are urged to complete and return the Form of Proxy as soon as possible.

18. RECOMMENDATIONS

The Directors are of the opinion that the Acquisition is fair and reasonable and in the best interests of Shareholders as a whole.

Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolution to be proposed at the General Meeting, as they intend to do in respect of their own beneficial holdings of 6,575 Ordinary Shares, representing 0.09 per cent. of the Company's issued share capital.

Yours faithfully

Geoff Wilding
Executive Chairman

PART II

RISK FACTORS

In addition to all other information set out in this document, the following specific risk factors should be considered carefully by potential investors in evaluating whether or not to make an investment in the Company. The investment described in this document may not be suitable for all those who receive it. Before making a final decision, investors who are in any doubt are advised to consult their stockbroker, bank manager, solicitor or accountant or other independent professional adviser authorised under the FSMA who specialises in advising on the acquisition of shares and other securities in the United Kingdom.

You should carefully consider the risks described below and ensure that you have read this document in its entirety before making a decision to invest in the Company.

Investing in Ordinary Shares involves a high degree of risk. Prospective investors should carefully consider all the information in this document, including the risk factors, set out in this Part II before investing in Ordinary Shares. Additional risks and uncertainties not presently known to the Company and the Directors (or that the Company and the Directors currently consider to be immaterial) may also adversely affect the Enlarged Group's business, operations and financial condition. If any events or circumstances giving rise to any of the following risks, together with possible additional risks and uncertainties of which the Company and the Directors are currently unaware or which the Company and the Directors consider not to be material in relation to the Enlarged Group's business, actually occur, the Enlarged Group's business, financial condition and results of future operations could be materially and adversely affected. In such circumstances, the value of the Ordinary Shares could decline due to any of these risks occurring and investors could lose part or all of their investment in the Company. In particular, the Company's performance may be affected by changes in market or economic conditions and in legal, regulatory and tax requirements.

There can be no certainty that the Company will be able to implement successfully the strategy set out in this document. No representation, whether express or implied, is or can be made as to the future performance of the Enlarged Group and there can be no assurance that the Company will achieve its objectives.

The risks listed below do not necessarily comprise all those faced by the Enlarged Group and are not intended to be presented in any order of priority.

RISKS RELATING TO THE BUSINESS OF THE ENLARGED GROUP AND THE ACQUISITION

Changing fashion and trends

Whilst the Directors believe that the Enlarged Group's own brands and designs have longevity and, therefore, the potential to deliver growth in product sales, there can be no guarantee that they will evolve to fulfill this potential. Many of the products that the Group sells are subject to changing consumer preferences and fashion trends and the Enlarged Group's revenues and profits may be sensitive to these changing preferences and trends. Accordingly, the Enlarged Group must continue to identify and interpret trends and respond in a timely manner. Both Victoria and Globesign design new and innovative products for their customers on an ongoing basis, but demand for, and market acceptance of, these new products is uncertain. If the Enlarged Group fails to anticipate, identify or react swiftly to changes in consumer preferences then this could result in lower sales, higher markdowns to reduce excess inventories and lower profits. Conversely, if the Group fails to anticipate increased consumer demand for its products, it may experience inventory shortages, which would result in lost sales and could negatively impact the Enlarged Group's customer goodwill, brand image and profitability.

Retaining the senior management team and the Enlarged Group's ability to recruit suitable staff to support its growth

The Enlarged Group's Directors, senior management and staff are one of its most important assets and are driving the turnaround of Victoria and performance and growth of Globesign. The Directors and senior

management have acquired specialised knowledge and skills regarding Victoria and Globesign, their respective brands, products and markets over a number of years and maintain their respective key commercial relationships. The loss of all or any of the Directors in particular, Geoff Wilding or senior management, or any delay in replacing a departed member, may have a material adverse effect on the Enlarged Groups business. Whilst staff retention and recruitment have not been issues to date, the Enlarged Group's ability to grow and increase its market share depends significantly on its continuing ability to recruit and retain skilled employees in each area of its activities.

Victoria does not have any "key man" insurance for any of its directors or any of its senior managers, although in connection with the Acquisition Facilities the Company is required to take out accidental life insurance to cover Geoffrey Wilding for a term of 3 years.

Additional responsibilities and commitments of Directors

The Directors have, and may have in the future, additional professional responsibilities and as such, may experience conflicts of interest and demands on their time to the possible detriment of the Enlarged Group.

General economic and other business conditions

The success of the Enlarged Group's operations depends to a significant extent upon factors that affect discretionary consumer spending (including economic conditions and perceptions of such conditions by consumers) within the economy as a whole and in regional and local markets where the Enlarged Group operates.

Retail spending on carpets is relatively discretionary and price sensitive. An increase in interest rates, direct or indirect taxes, or the costs of living could lead to lower disposable income. Customers may reduce, delay or stop any such expenditure on carpets, or opt for cheaper alternatives, in particular during periods of economic downturn. Future economic downturns in any of the Enlarged Group's markets, in particular the UK, North America and/or Australia could have a material adverse impact on the financial performance of the Enlarged Group.

Competitors

The Enlarged Group operates within mature and competitive markets and will face competition from a range of carpet and other flooring manufacturers, some of which are large and well-established. The Enlarged Group may also face significant competition from overseas competitors who may have (i) greater capital and other resources; (ii) superior brand recognition than the Enlarged Group; or (iii) more aggressive pricing policies.

Breakdown in the relationship with any of the Enlarged Group's key suppliers

The Enlarged Group has built up a number of longstanding relationships with certain suppliers on which it continues to capitalise. These relationships could change over time as a result of many factors, including change of personnel, either by the Enlarged Group or the suppliers, and change in ownership of the suppliers. Any deterioration or change in the Enlarged Group's relationships with its suppliers (including supply on less favourable terms), or any leading supplier declining to sell products to the Enlarged Group for any reason or becoming insolvent, could have an adverse effect on the Business.

The Enlarged Group's business could also be adversely affected by fires, floods or other catastrophes at its or its suppliers' factories or if there were delays in product shipments due to freight difficulties, industrial action (including strikes by personnel at ports through which products are transported) or elsewhere in its supply chain.

Disaster recovery procedures

The Enlarged Group depends on the performance, reliability and availability of its information technology and communications systems. Any damage to or failure of its systems could result in disruptions to the Enlarged Group's operations and websites, which could reduce its revenues and profits, and damage its brands. The Enlarged Group's systems are vulnerable to damage or interruption from power loss;

telecommunications failures; computer viruses, computer denial of service attacks or other attempts to harm its systems; natural disasters, including floods and fires; and vandalism, terrorist attacks or other acts. The Enlarged Group's disaster recovery plans may not adequately address every potential event and its insurance policies may not cover any loss (including losses resulting from business interruptions) or damage that it suffers fully or at all.

Integration of Globesign within Victoria

Globesign has been successful as a private business with five stakeholders who have been closely involved in the Target Group. The Acquisition will involve changes in Globesign's ownership and Board structure. The Directors expect these stakeholders to continue to be closely involved in Globesign's business as directors. There can, however, be no assurance that, under a changed Board structure and ownership, and in the more public environment of a listed public company, the Enlarged Group will be able to manage its operations and strategic direction as successfully as when Victoria and Globesign were separate businesses.

Debt Obligations and Covenants

Assuming the Resolution is passed, the Enlarged Group will have debt facilities as set out in Part 1 and details of which are described in paragraph 16 of Part IV. The capacity of the Enlarged Group to grow by acquisition may therefore depend on its ability to secure new finance facilities and/or utilise retained earnings to grow by acquisition and its growth could therefore be constrained.

The debt facilities secured by the Enlarged Group, contain covenants including the meeting of certain financial ratios and tests specified by these covenants. The Enlarged Group's ability to meet these covenants may be affected by factors outside its control and in the event that it did not meet these covenants, this could render all amounts owed under the debt facilities immediately due and payable, leading to forced sale of assets, insolvency proceedings and/or a requirement to negotiate the terms of the facilities, all of which would have a material adverse effect on the Enlarged Group, its business and the value of its assets.

The Enlarged Group will face financial risks in refinancing the Acquisition due to its increased level of debt

The Group will finance the Acquisition with drawings made under the Acquisition Facilities and the Existing Facilities. The terms of these financing arrangements, as well as their intended uses, are described under Part IV (*Additional Information*) of this document. As at 26 November 2013, as adjusted to give effect to the Acquisition, the Group would have had net debt of approximately £17.25 million. Substantially all of this debt financing is medium term, with the majority of the financing becoming due and payable in November 2016.

Subject to market conditions, the Group may refinance the whole or a portion of this debt following the completion of the Acquisition when it believes it is appropriate to do so.

The Group's ability to refinance its medium term indebtedness, or repay such indebtedness when due, will depend in part upon market conditions, and unfavourable conditions could increase costs beyond what is anticipated. Such costs could have a material adverse impact on cash flows or its results of operations or both. In addition, an inability to repay or refinance all or a substantial amount of these debt obligations, when they become due would have a material adverse effect on the financial condition and results of operations of the Enlarged Group. These could include increasing its vulnerability to general adverse economic and industry conditions, limiting its ability to fund future working capital and capital expenditure, engaging in future acquisitions or to otherwise realise the value of its assets and opportunities fully. This would be due to the need to dedicate a substantial portion of its cash flow from operations to payments of interest and principal on its debt, or to comply with any restrictive terms of its debt, limiting its flexibility in planning for, or reacting to, changes in its business and the industry in which it operates. Such actions would impair the Enlarged Group's ability to obtain additional financing in the future, and place the Enlarged Group at a competitive disadvantage compared to those competitors that have less debt.

Use of debt financing in connection with acquisitions or investments may give rise to additional risks and may adversely affect the value of the Ordinary Shares

The use of debt financing by the Company could result in greater volatility in the net profits generated by the Enlarged Group. Debt financing could adversely affect returns to shareholders by exacerbating the extent of any losses of the Enlarged Group or one of its subsidiaries or divisions, as well as limit the Company's ability to adjust to changing market conditions, its ability to engage in strategic transactions or obtain additional financing, may increase the cost of obtaining such financing, the net income of the Company will decline which would have a material adverse effect on the value of the Ordinary Shares and/or the level of dividends.

Incurring a significant amount of debt could require the Company to devote a substantial amount of cash generated by an underlying subsidiary or division to satisfy debt service obligations. Failure to satisfy obligations under any current or future financing arrangements could give rise to default risk and require the Company to re-finance its borrowings. The use of borrowings presents the risk that the Company may be unable to service interest payments and principal repayments or comply with other requirements of its facility agreements. The Company could be at risk of default upon the clearance of certain events, which could result in borrowings becoming immediately due and repayable in whole or in part, together with any connected cost.

The Company may be forced to sell some of its assets to meet such obligations, with the risk that borrowings will not be able to be refinanced or that the terms of such refinancing may be less favourable than the existing terms of borrowing. Such disposal of assets may result in a material loss to the Company and may materially adversely affect the Company's operations and the value of the Company's assets. Any amounts that are secured under a borrowing facility are likely to rank ahead of Shareholders' entitlements, and equity participations are always subordinated in accordance with the terms of the facility. Loan agreements may also provide that the relevant subsidiary may not dispose (in any way, including mortgage) of its assets prior to the settlement of its indebtedness under the agreement, other than in the normal course of business activity. In such events, any disposals of the Company's assets may lead to the breach of such loan agreement and the obligation to settle the full loan amount immediately. This may have a materially adverse effect on the financial condition of the Company.

The Company may be required to re-finance its borrowings from time to time. A number of factors (including changes in interest rates, conditions in the banking market and general economic conditions which are beyond the Company's control) may make it difficult for the Company to obtain such new finance on attractive terms or even at all.

The Enlarged Group has incurred and will incur substantial transaction costs in connection with the Acquisition and the Acquisition Facilities Agreement

The Enlarged Group has incurred and will incur significant transaction fees and other costs associated with completing the Acquisition and the Acquisition Facilities Agreement, combining operations and achieving desired synergies. These fees and costs are substantial and include financing, financial advisory, banking, legal and accounting fees and expenses. Additional unanticipated costs may be incurred in the integration of Globesign into the Enlarged Group. Although the Enlarged Group expects that the realisation of other efficiencies related to the Acquisition will offset the incremental and transaction costs over time, this net benefit may not be achieved in the near term, or at all.

Dividends

The Director's intend to continue to adopt a progressive dividend policy. However there can be no assurance that the Company will declare dividends or as to the level of any future dividends. The declaration, payment and amount of any future dividends of the Company will be made at the absolute discretion of the Directors, and will depend, *inter alia*, on the Enlarged Group's earnings, financial position, cash requirements and availability of sufficient distributable reserves, as well as the provisions of the Existing Bank Facilities Agreements and the Acquisition Facility Agreement and relevant laws or generally accepted accounting principles.

Foreign exchange risk

The majority of the Enlarged Group's customers pay for products in sterling whilst some pay in Australian dollars, US dollars and euros. The Enlarged Group mitigates certain exchange movements in these

currencies by paying certain manufacturers and suppliers also in Australian dollars, US dollars and euros. However, the Enlarged Group bears the risk of disadvantageous changes in exchange rates but has historically managed this risk through the purchase of forward currency exchange rates and other hedging instruments where applicable.

GENERAL RISKS

Investment risks

An investment in Ordinary Shares is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such an investment or for other investors who have been professionally advised with regard to this investment and who have sufficient resources to be able to bear any losses that may arise therefrom (which may be equal to the whole amount invested). Such an investment should be seen as complementary to existing investments in a wide spread of other financial assets and should not form a major part of an investment portfolio. Investors should not consider investing in the Ordinary Shares unless they already have a diversified investment portfolio.

Prospective investors should be aware that the value of an investment in the Company may go down as well as up and investors may therefore not recover their original investment.

In addition, the price at which investors may dispose of their Ordinary Shares may be influenced by a number of factors, some of which may pertain to the Group, and others of which are extraneous. These factors could include large purchases or sales of Ordinary Shares, liquidity (or absence of liquidity) in the Ordinary Shares, currency fluctuations, legislative or regulatory or taxation changes, general economic and political conditions and interest and inflation rate variations.

Liquidity and possible price volatility of the Ordinary Shares

The trading price of the Ordinary Shares may be subject to significant volatility in response to, among other factors:

- investor perceptions of the Enlarged Group and the Enlarged Group's business plans;
- variations in the Enlarged Group's operating results;
- the ability of the Enlarged Group to raise debt and/or equity financing and the cost, terms and conditions of any such fundraisings;
- changes in senior management personnel; and
- general economic and other factors.

An active trading market for the Ordinary Shares may not develop and the trading price for Ordinary Shares may fluctuate significantly. In addition, there can be no assurance that an active trading market for the Ordinary Shares will develop, or, if it does develop, that it will be sustained following Admission.

Stock markets have from time to time experienced severe price and volume fluctuations, a recurrence of which could adversely affect the market price of Ordinary Shares, regardless of the Enlarged Group's performance.

The value of the Ordinary Shares may therefore fluctuate and not reflect their underlying asset value.

Securities traded on AIM

The Ordinary Shares will be quoted on AIM rather than the Official List. The AIM Rules are, in general terms, less demanding than those of the Official List and an investment in shares quoted on AIM may carry a higher risk than an investment quoted on the Official List. Admission of the Ordinary Shares to trading on AIM should not be taken as implying that there will be a liquid market in the Ordinary Shares. It may be more difficult for an investor to realise his investment in the Company than in a company whose shares are quoted on the Official List. Shares held on AIM are perceived to involve higher risk. AIM has been in existence since 1995 and is a market designed for small and growing companies but its future success and liquidity as a market for the Ordinary Shares cannot be guaranteed.

The market price of the Ordinary Shares may not reflect the underlying value of the Group's net assets.

The price at which investors may dispose of their Ordinary Shares in the Company may be influenced by a number of factors, some of which may be outside the Group's control. On any disposal, investors may realise less than the original amount invested.

The price of the Ordinary Shares may be volatile

The market price of the Ordinary Shares may, in addition to being affected by the Enlarged Group's actual or forecast operating results, fluctuate significantly as a result of factors beyond the Enlarged Group's control, including changes in securities analysts' recommendations or estimates of earnings or financial performance of the Enlarged Group, its competitors or the industry, or the failure to meet expectations of securities analysts; fluctuations in stock market prices and volumes; general market volatility; changes in laws, rules, regulations and taxes, applicable to the Enlarged Group, its operations and the operations in which the Enlarged Group has interests; loss of key personnel and involvement in litigation.

