



Countrywide Farm Shops Plc

Offer for Subscription

Promoted by:

Cairneagle Associates LLP



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If you are in any doubt about the contents of this document, you should consult a person authorised for the purposes of the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

This document does not constitute a prospectus as defined by the Prospectus Regulations 2005. In issuing this document Countrywide Farm Shops Plc ("the Company") is relying on paragraphs 12, 18, 19, 48, 49, 50, 50A and 51 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005. Details of these exemptions are set out in this document. Applications from persons not falling within such exemptions will be rejected and the offer contained herein is not capable of acceptance by any such person. Investors not within the United Kingdom should consider the contents of paragraph 2 of Part VII of this document carefully.

The Company, whose registered office is set out on page 10, and the Directors, whose names and functions are set out on page 17, accept responsibility for the information contained in this document and declare that, having taken all reasonable care to ensure that such is the case, the information contained in this document is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

Countrywide Farm Shops Plc

(Registered in England and Wales under the Companies Act 2006 with registered number 7154892)

OFFER FOR SUBSCRIPTION

comprising of

An offer of up to 1,949,700 ordinary shares of 50p each in the capital of the Company at £1.00 per ordinary share payable in full on application with a minimum subscription of £10,000 per Investor

Promoted by Cairneagle Associates LLP

Cairneagle Associates LLP ("Cairneagle") is acting as promoter in connection with the arrangements set out in this document and is not acting for anyone else and will not be responsible to anyone other than the Company for providing the protections offered to customers of Cairneagle or for providing advice in respect of the contents of this document or the Offer. No liability is accepted by Cairneagle for the accuracy of any information or opinions contained in or for the omission of any material information for this document, for which the Company and the Directors are solely responsible.

An investment in the Company may not be suitable for all recipients of this document. A prospective Investor should consider carefully whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them.

The subscription list will open at 10.00am on 9th March 2010 and close on the earlier of full subscription or midday on 5 April 2010 for Ordinary Shares to be allotted under the Offer. This date can be extended at the discretion of the directors. The minimum investment per Investor under the Offer is £10,000. Once the Minimum Subscription is raised, the Directors will proceed to allot Ordinary Shares even if the Offer is not subscribed in full. Such allotments of Ordinary Shares shall be made for the number of Ordinary Shares applied for or such lesser number of Ordinary Shares as the Directors in their absolute discretion shall determine. Applications must be made subject to terms and conditions of application set out in Part IX of this document, by completing the application form at the end of this document.

Provisional approval has been applied for from HM Revenue & Customs such that, the Company and its activities will qualify under the Enterprise Investment Scheme (EIS) (as set out in the Income Tax Act 2007). Following the issue of New Ordinary Shares and after the Company has traded for four months, the Company can apply to HM Revenue & Customs for authorisation to issue tax relief certificates (Form EIS 3) to investors. The Company anticipates that the Trade Commencement Date will be no later than 31 October 2010 and accordingly EIS 3 certificates should be available by 28 February 2011. Although provisional tax clearance has been applied for, there is no guarantee that formal clearance will be achieved or that it will not be subsequently withdrawn. Prospective Investors are advised to take their own taxation advice. The annual limit of EIS-eligible fund raising is £2m per company in any 12 month period.

The whole text of this document should be read. For a discussion of certain risks and other factors that should be considered in connection with an investment in Ordinary Shares, see the section entitled Risk Factors on pages 5 and 6.

Note: This document has been prepared by Cairneagle with the assistance of the Company and third party information. All statements of opinion and/or belief in this document and all views expressed regarding the Company projections, forecasts and statements relating to expectations of future events are those of the Company and the Directors and no other person. No representation or warranty is made, or assurance given that such statements, views, projections or forecasts are correct or