Issuance of additional Ordinary Shares

Although the Enlarged Group's business plan does not involve the issuance of Ordinary Shares, it is possible that the Company may decide to issue, pursuant to a public offer, the Incentive Contract, on acquisition or otherwise, additional Ordinary Shares in the future. An additional issue of Ordinary Shares by the Company, or public perception that an issue may occur, could have an adverse effect on the market price of Ordinary Shares and could dilute the proportionate ownership interest, and hence the proportionate voting interest, of Shareholders. This will particularly be the case if and to the extent that, such an issue of Ordinary Shares is not effected on a pre-emptive basis or Shareholders do not take up their rights to subscribe for further Ordinary Shares structured as a pre-emptive offer. The issue of shares are also restricted under the Existing Facilities Agreements and the Acquisition Facilities Agreement.

Taxation

The tax rules and their interpretation relating to an investment in the Company may change during the life of the Company. The levels of, and relief from, taxation may change. Any tax reliefs referred to in this document are those currently available and their application depends on the individual circumstances of investors.

Any change in the Company's tax status or the tax applicable to holding Ordinary Shares or in taxation legislation or its interpretation, could affect the value of the assets held by the Company or the Enlarged Group, affect the Company's ability to provide return to Shareholders and/or alter the post-tax return of Shareholders. Statements in this document concerning the taxation of the Company, the Enlarged Group and/or its investors are based upon current law and practice which are subject to change.

A summary of the taxation implications in the United Kingdom of investing in the Company is set out in paragraph 14 of Part IV of this document.

An investor should consult his or her own tax adviser about the tax consequences of an investment in the Ordinary Shares.

Laws and regulations

The Enlarged Group's plans and operations are subject to a variety of national, provincial, state, foreign and local laws and regulations including environmental laws. Because such laws and regulations are outside the Company's control, the Company cannot predict the impact of changes in such laws or regulations in the future. The adoption of new or different laws and regulations could adversely affect the Enlarged Group's plans or operations.

PART III
SECTION A

**ACCOUNTANT'S REPORT ON THE HISTORIC FINANCIAL INFORMATION ON
GLOBESIGN LIMITED**

The Directors
Victoria Plc
Worcester Road
Kidderminster
Worcestershire
DY10 1JR

26 November 2013

Dear Sirs

Globesign Limited (“the Company”) and its subsidiaries (together “the Group”)

We report on the Consolidated Historic Financial Information of the Group for the years ended 26 February 2011, 3 March 2012 and 2 March 2013 set out on pages 25 to 47. This Consolidated Historic Financial Information has been prepared for inclusion in the AIM Admission Document dated 26 November 2013 (the “Admission Document”) of Victoria plc on the basis of the accounting policies set out in Note 2 to the Consolidated Historic Financial Information. This report is required by Schedule Two of the AIM Rules and is given for the purpose of complying with that schedule and for no other purpose. Save for any responsibility arising under Schedule Two of the AIM Rules to any person as and to the extent provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any responsibility to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules, consenting to its inclusion in the Admission Document.

Responsibilities

The Directors of the Company are responsible for preparing the Consolidated Historic Financial Information on the basis of preparation as contained within the accounting policies set out in Note 2 to the Consolidated Historic Financial Information and in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the Consolidated Historic Financial Information as to whether the Consolidated Historic Financial Information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

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 Consolidated Historic Financial Information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the Consolidated Historic Financial Information and whether the accounting policies are appropriate to the Group'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 Consolidated Historic Financial Information is free from material misstatement whether caused by fraud, other irregularity or error.

Opinion

In our opinion, the Consolidated Historic 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 results, cash flows and changes in equity for the years then ended in accordance with the basis of preparation set out in Note 2 to the Consolidated Historic Financial Information and in accordance with International Financial Reporting Standards as adopted by the European Union.

Declaration

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

Yours faithfully

Nexia Smith & Williamson

Chartered Accountants
Registered Auditors

25 Moorgate
London EC2R 6AY

SECTION B

HISTORICAL FINANCIAL INFORMATION ON GLOBESIGN LIMITED

Consolidated Income Statement

	<i>Note</i>	<i>Year ended 2 March 2013 £'000</i>	<i>Year ended 3 March 2012 £'000</i>	<i>Year ended 26 February 2011 £'000</i>
Revenue	2	17,484	16,766	16,305
Cost of sales		<u>(8,998)</u>	<u>(8,718)</u>	<u>(8,176)</u>
Gross profit		8,486	8,048	8,129
Distribution costs		(506)	(452)	(782)
Administrative expenses	6	(4,317)	(4,333)	(4,096)
Other operating income		<u>35</u>	<u>78</u>	<u>37</u>
Operating profit		<u>3,698</u>	<u>3,341</u>	<u>3,288</u>
Finance income	4	–	–	1
Finance costs	5	<u>(20)</u>	<u>(28)</u>	<u>(49)</u>
Net financing costs		<u>(20)</u>	<u>(28)</u>	<u>(48)</u>
Profit before tax		3,678	3,313	3,240
Tax expense	8	<u>(986)</u>	<u>(937)</u>	<u>(955)</u>
Profit and total comprehensive income attributable to owners of the parent for the year	18	<u><u>2,692</u></u>	<u><u>2,376</u></u>	<u><u>2,285</u></u>
Earnings per share				
– basic	9	26	22	21
– diluted	9	<u><u>26</u></u>	<u><u>22</u></u>	<u><u>21</u></u>

Consolidated Balance Sheet

		<i>As at</i> <i>2 March</i> <i>2013</i> <i>£'000</i>	<i>As at</i> <i>3 March</i> <i>2012</i> <i>£'000</i>	<i>As at</i> <i>26 February</i> <i>2011</i> <i>£'000</i>
	<i>Note</i>			
Non-current assets				
Property, plant and equipment	10	8,335	8,725	9,007
Deferred tax asset	15	41	41	74
		<u>8,376</u>	<u>8,766</u>	<u>9,081</u>
Current assets				
Inventories	11	5,559	5,869	4,335
Trade and other receivables	12	2,237	2,119	2,140
Cash at bank and in hand		3,037	2,208	2,621
		<u>10,833</u>	<u>10,196</u>	<u>9,096</u>
Total assets		<u>19,209</u>	<u>18,962</u>	<u>18,177</u>
Current liabilities				
Trade and other payables	13	(2,308)	(2,418)	(1,964)
Current tax liabilities		(513)	(378)	(423)
		<u>(2,821)</u>	<u>(2,796)</u>	<u>(2,387)</u>
Non-current liabilities				
Other financial liabilities	14	–	–	(1,000)
		<u>–</u>	<u>–</u>	<u>(1,000)</u>
Total liabilities		<u>(2,821)</u>	<u>(2,796)</u>	<u>(3,387)</u>
Net assets		<u>16,388</u>	<u>16,166</u>	<u>14,790</u>
Equity attributable to owners of the parent				
Share capital	16	–	–	–
Capital redemption reserve	17	–	–	–
Retained earnings	18	16,388	16,166	14,790
Total equity		<u>16,388</u>	<u>16,166</u>	<u>14,790</u>

Consolidated Statement of Changes in Equity

	<i>Share capital £'000</i>	<i>Capital redemption reserve £'000</i>	<i>Retained earnings £'000</i>	<i>Total equity £'000</i>
At 28 February 2010	–	–	13,505	13,505
Profit for the year	–	–	2,285	2,285
Total comprehensive income for the year	–	–	2,285	2,285
Dividends paid (£9,091 per share)	–	–	(1,000)	(1,000)
Transactions with owners	–	–	(1,000)	(1,000)
At 26 February 2011	–	–	14,790	14,790
Profit for the year	–	–	2,376	2,376
Total comprehensive income for the year	–	–	2,376	2,376
Dividends paid (£9,091 per share)	–	–	(1,000)	(1,000)
Transactions with owners	–	–	(1,000)	(1,000)
At 3 March 2012	–	–	16,166	16,166
Profit for the year	–	–	2,692	2,692
Total comprehensive income for the year	–	–	2,692	2,692
Repurchase and cancellation of shares	–	–	(1,470)	(1,470)
Dividends paid (£10,000 per share)	–	–	(1,000)	(1,000)
Transactions with owners	–	–	(2,470)	(2,470)
At 2 March 2013	–	–	16,388	16,388

Consolidated Statement of Cash Flows

		<i>Year ended 2 March 2013 £'000</i>	<i>Year ended 3 March 2012 £'000</i>	<i>Year ended 26 February 2011 £'000</i>
Net cash inflow from operating activities	19	3,425	1,893	3,144
Cash flow from investing activities				
Proceeds from sale of assets		11	84	46
Acquisition of property, plant and equipment	10	(137)	(390)	(3,010)
Net cash outflow from investing activities		<u>(126)</u>	<u>(306)</u>	<u>(2,964)</u>
Cash flows from financing activities				
Loan received		–	–	2,000
Loans repaid		–	(1,000)	(1,000)
Dividends paid		(1,000)	(1,000)	(1,000)
Repurchase and cancellation of shares in the year		(1,470)	–	–
Net cash outflow from financing activities		<u>(2,470)</u>	<u>(2,000)</u>	<u>–</u>
Net increase/(decrease) in cash and cash equivalents		829	(413)	180
Cash and cash equivalents at beginning of year		<u>2,208</u>	<u>2,621</u>	<u>2,441</u>
Cash and cash equivalents at end of year		<u><u>3,037</u></u>	<u><u>2,208</u></u>	<u><u>2,621</u></u>

Notes to the Financial information

1. General information

The principal activity of Globesign Limited (the “Company”) and its subsidiaries (together, the “Group”) is that of the manufacture and sale of carpets. The Company is incorporated and domiciled in the United Kingdom. The address of its registered office is: Castle Mills, Moorend, Cleckhethon, BD19 3PS.

The registered number of the Company is 5305174.

The financial information contained within this section does not constitute statutory accounts within the meaning of section 434 of Companies Act 2006. The financial information is derived from the statutory financial statements for the years ended 26 February 2011, 3 March 2012 and 2 March 2013. The financial statements of the Group for those periods have been reported on by the Group’s auditor and have been delivered to the Registrar of companies. The reports of the auditor were: (i) unqualified and (ii) and did not contain statements under Section 498(2) or Section 498(3) of the Companies Act 2006.

2. Significant Accounting Policies

Basis of preparation

The historical financial information has been prepared in accordance with the requirements of the Alternative Investment Market (“AIM”) Rules for Companies for the purposes of the AIM admission document and represents consolidated historical financial information for the parent company and its subsidiaries for each of the three years ended 26 February 2011, 3 March 2012 and 2 March 2013 and in accordance with this basis of preparation. This basis of preparation describes how the historical consolidated financial information has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”). This is the first financial information of the Group prepared in accordance with IFRS.

The consolidated financial information has been prepared on a going concern basis and under the historical cost convention, except for certain financial instruments which are recorded at fair value in accordance with IAS 39. Land and buildings were professionally valued in July 1994 and this valuation, less accumulated depreciation up to the transition date, was adopted as deemed cost on adoption of IFRS. The accounting policies have been applied consistently in the current and prior year. The principal accounting policies adopted are set out below.

The consolidated financial information is presented in sterling and has been rounded to the nearest thousand (£’000).

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The excess of the consideration transferred over the fair value of the Group’s share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

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

Segmental reporting

Operating segments are reporting in a manner consistent with internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Board of Directors.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and comprises the invoiced value of goods and services supplied by the Group, excluding value added tax. Revenue from sale of goods

is recognised upon delivery, when the benefits of ownership of the goods have been transferred to the customer.

Leasing

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

Foreign currencies

Transactions in foreign currencies are recorded at the exchange rate ruling at the date that the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Exchange differences are taken to the profit and loss account.

Retirement benefit costs

The Group offers a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group. The pension cost charge represents contributions payable by the Group to the scheme in the financial year. The Group provides no other post-retirement benefits to its employees.

Taxation

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

The carrying amount 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 realised, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited to profit or loss, 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

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at their deemed cost, being the fair value, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation on buildings is charged to profit or loss.

Plant and machinery, fixtures, vehicles and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged to profit or loss so as to write off the cost or valuation of assets, other than land and properties under construction, less any anticipated residual value, over their estimated useful lives.

The expected useful lives of assets are:

Freehold buildings	50 years
Plant and equipment	3 to 20 years
Fixtures and equipment	3 to 20 years
Motor vehicles	4 to 5 years

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first in first out method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Financial instruments

(a) Financial assets

The Group's financial assets fall into the categories discussed below, with the allocation depending to an extent on the purpose for which the asset was acquired.

Unless otherwise indicated, the carrying amounts of the Group's financial assets are a reasonable approximation of their fair values.

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.

(i) Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables) and deposits held at banks but may also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition or issue and subsequently carried at amortised cost less provision for impairment, where appropriate.

The effect of discounting on these financial instruments is not considered to be material.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable; the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, such provisions are recorded in a separate allowance account with the loss being recognised within distribution costs in the income statement. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

(b) Financial liabilities

The Group classifies its financial liabilities into the categories depending on the purpose for which the liability was incurred.

Unless otherwise indicated, the carrying amounts of the Group's financial liabilities are a reasonable approximation of their fair values. The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

(i) Financial liabilities measured at amortised cost

These liabilities include the following items:

- Trade payables and other short term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost.
- Bank borrowings and loan notes are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost. Interest is recognised as a finance expense in the income statement.

Share capital

The Group's ordinary shares are classified as equity instruments. Share capital includes the nominal value of the shares. Any share premium attaching to the shares is shown as share premium.

Adoption of new and revised standards

During the year a number of amendments to IFRS became effective and were adopted by the Group, none of which had a material impact on the Group's net cash flows, financial position, total comprehensive income or earnings per share.

At the date of authorisation of the financial information, a number of revised and amended standards and interpretations were in issue but not yet effective, none of which are likely to have a material impact on the Group's net cash flows, financial position, total comprehensive income or earnings per share.

3. Segmental analysis

The Group's activities consist of the manufacture and sale of carpets. The Board of Directors are considered to be the chief operating decision maker. The business is managed as one entity, and activities are not split into any further regional or product subdivisions in the internal management reporting, as any such split would not provide the Group's management with meaningful information. Consequently, all activities relate to this one segment.

The majority of the revenue and profit before taxation is attributable to sales of carpets made in the United Kingdom. A total of £582,000 sales were made outside of the United Kingdom (2012: £334,000, 2011: £209,000). No customer accounted for more than 10 per cent. of the Group's revenue.

4. Finance income

	<i>Year ended 2 March 2013 £'000</i>	<i>Year ended 3 March 2012 £'000</i>	<i>Year ended 26 February 2011 £'000</i>
Bank interest receivable	—	—	1

5. Finance costs

	<i>Year ended 2 March 2013 £'000</i>	<i>Year ended 3 March 2012 £'000</i>	<i>Year ended 26 February 2011 £'000</i>
Bank charges and interest payable	20	28	49

6. Profit before tax

	<i>Year ended 2 March 2013 £'000</i>	<i>Year ended 3 March 2012 £'000</i>	<i>Year ended 26 February 2011 £'000</i>
The following are included in profit before tax:			
Depreciation of property, plant and equipment	523	527	522
Staff costs (see note 7)	5,752	6,042	5,662
Cost of inventories recognised as an expense	8,998	8,718	8,176
(Profit)/loss on sale of fixed assets	(7)	61	(11)
Other operating lease rentals	81	78	77
	<u> </u>	<u> </u>	<u> </u>
Auditor's remuneration:			
Fees payable to the Group auditor for the audit of the financial statements	10	10	17
	<u> </u>	<u> </u>	<u> </u>

7. Staff numbers and costs

The average number of persons employed by the Group (including Directors) during the year, analysed by category, was as follows:

	<i>Year ended 2 March 2013 Number</i>	<i>Year ended 3 March 2012 Number</i>	<i>Year ended 26 February 2011 Number</i>
Office and management	49	47	47
Distribution and manufacturing	163	169	159
	<u> </u>	<u> </u>	<u> </u>
	212	216	206
	<u> </u>	<u> </u>	<u> </u>

The aggregate payroll costs of these persons were as follows:

	<i>Year ended 2 March 2013 £'000</i>	<i>Year ended 3 March 2012 £'000</i>	<i>Year ended 26 February 2011 £'000</i>
Wages and salaries	5,103	5,355	5,011
Social security costs	489	519	481
Other pension costs	160	168	170
	<u> </u>	<u> </u>	<u> </u>
	5,752	6,042	5,662
	<u> </u>	<u> </u>	<u> </u>

The following tables sets out the Directors' remuneration:

	<i>Year ended 2 March 2013 £'000</i>	<i>Year ended 3 March 2012 £'000</i>	<i>Year ended 26 February 2011 £'000</i>
Aggregate emoluments	649	722	695
Company contributions to money purchase scheme	48	57	56
	<u> </u>	<u> </u>	<u> </u>
	697	779	751
	<u> </u>	<u> </u>	<u> </u>

Retirement benefits are accruing to 5 directors (2012: 6, 2011: 6) under money purchase schemes.

The emoluments of the highest paid Director were:

	<i>Year ended 2 March 2013 £'000</i>	<i>Year ended 3 March 2012 £'000</i>	<i>Year ended 26 February 2011 £'000</i>
Aggregate emoluments	158	153	149
Company contributions to money purchase scheme	9	9	10
	<u>167</u>	<u>162</u>	<u>159</u>

8. Tax expense

	<i>Year ended 2 March 2013 £'000</i>	<i>Year ended 3 March 2012 £'000</i>	<i>Year ended 26 February 2011 £'000</i>
Current tax:			
Current year tax	953	904	919
Adjustments in respect of prior period	33	–	–
	<u>986</u>	<u>904</u>	<u>919</u>
Deferred tax:			
Origination and reversal of temporary differences	–	33	36
	<u>–</u>	<u>33</u>	<u>36</u>
Total tax charge	<u>986</u>	<u>937</u>	<u>955</u>
Reconciliation of total tax charge:			
Profit before tax	<u>3,678</u>	<u>3,313</u>	<u>3,240</u>
Taxation using the UK Corporation Tax rate of 24.17% (2012: 26.17%, 2011: 28%)	889	867	907
Effects of:			
Expenses not deductible	3	2	4
Depreciation in excess of capital allowances	61	68	44
Other	–	–	–
Prior year adjustment	33	–	–
Total tax charge	<u>986</u>	<u>937</u>	<u>955</u>

9. Earnings per share

	<i>Year ended 2 March 2013 £'000</i>	<i>Year ended 3 March 2012 £'000</i>	<i>Year ended 26 February 2011 £'000</i>
Basic	26	22	21
Diluted	<u>26</u>	<u>22</u>	<u>21</u>

Earnings per share has been calculated by dividing the profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

	<i>Year ended 2 March 2013 £'000</i>	<i>Year ended 3 March 2012 £'000</i>	<i>Year ended 26 February 2011 £'000</i>
Profit for the year attributable to shareholders	<u>2,692</u>	<u>2,376</u>	<u>2,285</u>

Weighted average number of ordinary shares in issue:

	<i>Year ended 2 March 2013</i>	<i>Year ended 3 March 2012</i>	<i>Year ended 26 February 2011</i>
Basic	103	110	110
Diluted	<u>103</u>	<u>110</u>	<u>110</u>

10. Property, plant and equipment

	<i>Freehold land and buildings £'000</i>	<i>Plant and equipment £'000</i>	<i>Fixtures, fittings, office and computer equipment £'000</i>	<i>Motor vehicles £'000</i>	<i>Total £'000</i>
Cost					
At 28 February 2010	7,047	6,608	202	485	14,342
Additions	2,557	314	6	133	3,010
Disposals	–	(1,090)	(4)	(114)	(1,208)
At 26 February 2011	9,604	5,832	204	504	16,144
Additions	53	154	41	142	390
Disposals	–	(314)	–	(107)	(421)
At 3 March 2012	9,657	5,672	245	539	16,113
Additions	–	97	–	40	137
Disposals	–	(210)	(30)	(59)	(299)
At 2 March 2013	9,657	5,559	215	520	15,951
Depreciation					
At 28 February 2010	1,432	5,938	135	283	7,788
Depreciation charge for the year	201	189	34	98	522
Depreciation on disposals	–	(1,069)	(4)	(100)	(1,173)
At 26 February 2011	1,633	5,058	165	281	7,137
Depreciation charge for the year	239	170	25	93	527
Depreciation on disposals	–	(184)	–	(92)	(276)
At 3 March 2012	1,872	5,044	190	282	7,388
Depreciation charge for the year	231	175	23	94	523
Depreciation on disposals	–	(209)	(30)	(56)	(295)
At 2 March 2013	2,103	5,010	183	320	7,616
Net book value					
At 2 March 2013	7,554	549	32	200	8,335
At 3 March 2012	7,785	628	55	257	8,725
At 26 February 2011	7,971	774	39	223	9,007
At 28 February 2010	5,615	670	67	202	6,554

Certain land and buildings were professionally valued in July 1994 and this valuation, less accumulated depreciation up to the transition date, was adopted as deemed cost on adoption of IFRS as follows:

	<i>£'000</i>
Historic cost of asset under UK GAAP	3,590
Revaluation adjustment recognised under UK GAAP	(725)
Fair value of assets adopted at deemed cost	<u>2,865</u>

Capital expenditure authorised and committed at the year-end:

	<i>Year ended</i> <i>2 March</i> <i>2013</i> <i>£'000</i>	<i>Year ended</i> <i>3 March</i> <i>2012</i> <i>£'000</i>	<i>Year ended</i> <i>26 February</i> <i>2011</i> <i>£'000</i>
Contracts placed	–	–	58

11. Inventories

	<i>Year ended</i> <i>2 March</i> <i>2013</i> <i>£'000</i>	<i>Year ended</i> <i>3 March</i> <i>2012</i> <i>£'000</i>	<i>Year ended</i> <i>26 February</i> <i>2011</i> <i>£'000</i>
Raw materials	872	1,109	458
Work-in-progress	1,375	1,269	1,019
Finished goods	3,312	3,491	2,858
	<u>5,559</u>	<u>5,869</u>	<u>4,335</u>

There is no material difference between the balance sheet value of inventories and their replacement cost.

12. Trade and other receivables

Amounts falling due within one year

	<i>Year ended</i> <i>2 March</i> <i>2013</i> <i>£'000</i>	<i>Year ended</i> <i>3 March</i> <i>2012</i> <i>£'000</i>	<i>Year ended</i> <i>26 February</i> <i>2011</i> <i>£'000</i>
Trade receivables	2,121	2,068	2,084
Other receivables	78	23	25
Prepayments and accrued income	38	28	31
	<u>2,237</u>	<u>2,119</u>	<u>2,140</u>

Trade and other receivables comprising financial assets are classified as loans and receivables.

The above amounts are stated net of an allowance (net of VAT) of £7,000 (2012: £66,000, 2011: £13,000) made for estimated irrecoverable amounts from sale of goods. The movement of this allowance account during the year is summarised below:

	<i>Year ended</i> <i>2 March</i> <i>2013</i> <i>£'000</i>	<i>Year ended</i> <i>3 March</i> <i>2012</i> <i>£'000</i>	<i>Year ended</i> <i>26 February</i> <i>2011</i> <i>£'000</i>
At start of the year	66	13	25
Movement in provision	(59)	53	(12)
At end of the year	<u>7</u>	<u>66</u>	<u>13</u>

An analysis of the age of trade receivables that are past due at the reporting date but not impaired can be seen in the table below:

	<i>Year ended 2 March 2013 £'000</i>	<i>Year ended 3 March 2012 £'000</i>
1 – 30 days overdue	324	273
31 – 60 days overdue	94	116
> 60 days overdue	64	61
	<u>482</u>	<u>450</u>

The main factors in assessing the impairment of trade receivables are the age of the balance and the circumstances of the individual customer. The Directors consider that the carrying amount of all receivables, including those impaired, approximate to their fair value.

13. Trade and other payables

Amounts falling due within one year:

	<i>Year ended 2 March 2013 £'000</i>	<i>Year ended 3 March 2012 £'000</i>	<i>Year ended 26 February 2011 £'000</i>
Trade payables	1,276	1,418	952
Other creditors	780	669	689
Accruals and deferred income	252	331	323
	<u>2,308</u>	<u>2,418</u>	<u>1,964</u>

The Directors consider that the carrying amount of all payables approximate to their fair values.

14. Other financial liabilities

	<i>Year ended 2 March 2013 £'000</i>	<i>Year ended 3 March 2012 £'000</i>	<i>Year ended 26 February 2011 £'000</i>
Bank loan	–	–	1,000

	<i>Year ended 2 March 2013 £'000</i>	<i>Year ended 3 March 2012 £'000</i>	<i>Year ended 26 February 2011 £'000</i>
Borrowings are repayable as follows:			
Between one and two years	–	–	1,000

The Directors consider that the carrying amounts of other financial liabilities approximate to their fair values.

The effective interest rate of the bank loan during the period of the loan was 3 per cent.

The bank loan was secured by a floating charge over all the assets of the subsidiary Westex (Carpets) Limited situated at the Registered Office. The bank loan was fully repaid during the year ended 3 March 2012.

15. Deferred taxation

Recognised deferred tax assets and liabilities:

	<i>Year ended 2 March 2013 £'000</i>	<i>Year ended 3 March 2012 £'000</i>	<i>Year ended 26 February 2011 £'000</i>
At start of year	41	74	110
Origination and reversal of temporary differences (note 8)	–	(33)	(36)
At end of year	<u>41</u>	<u>41</u>	<u>74</u>
The deferred tax assets are analysed as follows:			
Capital allowances	<u>41</u>	<u>41</u>	<u>74</u>

The provision is based on taxation rates of 23 per cent. in the UK.

Effect on UK deferred tax balances of proposed changes in the UK corporation tax rate

Legislation reducing the main rate of corporation tax from 24 per cent. to 23 per cent. with effect from 1 April 2013 was substantively enacted during the year. Accordingly, current tax has been provided for at a rate of 24 per cent. and deferred tax has been provided for at a rate of 23 per cent. in these financial statements.

In the 2013 Budget, issued on 20 March 2013, the Government announced that the main rate of corporation tax would be reduced to 20 per cent. with effect from 1 April 2015 and had previously announced a reduction to 21 per cent. with effect from 1 April 2014. These rate reductions had not been substantively enacted at the balance sheet date, so their effect has not been reflected in these financial statements.

A deferred tax asset has not been recognised on the revaluation of the land and buildings as the asset is not considered recoverable. The unrecognised deferred tax asset is as follows:

	<i>Year ended 2 March 2013 £'000</i>	<i>Year ended 3 March 2012 £'000</i>	<i>Year ended 26 February 2011 £'000</i>
Capital allowances	<u>120</u>	<u>134</u>	<u>154</u>

16. Share capital

	<i>Year ended 2 March 2013</i>	<i>Year ended 3 March 2012</i>	<i>Year ended 26 February 2011</i>
Authorised			
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
	<i>Year ended 2 March 2013</i>	<i>Year ended 3 March 2012</i>	<i>Year ended 26 February 2011</i>
Allotted, called up and fully paid			
Ordinary shares of £1 each	<u>100</u>	<u>110</u>	<u>110</u>

The Company repurchased and cancelled 10 ordinary shares with a nominal value of £1 per share on 29 June 2012. The shares represented 9 per cent. of the total share capital and were repurchased for a consideration of £1,469,652.

17. Capital redemption reserve

	<i>Year ended 2 March 2013 £'000</i>	<i>Year ended 3 March 2012 £'000</i>	<i>Year ended 26 February 2011 £'000</i>
At start of year	–	–	–
Repurchase and cancellation of shares in the year	10	–	–
At end of year	<u>10</u>	<u>–</u>	<u>–</u>

The Company repurchased and cancelled 10 ordinary shares with a nominal value of £1 per share on 29 June 2012. The shares represented 9 per cent. of the total share capital and were repurchased for a consideration of £1,469,652.

18. Retained earnings

	<i>Year ended 2 March 2013 £'000</i>	<i>Year ended 3 March 2012 £'000</i>	<i>Year ended 26 February 2011 £'000</i>
At start of year	16,166	14,790	13,505
Retained profit for the year	2,692	2,376	2,285
Repurchase and cancellation of shares in the year	(1,470)	–	–
Dividends	(1,000)	(1,000)	(1,000)
At end of year	<u>16,388</u>	<u>16,166</u>	<u>14,790</u>

19. Net cash inflow from operating activities

	<i>Year ended 2 March 2013 £'000</i>	<i>Year ended 3 March 2012 £'000</i>	<i>Year ended 26 February 2011 £'000</i>
Cash flow from operating activities			
Profit after tax	2,692	2,376	2,285
Adjustments for:			
Depreciation	523	527	522
(Profit)/loss on disposal of property, plant and equipment	(7)	61	(11)
Financial income	–	–	(1)
Financial expenses	20	28	49
Taxation	986	937	955
	<u>4,214</u>	<u>3,929</u>	<u>3,799</u>
Operating cash flow before changes in working capital			
(Increase)/decrease in trade and other receivables	(118)	21	(254)
Decrease/(increase) in inventories	310	(1,534)	(31)
(Decrease)/increase in trade and other payables	(110)	454	511
	<u>82</u>	<u>(1,059)</u>	<u>226</u>
Cash generated/(used) from operations			
Interest received	–	–	1
Interest paid	(20)	(28)	(49)
Tax paid	(851)	(949)	(833)
Net cash flow from operating activities	<u>3,425</u>	<u>1,893</u>	<u>3,144</u>

20. Reconciliation of net debt

	<i>26 February 2011 £'000</i>	<i>Cash flow £'000</i>	<i>3 March 2012 £'000</i>	<i>Cash flow £'000</i>	<i>2 March 2013 £'000</i>
Cash at bank and in hand	2,620	(412)	2,208	829	3,037
Cash and cash equivalents	<u>2,620</u>	<u>(412)</u>	<u>2,208</u>	<u>829</u>	<u>3,037</u>

21. Operating leases

At the balance sheet date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases relating to assets other than land and buildings, which fall due as follows:

	<i>Year ended 2 March 2013 £'000</i>	<i>Year ended 3 March 2012 £'000</i>	<i>Year ended 26 February 2011 £'000</i>
Within one year	66	69	85
Within two to five years	95	68	123
	<u>161</u>	<u>137</u>	<u>208</u>

22. Related parties

Transactions with key management personnel

Key management personnel are considered to be the Directors of the Company and its subsidiaries.

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

	<i>Year ended 2 March 2013 £'000</i>	<i>Year ended 3 March 2012 £'000</i>	<i>Year ended 26 February 2011 £'000</i>
Short term employee benefits	649	722	695
Post-employment benefits	48	57	56
Dividend payments	1,000	1,000	1,000
	<u>1,697</u>	<u>1,779</u>	<u>1,751</u>

Other debtors include loans to J Snee, a Director of the Company, as follows:

	<i>Year ended 2 March 2013 £'000</i>	<i>Year ended 3 March 2012 £'000</i>	<i>Year ended 26 February 2011 £'000</i>
Amount outstanding at year end	50	15	20
Maximum outstanding during the year	<u>50</u>	<u>41</u>	<u>35</u>

The loans are interest free and due after more than one year.

The Company repurchased and cancelled 10 ordinary shares with a nominal value of £1 per share on 29 June 2012 from P Hanson, a Director of the Company. The shares represented 9 per cent. of the total share capital and were repurchased for a consideration of £1,469,652.

23. Principal subsidiaries

Globesign Limited owns directly the whole of the allotted share capital of the following principal subsidiaries:

	<i>County of incorporation</i>	<i>Nature of business</i>
Westex (Carpets) Limited	England	Manufacture and sale of carpets

24. Key sources of estimation uncertainty

In applying the Group's accounting policies, appropriate estimates have been made in a number of areas and the actual outcome may vary from the position described in the Group's balance sheet. The key sources of uncertainty at the balance sheet date that may give rise to a material adjustment to the carrying value of assets and liabilities within the next financial year are as follows:

Inventories

A proportion of inventory is made up of stocks which are not expected to sell for the full normal selling price, either because they are remnants, come from discontinued ranges, or are below the required quality standard. This inventory is carried at a value which reflects the Directors' best estimates of achievable selling prices. The carrying amount of inventories carried at fair value less costs to sell amounted to:

	<i>Year ended 2 March 2013 £'000</i>	<i>Year ended 3 March 2012 £'000</i>	<i>Year ended 26 February 2011 £'000</i>
Inventories carried at fair value less cost to sell	<u>3,312</u>	<u>3,491</u>	<u>2,858</u>

During the year, provisions relating to these stocks increased/(decreased) by:

	<i>Year ended 2 March 2013 £'000</i>	<i>Year ended 3 March 2012 £'000</i>	<i>Year ended 26 February 2011 £'000</i>
Increase/(decrease) in provision	<u>71</u>	<u>(61)</u>	<u>(64)</u>

Trade receivables

Details of the provision made for non-recoverability of debts due to the Group from the sale of goods are set out under note 12.

25. Financial instruments

Financial risk management

The Group's operations expose it to a variety of financial risks including the effects of changes in interest rates and credit risk.

The Group does not have material exposures in any of the areas identified above and, consequently does not use derivative instruments to manage these exposures.

The Group's principal financial instruments comprise sterling cash and bank deposits together with trade receivables and trade payables that arise directly from its operations.

The main risks arising from the Group's financial instruments can be analysed as follows:

Credit risk

The Group's principal financial assets are bank balances, cash, and trade receivables, which represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group's credit risk is primarily attributable to its trade receivables. Credit risk is managed by monitoring the aggregate amount and duration of exposure to any one customer depending upon their credit rating. The amounts presented in the balance sheet are net of allowances for doubtful debts, estimated by the Group's management based on prior experience and their assessment of the current economic environment.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due.

To achieve this aim, the cash position is continuously monitored to ensure that cash balances meet expected requirements for a period of at least 90 days. The Board monitors annual cash budgets and updated forecasts against actual cash position on a monthly basis.

At the balance sheet date, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

The maturity of financial liabilities is detailed in note 13 'Trade and other payables' and 14 'Other financial liabilities'.

Cash flow interest rate risk

Interest bearing assets comprise cash and bank deposits, all of which earn interest.

Capital management policies and procedures

The Group considers its capital to comprise its Ordinary share capital, accumulated retained earnings and net debt. In managing its capital, the Group's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through a combination of capital growth and distributions.

In order to achieve this objective, the Group monitors its gearing to balance risks and returns at an acceptable level and also to maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims, either through altering its dividend policy, new share issues, or the reduction of debt, the Group considers not only its short term position but also its long term operational and strategic objectives.

The Company repurchased and cancelled 10 ordinary shares with a nominal value of £1 per share on 29 June 2012. The shares represented 9 per cent. of the total share capital and were repurchased for a consideration of £1,469,652.

26. Reconciliation of net assets and profits for the year under UK GAAP to IFRS

This is the Group's first consolidated financial information prepared in accordance with IFRSs.

The accounting policies have been applied in preparing the financial information for the years ended 2 March 2013, 3 March 2012 and 26 February 2011, and in the preparation of an opening IFRS balance sheet at 28 February 2010 (the Group's date of transition).

In preparing its opening IFRS balance sheet, the Group has adjusted amounts reported previously in financial statements prepared with UK GAAP. An explanation of how the transition from UK GAAP to IFRS has affected the Group's balance sheets, consolidated income statements and consolidated statements of cash flows is set out in the following tables and notes that accompany the tables.

(a) Initial elections upon adoption

Under IFRS 1, a number of exemptions are permitted to be taken in preparing the consolidated balance sheet as at the date of transition to IFRS on 28 February 2010. The Group has elected not to apply IFRS 3, "Business Combinations" retrospectively to past business combinations. No other exemptions as set out in IFRS 1 have been elected.

Land and buildings were professionally valued in July 1994 and this valuation, less accumulated depreciation up to the transition date, was adopted as deemed cost on adoption of IFRS.

Other than the above departures, IFRS has been applied in all other respects in the preparation of the consolidated financial information for the years ended 2 March 2013, 3 March 2012 and 26 February 2011.

(b) Reconciliation of UK GAAP to IFRS

IFRS 1 requires the Group to reconcile equity, comprehensive income and cash flows for prior years. The Group's first-time adoption did not have an impact on the total operating, investing or financing cash flows. The following tables represent the reconciliations from UK GAAP to IFRS for the respective years noted for equity and comprehensive income.

Consolidated Balance Sheet at 28 February 2010 (transition date)

	<i>UK GAAP</i> £'000	<i>Adjustment</i> A £'000	<i>Adjustment</i> B £'000	<i>IFRS</i> £'000
Non-current assets				
Property, plant and equipment	6,554	–	–	6,554
Deferred tax asset	–	–	110	110
Negative goodwill	(580)	580	–	–
	<u>5,974</u>	<u>580</u>	<u>110</u>	<u>6,664</u>
Current assets				
Inventories	4,304	–	–	4,304
Trade and other receivables	1,996	–	(110)	1,886
Cash at bank and in hand	2,441	–	–	2,441
	<u>8,741</u>	<u>–</u>	<u>(110)</u>	<u>8,631</u>
Total assets	<u>14,715</u>	<u>580</u>	<u>–</u>	<u>15,295</u>
Current liabilities				
Trade and other payables	(1,453)	–	–	(1,453)
Current tax liabilities	(337)	–	–	(337)
	<u>(1,790)</u>	<u>–</u>	<u>–</u>	<u>(1,790)</u>
Non-current liabilities				
Other financial liabilities	–	–	–	–
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Total liabilities	<u>(1,790)</u>	<u>–</u>	<u>–</u>	<u>(1,790)</u>
Net assets	<u>12,925</u>	<u>580</u>	<u>–</u>	<u>13,505</u>
Equity attributable to owners of the parent				
Share capital	–	–	–	–
Capital redemption reserve	–	–	–	–
Retained earnings	12,925	580	–	13,505
Total equity	<u>12,925</u>	<u>580</u>	<u>–</u>	<u>13,505</u>

Adjustments

A

The Group had previously recognised negative goodwill which has been reversed through retained earnings as the item does not qualify for recognition as a liability under IFRS.

B

The Group had previously disclosed the deferred tax asset within trade and other receivables and has therefore been reclassified to separately disclose as a non-current asset under IFRS.

Consolidated Income Statement for the year ended 2 March 2013

	<i>UK GAAP</i> £'000	<i>Adjustment</i> A £'000	<i>IFRS</i> £'000
Continuing operations			
Revenue	17,484	–	17,484
Cost of sales	(8,998)	–	(8,998)
Gross profit	8,486	–	8,486
Distribution costs	(506)	–	(506)
Administrative expenses	(4,317)	–	(4,317)
Other operating income	35	–	35
Operating profit	3,698	–	3,698
Finance income	–	–	–
Finance costs	(20)	–	(20)
Net financing costs	3,678	–	3,678
Profit before tax	–	–	–
Tax expense	(986)	–	(986)
Profit and total comprehensive income attributable to owners of the parent for the year	<u>2,692</u>	<u>–</u>	<u>2,692</u>

Adjustments

A

None.

Consolidated Balance Sheet as at 2 March 2013

	<i>UK GAAP</i> £'000	<i>Adjustment</i> A £'000	<i>IFRS</i> £'000
Non-current assets			
Property, plant and equipment	8,335	–	8,335
Deferred tax asset	–	41	41
	<u>8,335</u>	<u>41</u>	<u>8,376</u>
Current assets			
Inventories	5,559	–	5,559
Trade and other receivables	2,278	(41)	2,237
Cash at bank and in hand	3,037	–	3,037
	<u>10,874</u>	<u>(41)</u>	<u>10,833</u>
Total assets	<u>19,209</u>	<u>–</u>	<u>19,209</u>
Current liabilities			
Trade and other payables	(2,308)	–	(2,308)
Current tax liabilities	(513)	–	(513)
	<u>(2,821)</u>	<u>–</u>	<u>(2,821)</u>
Non-current liabilities			
Other financial liabilities	–	–	–
	<u>–</u>	<u>–</u>	<u>–</u>
Total liabilities	<u>(2,821)</u>	<u>–</u>	<u>(2,821)</u>
Net assets	<u>16,388</u>	<u>–</u>	<u>16,388</u>
Equity attributable to owners of the parent			
Share capital	–	–	–
Capital redemption reserve	–	–	–
Retained earnings	16,388	–	16,388
Total equity	<u>16,388</u>	<u>–</u>	<u>16,388</u>

Adjustments

A

The Group had previously disclosed the deferred tax asset within trade and other receivables and has therefore been reclassified to separately disclose as a non-current asset under IFRS.

PART IV

ADDITIONAL INFORMATION

1. RESPONSIBILITY

The Company, (whose registered office appears on page 5 of this document) and the Directors (whose names and functions appear on page 5), accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and of the Directors each of which has taken reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. THE COMPANY AND THE ENLARGED GROUP

- 2.1 The Company was incorporated in England and Wales under the Companies Act 1929 with the name The Victoria Carpet Company Limited and registered number 282204 on 1 December 1933. On 16 August 1974 the Company's name was changed to Victoria Carpet Holdings Limited. The Company re-registered as a public company on 5 March 1982 under the name Victoria Carpet Holdings P.L.C. On 15 July 1997 the Company's name was changed to Victoria PLC. The principal legislation under which the Company operates is the Companies Act 2006 and the regulations made thereunder.
- 2.2 The Company's registered and head office, which is also its principal place of business, is Worcester Road, Kidderminster, Worcestershire, DY10 1JR.
- 2.3 The liability of the members of the Company is limited to the amount paid up or to be paid up on their shares. The principal legislation under which the Company operates is the 2006 Act.
- 2.4 The Company's website address, at which the information required by Rule 26 of the AIM Rules for Companies can be found, is www.victoria.plc.com.
- 2.5 On Admission, and following the Acquisition, the Company will be the holding company of the Enlarged Group and will, directly or indirectly, hold interests in the following significant subsidiaries:

<i>Company name</i>	<i>Country of incorporation</i>	<i>Percentage of issued share capital or interest held</i>
Victoria Carpets Limited	UK	100%
Westwood Yarns Limited	UK	100%
The Victoria Carpet Company Pty Limited	Australia	100%
Globesign Limited	UK	100%
Westex (Carpets) Limited	UK	100%
Colin Campbell & Sons Limited	Canada	100%

- 2.6 The principal activity of the above companies is that of the provision of manufacturing and selling carpet.
- 2.7 All the above subsidiaries and associated undertakings operate in their country of incorporation.
- 2.8 The Company is domiciled in the United Kingdom and managed and controlled from the United Kingdom.

3. SHARE CAPITAL OF THE COMPANY

- 3.1 The Company does not have an authorised share capital and does not place any limit on the number of shares which the Company may issue.
- 3.2 All issued shares are fully paid.

- 3.3 On 5 October 2012 the Company allotted fully paid 89,629 Ordinary Shares pursuant to the exercise of certain share options under the LTIP.
- 3.4 The Company's issued share capital as at the date of this document and as it is expected to be immediately following Admission (assuming no Share Options are exercised between the date of this document and Admission) is as set out below:

	<i>Number of Ordinary Shares</i>	<i>Amount</i>
At the date of this document	7,033,185	£1,758,296
On Admission	7,033,185	£1,758,296

- 3.5 The Company was granted authority at its annual general meeting on 24 September 2013 to allot securities up to a maximum nominal amount of £586,099 which is equal to 2,344,395 Ordinary Shares. The Company shall propose a resolution at its 2014 annual general meeting to renew this authority.
- 3.6 The following 69,877 Ordinary Shares are held under option. Information on the Share Option Schemes are set out in paragraph 10 of this Part IV.

<i>Name</i>	<i>Share Option Plan</i>	<i>Number of Ordinary Shares held under option</i>	<i>Date of grant</i>	<i>Exercise price</i>
Terry Danks	2008 LTIP Plan	28,495	28 July 2009	170.8p
Shaun Lewis	2008 LTIP Plan	26,050	28 July 2009	170.8p
Anne Seymour	2011 PSP Plan	15,332	7 December 2011	0.0p

- 3.7 Save as disclosed in this Part IV as at 25 November 2013 (and as at the date of this document):
- 3.7.1 no share or loan capital in the Company or of any member of the Enlarged Group is under option or is the subject of an agreement, conditional or unconditional, to be put under option;
- 3.7.2 no share or loan capital of the Company has been issued, or is now proposed to be issued, conditionally or unconditionally, otherwise than fully paid;
- 3.7.3 no person has any preferential subscription rights for any share capital of the Company;
- 3.7.4 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;
- 3.7.5 the Company does not hold any of its own Ordinary Shares as treasury shares and none of the Company's subsidiaries hold any Ordinary Shares;
- 3.7.6 the Company has no convertible debt securities, exchangeable debt securities or debt securities with warrants in issue; and
- 3.7.7 there are no acquisition rights or obligations over the unissued share capital of the Company and there is no undertaking to increase the share capital of the Company.

4. DISCLOSURE OF INTERESTS

Directors' and Others' Interests

- 4.1 As at the date of this document and immediately following Admission, the interests (within the meaning of sections 820 to 855 of the 2006 Act) of the Directors (including Connected Persons) in the issued share capital of the Company (all of which are beneficial unless otherwise stated) currently and as they are expected to be immediately following Admission are as follows:

<i>Directors</i>	<i>As at the date of the document</i>		<i>Immediately following Admission</i>	
	<i>Number of Existing Ordinary Shares</i>	<i>Share Capital %</i>	<i>Number of Ordinary Shares</i>	<i>Share Capital %</i>
Alexander Anton	151,075 ¹	2.15%	151,075 ¹	2.15%

¹ This figure represents the aggregate shareholding that Alexander Anton's immediate family members hold in the Company being: Alexander Anton beneficially holding 6,575 Ordinary Shares, the Trustees of the A and SC Anton Children's Trust holding 80,000 Ordinary Shares, the Trustees of the Fraser Trust Directors Pension Scheme holding 47,500 Ordinary Shares, and his wife and children beneficially holding in aggregate 17,000 Ordinary Shares.

- 4.2 Save as disclosed in this paragraph 4, no Director has at the date of this document (or will have at Admission) any option over any shares in the Company.
- 4.3 Save as disclosed in this paragraph 4 of this Part IV, none of the Directors nor any Connected Persons has any interest in the issued share capital of the Company or of any of its subsidiaries or will at Admission have any such interest.

Major Shareholders

- 4.4 As at the date of this document and immediately following Admission the following persons will be interested, directly or indirectly, jointly or severally, in 3 per cent. or more of the Company's issued share capital or exercise or could exercise control over the Company:

	<i>As at the date of this document and immediately following Admission</i>	
	<i>Number of Ordinary Shares</i>	<i>Share Capital %</i>
New Fortess Finance Holdings Ltd.	1,288,000	18.31
GSF Anton	520,886	7.41
Diverse Income Trust PLC	400,000	5.69
CGF Anton	322,755	4.59
JRD Anton	280,076	3.98
JHH Anton	250,924	3.57
PJ Anton	246,902	3.51
NE Parr (nee Anton)	214,535	3.05

- 4.5 Other than as disclosed in this document, the Directors are not aware of any person or persons who, directly or indirectly, have at the date of this document or will immediately following Admission have an interest in the Company which represents 3 per cent. or more of the issued share capital or voting rights, or who at the date of this document, or who directly or indirectly jointly or severally, exercise or could exercise, control over the Company.
- 4.6 Neither the Directors nor any of the Shareholders listed in paragraphs 4.1 and 4.4 above have different voting rights to other Shareholders.

5. DIRECTORS' SERVICE AGREEMENTS AND LETTERS OF APPOINTMENT

5.1 Set out below are summary details of the service agreements and letters of appointment entered into between the Company and the Directors:

5.1.1 *Executive Director*

Geoff Wilding (Executive Chairman) entered into a service agreement with the Company on 6 October 2012 to act as Chairman. The appointment is for an initial period of 12 months, although it is terminable earlier in various specified circumstances and in any event by either party on one months notice. The annual salary payable to him is £65,000.

5.1.2 *Non-Executive Directors*

Andrew Harrison (Non-Executive Director) entered into a letter of appointment with the Company on 6 October 2012. The appointment is for an initial period of 12 months, although it is terminable earlier in various specified circumstances and in any event by either party on one month's notice. The annual fee payable to him is £35,000.

Alexander Anton (Non-Executive Director) entered into a letter of appointment with the Company on 6 October 2012. The appointment is for an initial period of 12 months, although it is terminable earlier in various specified circumstances and in any event by either party on one month's notice. The annual fee payable to him is £35,000.

5.2 As at the date of this document, the Company does not contribute to any pension nor provide any other benefits to the Directors.

5.3 On 19 April 2013, the Company entered into the Incentive Contract with Geoff Wilding pursuant to which Mr Wilding may be entitled to a payment for the Company. The Incentive Contract is more particularly summarised at paragraph 16.6 of Part IV (*Additional Information*).

5.4 Save as set out in paragraph 5.1 above, there are no contracts providing for benefits upon the termination of employment of any Director.

5.5 None of the Directors has a service agreement with the Company that has been entered into or varied within six months prior to the date of this document or which is a contract which expires or which is determined by the Company without payment of compensation (other than statutory compensation) after more than one year.

5.6 Save for any payments to the Directors on termination in lieu of notice, no benefits on termination are payable by the Company.

6. ADDITIONAL INFORMATION IN RELATION TO THE DIRECTORS

6.1 The Directors, in addition to their directorships of the Group, are or have been a member of the administrative, management or supervisory bodies, or directors or partners of the following companies or partnerships within the five years prior to the publication of this document:

<i>Name</i>	<i>Current directorships</i>	<i>Former directorships</i>
Geoffrey Brendon Wilding	Chorus Law Group Limited Lincoln Capital Partners Limited Chorus Law Limited Washbrook Capital Limited Broadwell Investments Limited Move with Us (2012) Limited	None
Ian Alexander Anton	Whitfield Ventures Limited Whitfield Adventures Limited Harrison Sydney Limited Whitfield Investments Limited Legacy Portfolio Fund Limited QC Trustees Limited Summerway Properties Limited Legacy Bidco. Limited Stuartco. Limited Jasperco. Limited Legacy Bidco. II Limited Legacy Portfolio USA Limited Ingrid Properties One Limited Legacy Portfolio Fund Management Limited Legacy Portfolio Management Limited Sydney Harrison No. 1 Limited Sydney Harrison No. 2 Limited	Hymert Limited Hamron Limited Fraser Information Technologies Limited Fraser Portfolio Limited Fraser CRE Consultants Limited Fraser Portfolio Structured Solutions Limited Fraser Portfolio Client Finance Limited Forgewild Limited Right PR Limited The Victoria Carpet Company Pty Australia www.rackets.co.uk Limited
Andrew Harrison	Tallar Partners Limited Chorus Law Group Limited Islandbridge Capital Limited Leslie Mann (Bricks & Blocks) Limited	Sturge Taylor and Associates Holdings Limited Stowfields Properties Limited Stowfields Developments Limited Chorus Law Limited Deal Counsel 002 Limited Ingleby Holdings Limited Ingleby Nominees Limited European Lawyer Publications Limited Livvakt Limited Data and Power Solutions Holdings Limited
	<i>Current partnerships</i>	<i>Past partnerships</i>
	Tallar LLP	Wragge & Co LLP

6.2 No Director has:

- 6.2.1 any unspent convictions relating to indictable offences;
- 6.2.2 ever had a bankruptcy order made against him or entered into any individual voluntary arrangements with his creditors;
- 6.2.3 been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation or administration, or been subject to a company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its

- creditors, whilst he was a director of that company, or within the twelve months after he ceased to be a director of that company;
- 6.2.4 been a partner in any partnership which has been placed in compulsory liquidation or administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership, or within twelve months after he ceased to be a partner in that partnership;
- 6.2.5 had any asset belonging to him made the subject of a receivership or been a partner of a partnership whose assets have been placed in receivership whilst he was a partner at the time of, or within twelve months preceding, such receivership; and
- 6.2.6 received any official public criticism and/or sanction by any statutory or regulatory authority (including any recognised professional body); or
- 6.2.7 ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.
- 6.3 Save as disclosed in this document, no Director has had any interest in any transaction which is or was unusual in its nature or conditions or is or was significant to the business of the Company and its subsidiaries during the current or immediately preceding financial year or which was effected by the Company or any of its subsidiaries during an earlier financial year and remains in any respect outstanding or unperformed.
- 6.4 Save as disclosed in this document, none of the Directors nor members of their family have a financial product whose value in whole or part is determined directly or indirectly by reference to the price of the Ordinary Shares.
- 6.5 There are no outstanding loans granted by the Company to any Director nor has any guarantee been provided by the Company for the benefit of any Director.
- 6.6 Save as disclosed in this document, there are no actual or potential conflicts of interest between the duties of the Directors to the Company and their respective private interests or other duties.
- 6.8 In December 2011 the Panel on Takeovers and Mergers ruled that certain shareholders who came together in seeking changes to the then board of directors of the Company, constituted a concert party holding in aggregate 3,154,249 Ordinary Shares amounting to 44.85 per cent. of the entire issued share capital of the Company. Since then the Panel on Takeovers and Mergers has agreed to the release of certain Shareholders from the original concert party. As at the date of this document the Panel has ruled that the Shareholders listed below currently constitute the concert party and hold in aggregate approximately 22.7 per cent. of the issued share capital of the Company. There are certain obligations and requirements under the City Code on Takeovers and Mergers to which the concert party are subject including Rule 9 considerations. As far as the Board is aware, the concert party currently remains in existence.

Name of Shareholder

G S F Anton
 C G F Anton
 Mrs E Anton
 Ms N E Parr (nee Anton) (Halb Nominees Ltd)
 Ms G H Anton (Mership Nominees Ltd)
 Ms F F Anton (Mership Nominees Ltd)
 Ms S W C Anton
 Trustees of the A and S C Anton Children's Trust
 Trustees of the Fraser Trust Directors Pension Scheme
 Ms S F Anton
 A H Anton
 I A Anton
 J Haines (Frank Nominees Limited of Kleinwort Benson Private Bank)
 M H Anton (Mership Nominees Ltd)

6.9 Save as disclosed, the Directors are not aware of any arrangement in place or under negotiation which may, at a subsequent date result in a change of control of the Company.

7. EMPLOYEES

7.1 The average number of full time employees employed by the Enlarged Group during the financial years ended 2 April 2011, 31 March 2012 and 30 March 2013 were as follows:

	<i>Financial year ended</i>		
	2013	2012	2011
Category of Activity			
Directors (including executive directors of subsidiaries)	10	10	12
Sales and marketing	74	74	76
Production	496	590	594
Logistics	47	46	45
Maintenance	37	40	40
Finance, IT and administration	90	89	86
Total	754	849	853
Geographic analysis			
Victoria – UK	316	344	336
Globesign – UK	212	216	206
Total – UK	528	560	542
Victoria – Rest of World	226	289	311
Total	754	849	853

8. SIGNIFICANT INVESTMENTS

Save as disclosed in this document, there have been no significant investments by the Company or any of its subsidiaries since 30 March 2013 being the date to which the last audited consolidated accounts of the Group have been made up.

9. SUMMARY OF THE ARTICLES OF ASSOCIATION

(A) Objects

Pursuant to section 31 of the 2006 Act, the objects for which the Company is established are unrestricted and the Company has full power and authority to carry out any object not prohibited by law.

(B) Articles

The Articles, were adopted on 28 July 2010 and contain provisions, *inter alia*, to the following effect:

9.1 **Variation of class rights and class meetings**

Whenever the share capital of the Company is divided into different classes of shares, all or any of the rights attached to any class may, subject to all statutes (and any regulations subordinate thereto) for the time being in force concerning companies and affecting the Company (the “**Statutes**”), be varied or abrogated either in such manner (if any) as may be provided by those rights or (in the absence of any such provision) either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class, but not otherwise.

The provisions of the Articles relating to general meetings of the Company apply to every separate general meeting of the holders of a particular class of shares except that:

- 9.1.1 no member is entitled to receive notice of such meeting or to attend it unless he is a holder of shares of the class in question and no vote may be given except in respect of a share of that class;
- 9.1.2 the necessary quorum (other than at an adjourned meeting) is two individuals, being two members present in person (including by authorised representative) or by proxy together holding not less than one-third in nominal value of the issued shares of that class;
- 9.1.3 if any such separate general meeting is adjourned, the quorum at the adjourned meeting is one individual, being a member present in person or by proxy, holding shares of that class;
- 9.1.4 any holder of shares of the class in question who is present in person or by proxy and entitled to vote may demand a poll; and
- 9.1.5 on a poll, every holder of shares of the class in question entitled to vote has one vote for every share of the class held by him.

9.2 ***Convening general meetings***

- 9.2.1 Annual general meetings of the Company shall be convened in accordance with the Statutes. The directors may convene other general meetings whenever they think fit, and are required to do so if requisitioned by members in accordance with the Statutes. If the directors fail to convene a general meeting when requisitioned, the meeting may be convened by the requisitionists.
- 9.2.2 If at any time there are not within the United Kingdom sufficient directors to call a general meeting, any director may convene a general meeting.

9.3 ***Ownership threshold and change of control***

The Articles do not prescribe any ownership threshold above which Shareholder ownership must be disclosed. There are no provisions in the Articles which would have the effect of delaying, deferring or preventing a change of control of the Company.

9.4 ***Alteration of capital***

The Articles do not impose any conditions governing changes in the capital of the Company which are more stringent than is required by law.

9.5 ***Transfer of shares***

Shares may be held in uncertificated form and uncertificated shares may be transferred otherwise than by a written instrument in accordance with the rules, procedures and practices of the relevant system (CREST) and the Uncertificated Securities Regulations.

Transfers of shares in certificated form may be effected by an instrument of transfer in any usual form or in any other form approved by the directors. The instrument of transfer shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee.

The directors may refuse to register the transfer of a share unless:

- 9.5.1 is in respect of only one class of share;
- 9.5.2 is in favour of a single transferee or not more than four joint transferees;
- 9.5.3 is duly stamped (if required); and
- 9.5.4 is delivered for registration to the registered office, or such other place as the directors have specified and is accompanied by the certificate(s) for the shares to which it relates (except in the case of a financial institution where a certificate has not been issued) and such other evidence as the directors may reasonably require to prove the title of the

transferor to make the transfer and the due execution by the transferor or authority of the person executing the transfer on the transferor's behalf.

In addition, the directors may refuse to register the transfer of a share which is not fully paid provided that such refusal shall not be exercised so as to disturb the market in those shares.

A transferor shall remain the holder of the share concerned (whether a certificated share or an uncertificated share) until the name of the transferee is entered in the register of members as the holder of that share.

9.6 **Failure to disclose interests in shares**

If a member or any person appearing to be interested in shares in the Company has been duly served with a notice under section 793 of the Companies Act 2006 and is in default in supplying to the Company the information thereby required within the period stipulated in such notice (which must not be less than 14 days after the service of such notice), the board may serve on such member a notice ("**a direction notice**") in respect of the shares in relation to which the default occurred ("default shares").

A direction notice may direct that the default shares shall not confer on the member concerned any entitlement to attend or vote, either personally or by proxy, at a general meeting or class meeting of the Company.

Where default shares represent at least 0.25 per cent. of the class of shares concerned the direction notice may in addition direct that:

9.6.1 the dividend (including shares issued in lieu of a dividend) which would otherwise be payable on the default shares shall be retained by the Company without liability to pay interest; and/or

9.6.2 no transfer of default shares shall be registered unless it is an excepted transfer.

For this purpose, an "excepted transfer" is a transfer by the acceptance of a takeover offer or a transfer on sale to a bona fide unconnected third party (including through a sale through a recognised investment exchange as defined in the FSMA).

9.7 **Pre-emption rights**

The Articles do not prescribe any rights of pre-emption in relation to offers for subscription of Ordinary Shares.

9.8 **Redemption and conversion**

The Ordinary Shares are not redeemable or convertible.

9.9 **Participation in profits and assets**

Subject to the superior rights of any other class or classes of shares that are, or may be, issued by the Company, the rights and restrictions attaching to the Ordinary Shares as regards participation in the profits and assets of the Company are as follows:

9.9.1 any profits which the Company may determine to distribute in respect of any financial year shall be distributed among the holders of the Ordinary Shares pro rata according to the amounts paid up or credited as paid up on such shares held by them.

9.9.2 the capital and assets of the Company on a winding-up or other return of capital shall be applied in repaying to the holders of the Ordinary Shares the amounts paid up or credited as paid up on such shares and subject thereto shall belong to and be distributed according to the number of such shares held by them respectively.

9.10 **Voting**

On a show of hands, every member present in person has one vote, each authorised person appointed by a corporate Shareholder has one vote and every proxy present has one vote, unless he has been appointed by more than one member and has been instructed by one or more of those members to vote for the resolution and by one or more others to vote against it, in which case he has one vote for and one vote against the resolution.

In the case of a poll every member has one vote for every share held by him and his voting rights may be exercised by one or more proxies.

These voting rights are subject to any special rights or restrictions as to entitlement to vote on a particular resolution or at particular meetings imposed by or pursuant to the Articles or attached to any shares. These include, for example, that a person becoming entitled to a share by reason of a transmission event (such as death or bankruptcy) shall not be entitled to vote with respect to those shares before being registered as holder of such shares.

9.11 **Dividends**

The Ordinary Shares confer no fixed dividend entitlement. The Company may, by ordinary resolution, declare dividends but no such dividend shall exceed the amount recommended by the directors. The directors may from time to time pay such interim dividends as they think fit.

Where the Company has a lien on any share and a sum in respect of which the lien exists is presently payable, the directors may retain any dividend payable in respect of that share instead of enforcing the lien.

In addition, the directors may retain any dividend in the circumstances where a person who has become entitled to a share as a consequence of a transmission event (such as death or bankruptcy) fails to comply within 60 days of receipt of a notice from the directors requiring that person to elect to be registered as the holder of the share concerned or to transfer that share.

All dividends unclaimed for 12 months may be invested or otherwise made use of by the directors for the benefit of the Company until claimed. Any dividend which has remained unclaimed for a period of twelve years from the date on which such dividend became due for payment shall be forfeited and shall revert to the Company.

9.12 **Directors**

9.12.1 *Number of directors*

Unless otherwise determined by the Company by ordinary resolution, the number of directors shall not be less than two nor more than ten.

9.12.2 *Shareholding qualification*

A director is not required to hold any shares in the Company.

9.12.3 *Directors' remuneration and expenses*

Remuneration paid to the directors for their services as officers of the Company shall be such aggregate amount as the directors shall decide, provided that such fees do not exceed the sum of £100,000 per annum or such higher sum as the Company may by ordinary resolution determine. Any such remuneration shall be distinct from any salary, remuneration or other amounts payable to the director pursuant to any other provision of the Articles or any service agreement between the Company or any associated company and the relevant director.

Any director who performs services which, in the opinion of the directors, go beyond the ordinary duties of a director, may be paid such additional remuneration and may

receive such other benefits as the directors or the remuneration committee may determine.

The Company may also pay or repay to any director all travelling, hotel and other expenses reasonably and properly incurred in attending and returning from meetings of the directors or any committee of the directors or general meetings of the Company or otherwise incurred in connection with the business of the Company.

The directors may establish and/or contribute to any pension, retirement or superannuation scheme or fund and may pay or agree to pay pension, retirement, superannuation benefits, annuities and other emoluments to (or to any person in respect of) any person who is or was at the time a director or officer or employee of the Company or any associated company, for his benefit or for the benefit of any member of his family. The directors may also establish and/or contribute to any death and/or disability scheme for the benefit of any person who is or was at the time a director or officer or employee of the Company or any associated company or for the benefit of any member of his family.

9.12.4 *Interests and conflicts*

The directors are empowered pursuant to section 175 of the 2006 Act to authorise any matter which would or might otherwise constitute a breach of the duty of a director to avoid a situation in which he has, or can have, an interest that conflicts, or possibly may conflict, with the interests of the Company. Any such authorisation shall be subject to such conditions or limitations as the directors may determine, whether at the time such authorisation is given or subsequently, and may be terminated by the directors at any time. Neither the director in question nor any other interested director shall vote on any resolution concerning any such authorisation. Under section 175(3) of the 2006 Act, no such authorisation is required in relation to a conflict of interest arising in relation to a transaction or arrangement with the Company.

Where a director has, or can have, an interest that conflicts, or possibly may conflict, with the interests of the Company or his duties to the Company and the matter constituting such conflict has been authorised by the directors or by the Company or is otherwise permitted by the Articles, subject to the terms on which any authorisation has been given:

- (i) the director in question need not disclose to or use for the benefit of the Company any information relating to the relevant matter which he obtains or has obtained otherwise than as a director or employee of the Company and in respect of which he owes a duty of confidentiality to a person other than the Company;
- (ii) the director in question shall not, unless otherwise agreed, be liable to account to the Company for any profit, remuneration or other benefit realised by him as a consequence and no contract, transaction or arrangement relating to the relevant matter shall be liable to be avoided on the grounds of his conflict of interests or duties;
- (iii) the director in question need not consider board papers, nor participate in discussion of the directors, relating to the relevant matter;
- (iv) any director may act in any way authorised by any guidance for dealing with conflicts of interest or duty issued by the directors from time to time.

9.12.5 *Alternate directors*

Any director (other than an alternate director) has the power to appoint as his alternate, to exercise his powers and carry out his responsibilities during his absence (whether for a limited or an unlimited term), either another director or any other person approved for that purpose by a resolution of the directors. The appointment of an alternate director automatically determines: if his appointor terminates the appointment; or on the happening of any event which, if he were a director, would cause him to vacate the office of director; or if he resigns such appointment; or if his appointor ceases for any

reason to be a director otherwise than by retiring and being re-appointed at the same general meeting.

An alternate director is entitled to receive notice of meetings of the directors and to attend and, in place of his appointor, to vote and be counted for the purpose of a quorum at any such meeting at which his appointor is not personally present and generally to perform all functions as a director of his appointor in his absence.

An alternate director may be paid or repaid by the Company such expenses as might properly have been paid or repaid to him if he had been a director but shall not in respect of his office of alternate director be entitled to receive any remuneration from the Company except such part of his appointor's remuneration as his appointor may direct by notice in writing to the Company. An alternate director shall be entitled to be indemnified by the Company to the same extent as if he were a director.

9.12.6 *Vacation of office*

A director shall cease to be a director on the happening of any of the following events:

- (i) he becomes prohibited by law from acting as a director, or shall cease to be a director by virtue of any provision of the Statutes;
- (ii) he resigns or offers to resign and the directors resolve to accept such offer;
- (iii) he has a bankruptcy order made against him or settles or makes any arrangement or composition with his creditors generally or applies to the court for an interim order under section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act;
- (iv) he becomes incapable by reason of his mental health and a court makes an order preventing him from personally exercising any powers or rights, or a registered practitioner gives a written opinion to the Company that he is personally or mentally incapable of acting as a director and they remain so for three months;
- (v) he and his alternate (if any) are absent from meetings of the directors for the greater of six consecutive months and six consecutive meetings without the consent of the directors and the directors resolve that his office be vacated;
- (vi) having retired by rotation at an annual general meeting, he is not re-appointed as a director; or
- (vii) he is removed from office as a director by notice in writing signed by not less than three-quarters of his co-directors but so that if he holds an appointment to an executive office which thereby automatically determines such removal shall be deemed to be an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company or otherwise.

9.12.7 *Retirement by rotation*

At each annual general meeting of the Company, one third of the directors shall retire from office and be eligible for re-appointment:

9.12.8 *Appointment*

The Company may by ordinary resolution appoint any person who is willing to act and is permitted by law to do so to be a director. Without prejudice thereto, the directors have power at any time so to do, but so that the total number of directors shall not thereby exceed any maximum number fixed by or in accordance with the Articles. Any person so appointed by the directors shall hold office only until the conclusion of business at the next annual general meeting.

No person, other than a director retiring at the meeting, shall be eligible for appointment or re-appointment as a director at any general meeting unless: (a) he is recommended

by the directors; or (b) the resolution to propose him is accompanied by notice in writing signed by a Shareholder other than the nominee, containing specified information about the nominee and notifying the Shareholder's intention to propose him for appointment, together with a notice signed by the nominee of his willingness to be appointed.

9.12.9 *Proceedings of directors*

The quorum necessary for the transaction of the business of the directors may be fixed from time to time by the directors and unless so fixed at any other number shall be two.

Questions arising at any meeting of the directors shall be determined by a majority of votes and, subject to the restrictions on voting noted below, each director present has one vote. In the case of an equality of votes the chairman of the meeting shall have a second or casting vote.

The continuing directors or a sole continuing director may act notwithstanding any vacancies but, if and so long as the number of directors is reduced below the minimum number fixed by or in accordance with the Articles, the continuing directors or director may act only for the purpose of appointing directors or of calling a general meeting to do so. Any additional director so appointed by the directors or director shall hold office until the conclusion of business at the following annual general meeting.

A resolution in writing signed by such number of the directors as are for the time being entitled to receive notice of a meeting of directors and comprise together in number not less than a quorum for a meeting of the directors shall be as effective as a resolution duly passed at a meeting of the directors.

9.12.10 *Restrictions on voting*

Save as provided in the Articles, a director shall not vote (or, if he does, his vote shall not be counted) at a meeting of the directors in respect of any contract, arrangement, transaction or any other kind of proposal in which he has a direct or indirect interest otherwise than by virtue of his interests in shares, debentures or other securities of, or otherwise in or through, the Company. This prohibition does not apply if the director's interest cannot reasonably be regarded as likely to give rise to conflict of interests, or to any resolution concerning any of the following matters:

- (i) any contract, arrangement, transaction or other proposal concerning an offer of shares, debentures or other securities of or by the Company or any of its subsidiary undertakings for subscription or purchase, in an offer in which he is or may be entitled to participate;
- (ii) any contract, arrangement, transaction or other proposal to which the Company is or is to be a party concerning any other body corporate in which he does not to his knowledge, directly or indirectly, hold an interest in shares (as that term is defined in sections 820 to 825 (inclusive) of the Companies Act 2006) representing one per cent. or more of either any class of the equity share capital of, or the voting rights in, such body corporate (excluding any shares, or voting rights attached to any shares, held as treasury shares);
- (iii) any contract, arrangement, transaction or other proposal concerning in any way a pension, retirement, superannuation, death and/or disability benefits scheme or fund or employees' share scheme under which he may benefit and which either has been approved, or is conditional on approval, by HMRC for taxation purposes; or relates both to employees and directors of the Company (or any associated company) and does not award him any privilege or benefit not generally awarded to the employees to whom such scheme or fund relates; and
- (iv) any contract or other proposal concerning any insurance which the Company is empowered to purchase and/or maintain for or for the benefit of any persons including directors.

- (v) A director shall not be counted in the quorum present at a meeting in relation to any resolution on which he is not entitled to vote.

9.13 ***Borrowing powers***

Subject to the Statutes and the Articles, the directors may exercise all the powers of the Company to borrow or raise money and mortgage, charge or grant any security over all or any part of its undertaking, property and assets (present and future), and uncalled capital, to create and issue debentures, other loan stock and other securities and to give security, whether outright or as collateral security for any debt, liability or obligations of the Company or of any third party.

The directors shall take all necessary steps, including the exercise of all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings (if any), for securing (as regards subsidiary undertakings, in so far as they are able) that the aggregate principal amount at any one time outstanding in respect of moneys borrowed by the Company and all of its subsidiary undertakings (if any) (other than intra-group borrowing) shall not at any time, without the previous sanction of an ordinary resolution of the Company, exceed an amount equal to the Company's Adjusted Total of Capital and Reserves (as defined in the Articles).

9.14 ***Indemnity and insurance***

Subject to the Statutes, but without prejudice to any indemnity to which he may otherwise be entitled, every director, alternate director or secretary (or former director or secretary) of the Company or of any associated company shall be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities which he may sustain or incur in the execution or discharge of his duties or in the exercise of his powers or otherwise in relation to or in connection with his duties, powers or office including in defending proceedings, criminal or civil in connection with any negligence, default, breach of duty or breach of trust in relation to the Company except where such indemnification would be void under the Statutes.

The directors have power to purchase and/or maintain insurance at the expense of the Company for, or for the benefit of, anyone who is or was at any time a director, alternate director or secretary of the Company or any associated company or who is or was at any time a trustee of any retirement benefits scheme or employee share scheme in which employees of the Company or any associated company are or were interested, including insurance against any liability incurred by such persons which may lawfully be insured against by the Company in respect of any act or omission in the execution of their powers and/or otherwise in relation to the Company or in connection with their duties, powers or offices in relation to any associated company, or any such retirement benefits scheme or employee share scheme.

9.15 ***Untraced shareholders***

The Company shall be entitled to sell, at the best price reasonably obtainable at the time of sale, the shares of a member or the shares to which a person is entitled by transmission if, during a period of 12 years at least three dividends (whether interim or final) in respect of those shares have become payable and no dividend in respect of those shares during that period has been claimed and within a further period of three months following the date of advertisements giving notice of its intention to sell such shares placed after the expiry of the period of 12 years, the Company, so far as the directors are aware, has not received any communication from such member or person (in his capacity as member or person entitled by transmission). The net proceeds of any such sale shall belong to the Company.

10. EMPLOYEE SHARE PLANS

10.1 Victoria PLC 2008 Long Term Incentive Plan (“LTIP”)

10.1.1 Introduction

On 4 September 2008 the Company established the LTIP. Employees may be granted options under the LTIP in the future at the discretion of the Company.

The principal terms of the LTIP are summarised below.

10.1.2 Eligibility

Any employee or an executive director of the Company or any of its subsidiaries that are under the Company’s control.

10.1.3 Dilution limit

The Company shall not grant an option in any plan year which would, at the date of such grant, cause the number of shares allocated during the period of ten plan years ending with that plan year, under the plan or under any other employees’ share scheme adopted by the Company to exceed such number as represents 10 per cent. of the ordinary share capital of the Company in issue at that time.

10.1.4 Grant of options

At the discretion of the Board, options may be granted, *inter alia*, within the period of forty-two days commencing on:

- (i) any day on which the Company releases its results for any financial period;
- (ii) any day on which the Board or their appointed trustee resolves that exceptional circumstances exist which justify the grant of an option;
- (iii) the day on which any legislation, regulation or other rule preventing the grant of an option is removed, changed or ceases to have effect; or
- (iv) the date of commencement of employment of the eligible employee.

In addition, the Company may determine that the eligible employee shall instead receive a cash sum equal to the total market value of some or all of the Ordinary Shares which would otherwise have been issued or transferred to him (or his nominee) and the total market value shall mean the market value of the Ordinary Shares on the date on which the option was exercised.

At the date of grant, a performance target may be imposed and such other objective condition or conditions on the vesting or exercise of the options as the Company may determine.

10.1.5 Exercise price

An option will be granted at a price which represents not less than the market value of an Ordinary Share on the date of the grant and, if higher and the shares are to be subscribed, their nominal value.

The eligible employee may cashlessly exercise his options pursuant to a formula set out in the plan.

10.1.6 Plan Limits

Subject to certain conditions, no options shall be granted which would, at the time they are granted, cause the aggregate market value of the Ordinary Shares which are to be acquired in pursuance of the options granted under the plan to exceed the following limits:

- (i) in the first plan year of the Company 125 per cent. of his base salary; or
- (ii) in any other plan year of the Company 150 per cent. of his base salary

(or if it is determined that exceptional circumstances exist which justify a higher percentage, such higher percentage as determined, not exceeding 300 per cent. of his base salary).

10.1.7 **Performance conditions and vesting**

Options will generally only be exercisable on or after the ordinary vesting date, which will be three years from the date of grant of the option or on the date which has been determined that the performance target has been met.

Options may also be granted in whole or in part and such exercise shall be effected in such form or manner as the Company may determine. An option may not be exercised at a time when such exercise would not be in accordance with the requirements of the United Kingdom Listing Authority (or other relevant authority), any code adopted by the Company and by any other applicable laws or regulations.

There are certain corporate transaction circumstances in which the option will automatically vest which is set out in detail in the plan.

10.1.8 **Early vesting on cessation of employment**

Options may be exercised where the optionholder's employment ceases because of death, injury, ill-health, disability or redundancy. Where employment is terminated for some other reason, options will lapse unless the Company permits the optionholder to exercise them within six months from the date of cessation or such longer period as acting fairly and reasonably may determine.

10.1.9 **Takeover, demerger and winding up**

In the event of a takeover or winding up of the Company, options shall typically become exercisable. In such case the Company may reduce the number of shares over which the option is exercisable pro rata based on the proportion of the vesting period that has elapsed and the extent to which the performance target (if any and as amended if considered necessary) has been satisfied.

The Company may also determine that options shall vest upon a demerger or similar event adversely affecting the current or future value of any options to the extent permitted by the Company acting in a fair and reasonable way.

On a takeover, the purchaser and the Company may instead agree that options are "rolled over" into equivalent options over shares in the acquiring company.

10.1.10 **Variation of capital**

If the Company's share capital is varied by way of capitalisation, rights issue, sub-division, consolidation or reduction or otherwise then the Company may make appropriate adjustments to the exercise price and/or the number or description of shares under option.

10.1.11 **Amendment and termination**

The Board may at any time amend any of the terms of the plan or options granted under it in any respect provided that no alteration which would materially and adversely affect the subsisting participants may be made without the prior consent of 75 per cent. of such participants (by number of shares under option) except for certain minor amendments to benefit the administration of the plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for optionholders or for the Group.

10.2 **Victoria PLC 2011 Performance Share Plan ("PSP")**

10.2.1 **Introduction**

On 2 August 2011 the Company adopted the PSP. Employees may be granted awards under the PSP in the future at the discretion of the Company.

The principal terms of the PSP are set out above in respect of the LTIP (substituting “award” for “option” except that, the following key differences apply:

10.2.2 **Grant of awards**

The Company may, on the terms set out in the plan and upon such other additional terms as the Company may determine, grant awards under the plan in one or more of the following forms:

- (i) a performance share award being a conditional right to receive Ordinary Shares granted under the plan at no cost;
- (ii) a right to acquire Ordinary Shares under the plan at no cost on exercise; and
- (iii) in such other form as the Company considers has a substantially similar purpose of effect.

No award may be granted more than 10 years after the adoption of the PSP by the Company’s shareholders.

10.2.3 **Plan Limits**

No eligible employee shall be granted awards which would, at the time they are granted, cause the aggregate of (i) the value of Ordinary Shares which he may acquire on the vesting of that award, and (ii) the aggregate of the value of Ordinary Shares which he may acquire on the vesting of all other subsisting awards granted under the plan to exceed the following limits:

- (i) in the first plan year of the Company 30 per cent. of his base salary; or
- (ii) in any other plan year of the Company up to 100 per cent. of his base salary

(or if it is determined that exceptional circumstances exist which justify a higher percentage, such higher percentage as determined by the Company, not exceeding 150 per cent. of his base salary).

10.2.4 **Performance Target**

The extent to which an award shall vest shall depend on the calculation that the annual growth rate compounded would give the difference between the basic earnings per Ordinary Share in the financial year immediately preceding the first performance period compared to the earnings per Ordinary Share in the last financial period of the Performance period and the Company shall determine whether all or part of the Option has vested based on the following:

- (i) RPI growth of +15 per cent. per annum will vest an award of 25 per cent. on the third anniversary of the date of grant;
- (ii) RPI growth of +20 per cent. per annum will vest an award of 50 per cent. on the third anniversary of the date of grant; and
- (iii) RPI growth of +25 per cent. per annum will vest an award of 100 per cent. on the third anniversary of the date of grant.

The Company may adjust the performance target if considered fair and reasonable to do so.

10.2.5 **Dividend Equivalents**

An award may be granted with the right to receive and increased number of Ordinary Shares or a cash payment to take account of any dividends for which the dividend record date falls between the date granted and the date of vesting.

10.3 Movements in Share Options during the period since 30 March 2013 to 25 November 2013 being the latest practicable date prior to publication of this document are summarised as follows:

	<i>No. of Share Options Victoria PLC 2008 LTIP</i>	<i>No of Share Options PSP</i>
Outstanding at beginning of period (30 March 2013)	130,981	15,332
Granted during the period	NIL	NIL
Forfeited during the period	76,436	NIL
Exercised during the period	NIL	NIL
Outstanding at the end of the period	54,545	15,332
Exercisable at the end of the period	54,545	NIL

11. LITIGATION

No member of the Enlarged Group is or has been engaged in any governmental, legal or arbitration proceedings which may have, or have had during the Enlarged Group's twelve months preceding the date of this document, a significant effect on the Enlarged Group's financial position or profitability and the Directors are not aware of any such proceedings which are pending or threatened by or against any member of the Enlarged Group.

12. WORKING CAPITAL

The Directors, having made due and careful enquiry, are of the opinion that, taking into account the consideration payable under the Acquisition Agreement, the working capital available to the Enlarged Group will be sufficient for its present requirements, that is for at least the next twelve months from the date of Admission.

13. SIGNIFICANT CHANGE IN FINANCIAL OR TRADING POSITION

Save as disclosed in this document, there has been no significant change in the financial or trading position of Victoria since 30 March 2013, the date to which the latest audited consolidated accounts of the Company and its subsidiaries were prepared. Further and save as disclosed in this document, there has been no significant change in the financial or trading position of Globesign since 1 March 2013, being the date to which the latest public financial information, as set out in Part III of this document, was prepared.

14. TAXATION

14.1 Introduction

The following paragraphs are intended as a general guide based on current UK legislation, and HMRC published practice as at the date of this document regarding the tax position of Shareholders who are resident or ordinarily resident in the UK for tax purposes and who beneficially hold their shares as investments (otherwise than under an individual savings account ("ISA")).

The following paragraphs do not constitute tax advice and are intended only as a general summary. The information applies only to Ordinary Shares held as capital assets and does not apply to all categories of Shareholders, such as dealers in securities, trustees, insurance companies, collective investment schemes and Shareholders who have, or who are deemed to have, acquired their Ordinary Shares in connection with an employment contract with the Company or as an office holder. Any Shareholder who is in doubt as to their tax position, or who is subject to tax in a jurisdiction other than the United Kingdom is strongly recommended to consult their professional advisers.

14.2 UK Taxation of Dividends

Under current UK legislation, no tax is required to be withheld from dividend payments by the Company.

An individual Shareholder who is resident (for tax purposes) in the UK and who receives a dividend paid by the Company will currently be entitled to receive a tax credit equal to 1/9th of the cash dividend. The individual will be taxable upon the total of the dividend and the related tax credit (the “**gross dividend**”) which will be regarded as the top slice of the individual's income. An individual Shareholder who is not liable to income tax at a rate greater than the basic rate (currently 20 per cent.) will pay tax on the gross dividend at the dividend ordinary rate (currently 10 per cent.). Accordingly, the tax credit will be treated as satisfying the individual's liability to income tax in respect of the dividend and there will be no further tax to pay. It should be noted however that there is no right to claim any repayment of the tax credit from HMRC.

To the extent that the gross dividend (taken together with other taxable income) exceeds the individual's threshold for the higher rate of income tax the individual will, to that extent, pay tax on the gross dividend at the dividend upper rate (currently 32.5 per cent.). A UK resident individual Shareholder who is liable to tax at the additional rate will be liable to tax on the gross dividend at the rate of 37.5 per cent. After taking into account the 10 per cent. tax credit, a higher rate tax payer will have further income tax to pay at the rate of 22.5 per cent. on the gross dividend (equivalent to 25 per cent. of the dividend received). An additional rate taxpayer will have further income tax to pay at the rate of 27.5 per cent. on the gross dividend (equivalent to 30.55 per cent. of the dividend received).

A Shareholder which is a company resident (for tax purposes) in the United Kingdom and which receives a dividend paid by the Company will not in most circumstances be liable to corporation tax or income tax on the dividend.

Trustees of discretionary trusts are liable to account for income tax at the dividend trust rate, currently 37.5 per cent. of the gross dividend (equivalent to 30.55 per cent. of the dividend received).

United Kingdom pension funds and charities are generally exempt from tax on dividends which they receive but are not entitled to claim repayment of the tax credit.

14.3 Taxation of Capital Gains

A disposal or deemed disposal of Ordinary Shares by a UK resident Shareholder may give rise to a chargeable gain (or allowable loss) for the purposes of UK capital gains tax (“CGT”) (where the Shareholder is an individual or a trustee of a settlement) or UK corporation tax on chargeable gains (where the Shareholder is within the charge to UK corporation tax), depending on their circumstances and subject to any available exemption or relief.

As regards an individual Shareholder or trustees of settlements, the principal factors that will determine the extent to which a gain will be subject to CGT are (i) the extent to which he realises any other capital gains in the tax year of assessment in which the gain arises; (ii) the extent to which he has incurred capital losses in that or any earlier tax year or assessment and (iii) the level of annual allowance of tax-free gains in the tax year of assessment in which the disposal takes place.

Subject to the availability of any such exemptions, reliefs and/or allowable losses, a disposal of Ordinary Shares by UK resident (or ordinarily resident) individuals, trustees and personal representatives will generally be subject to CGT at the rate of 28 per cent. Individuals whose taxable income for the year in question is less than the upper limit of the basic rate income tax band are subject to CGT at the rate of 18 per cent., except to the extent that the aggregate of their total taxable income and gains (less allowable deductions) in that year exceeds the upper limit of the basic rate income tax band. Any such excess over the upper limit is subject to CGT at the rate of 28 per cent.

Subject to the availability of any exemptions, reliefs and/or allowable losses, a disposal of Ordinary Shares by companies subject to UK corporation tax will generally be subject to UK corporation tax at the prevailing rate up to 23 per cent. for the financial year 1 April 2013 to 31 March 2014 reducing to up to 21 per cent. for the financial year 1 April 2014 to 31 March 2015). Indexation allowance may

be available to reduce any chargeable gain arising on such disposal but cannot act to create or increase a chargeable loss.

14.4 UK Stamp duty and stamp duty reserve tax (“SDRT”)

Currently dealings in Ordinary Shares will normally be subject to stamp duty or SDRT. The transfer on sale of Ordinary Shares will usually be liable to ad valorem stamp duty, at the rate of 0.5 per cent. (rounded up, if necessary, to the next multiple of £5) of the amount or value of the consideration paid. Stamp duty will normally be paid by the purchaser or transferee of the Ordinary Shares. An unconditional agreement to transfer Ordinary Shares will normally give rise to a charge to SDRT, at the rate of 0.5 per cent. of the amount or value of the consideration payable for such shares, but such liability will be cancelled, or any SDRT paid refunded, if the agreement is completed by a duly stamped instrument of transfer within six years of the date of the agreement or, if the agreement was conditional, the date on which the agreement became unconditional. SDRT will normally be 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 money's 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 of shares within CREST are generally liable to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration payable rather than 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.

The above statements are intended to be a general guide to the current stamp duty and SDRT position. Certain categories of person are not liable to stamp duty or SDRT and others may be liable at a higher rate as mentioned above or may, although not primarily liable for the tax, be required to notify and account for it. Special rules apply to agreements made by market intermediaries and to certain sale and repurchase and stock borrowing arrangements. Agreements to transfer shares to charities will not give rise to a liability to stamp duty or SDRT.

14.5 The Government has announced its intention to abolish stamp duty on shares quoted on growth markets such as the Alternative Investment Market and the ISDX Growth Market. It is expected (subject to the outcome of consultations) that this will be in force from April 2014.

14.6 Inheritance tax

14.6.1 Individual and trustee investors domiciled or deemed to be domiciled in any part of the UK may be liable on occasions to inheritance tax (“IHT”) on the value of any Ordinary Shares held by them. IHT may also apply to individual shareholders who are not domiciled in the UK although relief under a double tax convention may apply to those in this position.

14.6.2 Under current law, the chief occasions on which IHT is charged are on the death of a Shareholder, on any gifts made during the seven years prior to the death of the Shareholder, and on certain lifetime transfers, including transfers to trusts or appointments out of trusts to beneficiaries, save in very limited and exceptional circumstances.

14.6.3 However, a relief from IHT known as business property relief (“BPR”) may apply to Ordinary Shares in trading companies once these have been held for two years. This relief applies notwithstanding that the Company's shares will be admitted to trading on AIM (although it does not apply to companies whose shares are listed on the Official List). BPR operates by reducing the value of shares for IHT purposes by 100 per cent..

15. MANDATORY BIDS, SQUEEZE-OUT AND SELL OUT RULES RELATING TO ORDINARY SHARES

15.1 Mandatory bid

15.1.1 The Company is subject to the Takeover Code as it is a public company with its registered office in the United Kingdom. Under the Takeover Code, if an acquisition of Ordinary Share

were to increase the aggregate holding of the acquirer and any parties acting in concert with it to Ordinary Shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer and, depending on the circumstances, its concert parties (if any) would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash offer for the Ordinary Shares not already owned by the acquirer and its concert parties (if any) at a price not less than the highest price paid for Ordinary Shares by the acquirer or its concert parties (if any) during the previous twelve months.

15.1.2 A similar obligation to make such mandatory cash offer would also arise on the acquisition of Ordinary Shares by a person holding (together with its concert parties, if any) Ordinary Shares carrying at least 30 per cent. but not more than 50 per cent. of the voting rights in the Company if the effect of such acquisition were to increase the percentage of the aggregate voting rights held by the acquirer and its concert parties (if any).

15.2 Squeeze-out rules

Under the 2006 Act, if a person who has made a general offer to acquire Ordinary Shares (the “**offeror**”) were to acquire, or contract to acquire, 90 per cent. of the Ordinary Shares which are the subject of such offer within four months of making its offer, the offeror could then compulsorily acquire the remaining 10 per cent. The offeror would do so by sending a notice to outstanding Shareholders telling them that the offeror will compulsorily acquire their Ordinary Shares and then, six weeks later, executing a transfer of the outstanding Ordinary Shares in the offeror’s favour and paying the consideration to the Company, which would hold the consideration on trust for outstanding Shareholders. The consideration offered to those Shareholders whose Ordinary Shares are compulsorily acquired under the 2006 Act must, in general, be the same as the consideration that was available under the general offer.

15.3 Sell-out rules

15.3.1 The 2006 Act gives minority Shareholders a right to be bought out in certain circumstances by a person who has made a general offer as described in paragraph 15 above. If, at any time before the end of the period within which the general offer can be accepted, the offeror holds, or has agreed to acquire not less than 90 per cent. of the Ordinary Shares, any holder of Ordinary Shares to which the general offer relates who has not accepted the general offer can, by a written communication to the offeror, require it to acquire that holder’s Ordinary Shares.

15.3.2 The offeror is required to give each Shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a Shareholder exercises his rights, the offeror is entitled and bound to acquire those Ordinary Shares on the terms of the offer or on such other terms as may be agreed.

16. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company or another member of the Enlarged Group within the two years immediately preceding the date of this document or which are expected to be entered into shortly after Admission and which are, or may be, material or contain a provision under which any member of the Enlarged Group has an obligation or entitlement which is material in the context of the Enlarged Group as at the date of this document. Neither Globesign nor Westex have entered into any such contracts.

16.1 The Acquisition Agreement

On 26 November 2013 the Company and all the shareholders of Globesign being John Shirt, John Snee, Simon Walker, Simon Thomas and Mark Vale (the “**Sellers**”) entered into a conditional share purchase agreement pursuant to which the Company agreed to purchase the entire issued share capital of Globesign (the “**Acquisition Agreement**”).

Consideration

The aggregate consideration payable under the Acquisition Agreement is:

1. an initial payment of £16,000,000 payable in cash on completion;
2. earn-out consideration of up to in aggregate £8,000,000 (“Final Earn-Out”) at the end of the third anniversary of the Acquisition if the Target Group generates an average EBITDA of £4.2 million in each of the preceding three years; and
3. annual earn-out consideration entitlement payable over a period of 5 years being 100 per cent. of the amount by which net profits after tax generated by the Target Group exceed £2.7 million for each of the first three anniversaries of the Acquisition, together with an amount being 50 per cent. of the sum by which the profits after tax generated by the Target Group exceeds the greater of (i) the highest profit after tax figure achieved during the previous three years; and (ii) £2.7 million in the fourth and fifth anniversaries of the Acquisition.

The Company has agreed to make on account payments in relation to the Final Earn-Out at the expiry of each of the first two years of Completion if certain targets are met.

Management during earn-out period

For the first three years from Completion, the Sellers are entitled to nominate and appoint two directors to the boards of Globesign and Westex. The Company is entitled to nominate and appoint one director to the boards of Globesign and Westex. In the event that net profit after tax is 25 per cent. or more below £2.7 million on an annualised basis over two quarters in the earn-out period, the Company is entitled to appoint such number of directors to the boards of Globesign and Westex as it sees fit.

Limitation on claims

The aggregate liability of the Sellers for all claims under the warranties and tax covenants under the Acquisition Agreement is limited to £7.0 million. The Sellers are not liable for a claim unless all claims when aggregated exceed £250,000 of which any individual claim to count towards the aggregate amount must exceed £100,000.

Conditions

Completion is subject to the following conditions: the passing of the Company’s shareholder resolution in regards to the Acquisition and AIM requirements to maintain the Company’s continued trading; no material adverse change to the business, operations, assets and position of the Target Group; no insolvency event having occurred in relation to the Target Group; and the Target Group having aggregate credit balance in its bank accounts of not less than £2.5 million.

Restrictions on Sellers

The Sellers are subject to restrictive covenants for a period (i) one year following that Seller’s leaver date under his service agreement; and (ii) until the expiry of the third anniversary of the Acquisition (to coincide with the earn out consideration period under the Acquisition Agreement).

16.2 Facilities Agreement

(a) Facility Amounts

A term loan facility of £6.0 million (“**Facility A**”) and a term loan facility of £6.5 million (“**Facility B**”) available by way of cash advances.

The Company is the borrower under the Facilities Agreement, which is between the Company, Victoria Carpets Limited and Westwood Yarns Limited and Barclays Bank Plc.

The Group intends to draw down Facility A and Facility B amounts in full as soon as practicable following Admission.

(b) **Purpose and Availability**

The Acquisition Facilities may be used towards the payment to the Vendors of the purchase price under the Acquisition Agreement and payment of any costs associated with the Acquisition.

(c) **Facility Term and Repayments**

The Facilities Agreement was entered into on 26 November 2013.

The Acquisition Facilities are available from the date when all the conditions precedent are satisfied, expected to be the date of Admission, to the third anniversary of the date of signing.

All amounts borrowed under the Facilities Agreement are to be repaid by way of quarterly instalments commencing on 31 March 2014 and a final termination payment by December 2016.

(d) **Guarantee and indemnity**

The Company, Victoria Carpets Limited and Westwood Yarns Limited guarantee the punctual performance by each other obligor under the agreement of their obligations under the Facilities Agreement and related finance documents and undertake to indemnify the lenders against any cost, loss or liability they incur as a result of an obligor not paying any amount expressed to be payable by it under any finance document.

(e) **Interest Rate and Margin**

Facility A and Facility B will bear interest for each interest period at a rate equal to the aggregate of LIBOR, plus the relevant margin.

The margin for Facility A will be 3 per cent. per annum and the margin for Facility B will be 3.5 per cent. per annum in each case from the date of first utilisation.

(f) **Fees**

An arrangement fee of 1.5 per cent. of the total amount of the Acquisition Facilities payable upon drawdown, together with customary commitment to pay other fees and expenses if applicable.

(g) **Covenants**

The obligors are required to observe certain undertakings including the delivery of audited consolidated financial statements and compliance certificates, annual budget, notification of continuing defaults or material litigation, maintenance of consents and authorisations, compliance with laws, insurance, pension schemes, and preservation of assets.

The obligors are also required to comply with certain negative undertakings including restrictions on change of business, acquisitions, joint ventures, granting security (negative pledge), incurring financial indebtedness, granting loans and guarantees, disposals, and declaring dividends.

The Facilities Agreement requires compliance with certain financial covenants. These covenants are the interest cover ratio and adjusted leverage. For each relevant period (being a period of twelve months) the interest cover ratio i.e. the ratio of EBITDA to Net Finance Charges (as such terms are defined in the Facilities Agreement) must be at least 5:1. For each relevant period the adjusted leverage ratio of Total Net Debt (being the aggregate of borrowings, net of cash and cash equivalents) to Adjusted EBITDA (as such terms are defined in the Facilities Agreement) shall not exceed 2.5:1 for the period to 31 December 2013, and for each relevant period thereafter 2:1. These financial covenants are tested on a quarterly basis.

(h) **Mandatory prepayment**

There will be a mandatory prepayment of the Acquisition Facilities including (a) illegality; (b) Change of Control (as defined in the Facilities Agreement but excluding any issue of ordinary

shares to Geoffrey Wilding) of the Company and (c) until Facility A only has been repaid or cancelled in full, the net proceeds of certain disposal, equity capital markets and debt capital markets proceeds (subject to agreed exceptions).

The Company may voluntarily prepay the loans subject to 10 business days prior notice and in agreed minimum amounts and integral multiples.

(i) **Security**

The Acquisition Facilities are secured by way of debentures over the assets of each obligor and the Target Group and cross guarantees.

(j) **Events of Default**

The Facilities Agreement also contains certain customary events of default for facilities of this nature, the occurrence of which will allow the lender to accelerate all outstanding loans and terminate their commitments. The events of default include, among other things, non-payment, breach of a financial covenant, misrepresentation or breach of any other provision of the finance documents, cross-default, insolvency, the commencement of any insolvency or similar proceedings, ownership of the obligors (other than the Company), material litigation, failure to comply with intercreditor arrangements, unlawfulness and material adverse change.

16.3 Sale and Leaseback Transactions

(a) **Bendigo sale and leaseback**

On 19 September 2013, The Victoria Carpet Company Pty Limited, the Company's Australian subsidiary, entered into various agreements in respect of the sale and lease back of the Bendigo property, a spinning factory in Victoria, Australia.

Contract for Sale of Real Estate

The purchaser is Hume & Iser Pty Ltd. The purchase price for the sale of the Bendigo property is AUS \$3,100,000. The Australian Subsidiary has given customary warranties to the purchaser in accordance with the Estate Agents (Contracts) Regulations 2008 of Australia. Completion is due to occur on 19th December 2013 whereupon the Australian Subsidiary will enter into a new lease of real estate for the Bendigo property (the "**Bendigo Lease**") with Hume and Iser Pty Ltd.

Bendigo Lease

The Bendigo Lease has been agreed in principle on the signing of the contract for sale and will, subject to completion, taking place, be executed by relevant parties at completion.

The Australian Subsidiary's obligations under the Bendigo Lease are not guaranteed by any Group Company. The key terms of the Bendigo Lease are as follows:

- *Rent* – the rent is AUS \$22,500 per month (exclusive of tax).
- *Term* – ten years from the date of the Bendigo Lease. The Australian Subsidiary has a contractual option to renew for two further terms of five years each at the expiry of the original term, whereupon there will be an open market rent review to determine the initial rent.
- *Security deposit* – a bank guarantee equal to six calendar months' rent at the commencement date of the Bendigo Lease, being \$135,000.

(b) **Dandenong sale and leaseback**

On 7 November 2013, The Victoria Carpet Company Pty Ltd entered into a property transaction in respect of the sale and lease-back of the Dandenong property in Australia pursuant to a contract of sale of real estate between the Australian Subsidiary as seller and Gladstone Road Pty Ltd as purchaser for a consideration of AUS \$7,400,000. Completion is due to occur on 28 January 2014 whereupon the Lease in respect of the Dandenong property

(the “**Dandenong Lease**”), will subject to completion of the contract of sale, be executed by the Australian Subsidiary and Gladstone.

Dandenong Lease

Gladstone is the Landlord under the Dandenong Lease and the Australian Subsidiary is the tenant. The Australian Subsidiary's obligations under the Dandenong Lease are not subject to any guarantee by any Group Company. The key terms of the Dandenong Lease are as follows:

- *Rent* – the initial rent is AUS \$58,583 per month (exclusive of taxes).
- *Term* – the term of the Dandenong Lease is for 12 years starting from the date of completion. The Australian Subsidiary has a contractual option to renew for a further two terms of five years each, whereupon there will be an open market rent review to determine the initial rent.
- *Security deposit* – a bank guarantee equal to 12 calendar month's rent is to be provided.
- *Indemnity* – the Australian Subsidiary has given the usual indemnities to the Landlord in relation to damage to the premises and any associated costs.
- *Environmental indemnity* – the Australian Subsidiary has provided a customary indemnity to the Landlord in respect of breaches of environmental law during the term of the Dandenong Lease.

16.4 On 21 November 2013 the Company entered into an engagement letter with Cantor Fitzgerald Europe pursuant to which Cantor Fitzgerald have agreed to act for the Company in connection with the Acquisition and Admission. In consideration for providing such services, Cantor Fitzgerald is to be paid a corporate finance fee of £150,000 (plus VAT) if applicable. The Company agreed to Cantor Fitzgerald's standard terms and conditions which include the customary warranties and indemnities.

16.5 On 1 July 2013 Colin Campbell & Sons Ltd, the Company's Canadian operation, entered into a share purchase agreement to acquire all the shares held by ELTE Carpets Limited (the other joint venture shareholder in Colin Campbell & Sons Ltd) for an aggregate purchase price of \$100,000 Canadian Dollars. The usual representations and warranties as to title to shares were given by ELTE Carpets Ltd who also entered into a non-compete agreement with Colin Campbell & Sons Ltd for a period of 18 months from completion. Colin Campbell & Sons Ltd then cancelled all the purchased shares leaving Victoria Plc as its sole shareholder.

On 30 August 2013 Colin Campbell & Sons Ltd renewed its lease with MetCorp Limited in respect to its premises in Vancouver. The lease was renewed for the same rental rate and on other materially the same terms and expires on 31 January 2015.

16.6 Contract for Differences

On 19 April 2013, the Company and Geoffrey Brendon Wilding entered into a contract for differences agreement (the “**Incentive Contract**”) which is intended to ensure Mr Wilding is encouraged to generate significant value for all shareholders of the Company. Mr Wilding paid the Company the amount of £20,000 on signing, reflecting the market value of the Contract.

The term of the Incentive Contract is for a maximum of five years at the end of which the Contract will be settled with either a payment by the Company to Mr Wilding or by Mr Wilding to the Company. The Incentive Contract may be closed out early due to circumstances arising as stated in the Incentive Contract which include, *inter alia*, automatically on the second anniversary of the Incentive Contract if shareholders have not received a minimum of £3 per Share on their Shares, a change of control of the Company and a winding-up of the Company.

Payments due under the Incentive Contract are calculated by reference to the increase or decrease (as applicable) in shareholder value from 19 April 2013 to the date of termination. Under the Incentive Contract, at least £3 per share in the Company must be returned to the shareholders within two years before any value can accrue to Mr Wilding.

The Incentive Contract sets out the calculations for any payment which may be due to Mr Wilding by the Company. The Incentive Contract value can never exceed 50 per cent. of the amount by which total shareholders value exceeds a return of £3.00 per Share, and nor can the Incentive Contract value exceed 25 per cent. of the market capitalisation of the Company (which for these purposes is the actual market capitalisation increased by the total returns to shareholder made since the date of the Incentive Contract).

16.7 The Nominated Adviser and Broker Agreement

On 7 December 2012 the Company, the Directors and Seymour Pierce Limited (the “**Nomad**”) entered into an agreement pursuant to which the Nomad agreed to act as nominated adviser and broker to the Company following Admission as required by the AIM Rules. Cantor Fitzgerald Europe acquired the business of Seymour Pierce and took over as Nomad pursuant to a novation agreement dated 27 February 2013 between the Company, Seymour Pierce Limited (in Administration), Cantor and the administration of Seymour Pierce. The Nomad shall provide, *inter alia*, such independent advice and guidance to the directors of the Company and the Company as they may require from time to time as to the nature of their responsibilities and obligations to ensure compliance by the Company on a continuing basis with the AIM Rules for Companies. The Company has agreed to pay the Nomad a retainer fee as well as payment of any disbursements and expenses reasonably incurred by the Nomad in the course of carrying out its duties as nominated advisor and broker. The agreement is terminable on three month’s notice given by either the Nomad or the Company. The agreement also contains provisions for early termination in certain circumstances and an indemnity given by the Company to the Nomad in relation to the provision by the Nomad of its services under the agreement.

16.8 Existing Bank Facilities Agreements

(a) Existing Term Loan Facility

On 11 July 2012 the Company entered into a term loan facility for £2.0 million with Barclays Bank Plc. The term facility will mature in July 2014. The margin payable on borrowings under the term facility is 2.75 per cent. per annum above Libor. The Existing Term Facility Agreement contains certain representations, warranties and covenants customary for a facility of this nature. Such covenants include the maintenance of agreed financial ratios as set out below and restrictions on disposals, acquisitions, indebtedness and the grant of security and payment of dividends other than certain agreed circumstances.

The obligations of the Company under the Existing Term Facility Agreement are supported by cross guarantees and security in the form of pledges over shares granted by certain agreed companies within the Group as well as further security over specified assets or over the whole undertaking.

The Existing Term Facility Agreement requires the Company to maintain specified financial ratios (which were amended on 26 November 2013 to bring the financial covenants in line with those contained in the Acquisition Facilities Agreement) being the interest cover ratio and the adjusted leverage, as detailed in paragraph 16.2(g) above.

The Existing Term Facility Agreement contains customary mandatory pre-payment provisions that require pre-payment of amounts in the event of certain events taking place, for example the pre-payment of sale proceeds upon a disposal of any asset, undertaking or business, subject to certain exclusions. The term facility can also be voluntarily pre-paid either in whole or in part.

The Existing Term Facility Agreement also contains certain events of default, for example a change of control or the sale of all or substantially all of the Group’s assets, the occurrence of which will give the lenders the right to accelerate outstanding loans, terminate commitments and enforce their security.

(b) **Existing Revolving Facility Agreement**

On 11 July 2012 Victoria entered into a revolving credit facility for £8.0 million, (which was amended by letter of variation on 26 November 2013 to bring the financial covenants in line with those contained in the Acquisition Facilities Agreement) which expires on 30 June 2015 with Barclays Bank Plc.

The Existing Revolving Credit Facility contains customary covenants, representations and events of default including restrictions on disposals, subsidiary indebtedness and the creation of security. The financial covenants, as amended, are the interest cover ratio and the adjusted leverage ratio, as detailed in paragraph 16.2(g) above.

(c) **Existing Overdraft Facility Agreement**

The overdraft facility available is £7.5 million gross and £1.0 million net and the purpose of the overdraft is for working capital purposes. The interest payable is 2.15 per cent. above Barclays Bank's base rate.

17. RELATED PARTY TRANSACTIONS

Save as set out in paragraph 16.6 (*Incentive Contract*) of Part IV of this document, as far as the Directors are aware, there have been and currently there are no agreements or arrangements between the Enlarged Group and individuals or entities that may be deemed to be related parties during the financial periods ended 2 April 2011, 31 March 2012 and 30 March 2013 and the period 30 March 2013 to 25 November 2013 (being the latest practicable date prior to the publication of this document).

18. OTHER INFORMATION

18.1 The issued share capital of Victoria was admitted to trading on AIM on 17 January 2013, having previously been listed on the Official List. In accordance with the AIM Rules and the Listing Rules, the Company's audited financial results, prepared in accordance with IFRS for each of the three financial years ended 30 March 2013, 31 March 2012 and 2 April 2011 are publicly available on its website: www.victoria.com.

18.2 The auditor of Victoria for the financial periods ended 2 April 2011 and 31 March 2012 was Deloitte LLP. On 6 February 2013, Deloitte LLP resigned as auditors of Victoria and Nexia Smith & Williamson were appointed. Nexia Smith & Williamson were the auditor of Victoria for the financial year ended 30 March 2013. The audit reports on such statutory accounts of the Company by Deloitte LLP and Nexia Smith & Williamson for such respective periods were unqualified.

18.3 The Company's accounting reference date is 31 March.

18.4 Cantor Fitzgerald Europe has given and not withdrawn its written consent to the issue of this document with the inclusion in it of references to its name in the form and context in which they appear.

18.5 Nexia Smith & Williamson, as the reporting accountant, has given and not withdrawn its written consent to the inclusion of its reports in sections A of Part III of this document in the form and context in which it is included.

18.6 Other than contractual arrangements with employees and consultants and payments in the ordinary course of business, and save as set out in this document, no person (excluding those professional advisers disclosed in this document and trade suppliers) has:

18.6.1 received, directly or indirectly, from the Company within the twelve months preceding the date of this document;

18.6.2 entered into contractual arrangements to receive, directly or indirectly, from the Company on or after Admission, any of the following:

(i) fees, totalling £10,000 or more;

- (ii) securities in the Company with a value of £10,000 or more; or
- (iii) any other benefit with a value of £10,000 or more at the date of Admission.

- 18.7 The total costs and expenses of, and incidental to, the Admission payable by the Company are estimated to amount to £670,000 (excluding Value Added Tax).
- 18.8 Save as disclosed in this document, no exceptional factors have influenced the Company's activities.
- 18.9 Cantor Fitzgerald Europe is registered in England and Wales with number 02505767 and is a member of the London Stock Exchange and is authorised and regulated by the Financial Conduct Authority. Its registered office is at One Churchill Place, Canary Wharf, London E14 5RB.
- 18.10 There are no investments to be made by the Company or any member of the Enlarged Group in the future in respect of which firm commitments have been made.
- 18.11 There are no restrictions on the free transferability of the securities.
- 18.12 Save as disclosed in this document there are no arrangements, known to the Company, the operation of which may at a subsequent date result in a change of control of the Company.
- 18.13 There are no environmental issues that may affect the Enlarged Group's utilisation of its tangible fixed assets.
- 18.14 Save as disclosed in this document, the Enlarged Group is not dependent on any patents or licences, industrial, commercial or financial contracts or new manufacturing processes in anyway which may materially affect the Company's business or profitability.
- 18.15 There have been no public takeover bids made by third parties in respect of the Company's issued share capital which have occurred during the last financial year or the current financial year.

19. AVAILABILITY OF THIS DOCUMENT

A copy of this document is available free of charge during normal business hours on any week day (excluding Saturdays, Sundays and public holidays) from the registered office of the Company and at the offices of Cantor Fitzgerald Europe, at One Churchill Place, Canary Wharf, London, EC14 5RB and shall remain available for at least one (1) month after the date of Admission. A copy of this document is also available for download at the Company's website, www.victoria.com

Dated 26 November 2013

PART V

NOTICE OF GENERAL MEETING

VICTORIA PLC

(Registered in England and Wales under company No: 282204)

NOTICE IS HEREBY GIVEN that a General Meeting of Victoria PLC (the “**Company**”) will be held at the offices of Brown Rudnick LLP, 8 Clifford Street, London W1S 2LQ at 10.00 a.m. on 13 December 2013 for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as an ordinary resolution:

Ordinary Resolution

1. **THAT**, the acquisition (the “**Acquisition**”) by the Company of the entire issued and to be issued share capital of Globesign Limited on the terms and subject to the conditions set out in the agreement dated 26 November 2013 between (1) the Company; and (2) the shareholders of Globesign Limited (the “**Acquisition Agreement**”) and related documentation to be entered into pursuant to the Acquisition Agreement as summarised in the circular to Shareholders of the Company dated 26 November 2013 (“**Admission Document**”), be and is hereby approved for the purposes of Rule 14 of the AIM Rules with such minor amendments as the Directors may approve, and the Directors or any duly authorised committee of the Directors be authorised to take all steps necessary or desirable to complete the Acquisition.

BY ORDER OF THE BOARD

Terry Danks
Company Secretary

Registered Office
Worcester Road
Kidderminster
Worcestershire
DY10 1JR

26 November 2013

Notes:

1. A member entitled to attend and vote at the General Meeting may appoint another person(s) (who need not be a member of the Company) to exercise all or any of his rights to attend, speak and vote at the General Meeting. A member can appoint more than one proxy in relation to the General Meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by him.
2. A proxy does not need to be a member of the Company but must attend the General Meeting to represent you. Your proxy could be the Chairman, another director of the Company or another person who has agreed to attend to represent you. Your proxy will vote as you instruct and must attend the General Meeting for your vote to be counted. Appointing a proxy does not preclude you from attending the General Meeting and voting in person.
3. A Form of Proxy which may be used to make this appointment and give proxy instructions accompanies this Notice of General Meeting. Details of how to appoint a proxy are set out in the notes to the Form of Proxy. If you do not have a Form of Proxy and believe that you should have one, or if you require additional forms, please contact the Company Secretary at the Company's registered office, Worcester Road, Kidderminster, Worcestershire DY10 1JR.
4. In order to be valid, an appointment of proxy must be returned (together with any authority under which it is executed or a copy of the authority certified) in hard copy form by post, by courier or by hand to the Company's registrars, Capita Asset Services, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU and must be received by 10.00 a.m. on 11 December 2013.
5. To change your proxy instructions you may return a new proxy appointment using the method set out above. Where you have appointed a proxy and would like to change the instructions, please contact the Company's registrars, Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. The deadline for receipt of proxy appointments (see above) also applies in relation to amended instructions. Any attempt to terminate or amend a proxy appointment received after the relevant deadline will be disregarded. Where two or more valid separate appointments of proxy are received in respect of the same share in respect of the same meeting, the one which is last received shall be treated as replacing and revoking the other or others.
6. CREST members who wish to appoint a proxy or proxies by utilising the proxy appointment service may do so for the meeting (and any adjournment thereof) by following the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members (and those CREST members who have appointed a voting service provider) should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("Euroclear") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message (regardless of whether it relates to the appointment of a proxy, the revocation of a proxy appointment or to an amendment to the instruction given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by Capita Asset Services (ID RA10) by the last time(s) for receipt of proxy appointments specified in note 4 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Capita Asset Services is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members (and, where applicable, their CREST sponsors or voting service providers) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members (and, where applicable, their CREST sponsors or voting service providers) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
7. A copy of this Notice of General Meeting has been sent for information only to persons who have been nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a "Nominated Person"). The rights to appoint a proxy cannot be exercised by a Nominated Person: they can only be exercised by the member. However, a Nominated Person may have a right under an agreement between him and the member by whom he was nominated to be appointed as a proxy for the General Meeting or to have someone else so appointed. If a Nominated Person does not have such a right or does not wish to exercise it, he may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.
8. To be entitled to attend and vote at the General Meeting, members must be registered in the register of members of the Company at 6.00 p.m. on 11 December 2013 (or, if the meeting is adjourned, 48 hours prior to the adjourned meeting time). Changes to entries on the register after this time shall be disregarded in determining the rights of persons to attend or vote (and the number of votes they may cast) at the meeting or adjourned meeting.
9. Voting on the Resolution will be conducted by way of a poll rather than a show of hands. This is a more transparent method of voting as member votes are to be counted according to the number of shares held. As soon as practicable following the General Meeting, the results of the voting at the General Meeting will be announced via a regulatory information service.
10. A member of the Company which is a corporation may authorise a person or persons to act as its representative(s) at the General Meeting. In accordance with the provisions of the Companies Act 2006, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares. It is no longer necessary to nominate a designated corporate representative.
11. The Company must cause to be answered at the General Meeting any question relating to the business being dealt with at the General Meeting which is put by a member attending the General Meeting, except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered or if to do so would involve the disclosure of confidential information.

12. As at 25 November 2013 (being the last Business Day prior to the publication of this Notice of General Meeting), the Company's issued share capital consists of 7,033,185 ordinary shares of 25 pence each with voting rights. Therefore, the number of total voting rights in the Company is 7,033,185.
13. The contents of this Notice of General Meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the General Meeting, the total voting rights that members are entitled to exercise at the General Meeting, details of the totals of the voting rights that members are entitled to exercise at the General Meeting and, if applicable, any members' statements, members' resolution or members' matters of business received by the Company after the date of this Notice of General Meeting will be available on the Company's corporate website: www.Victoriapl.com

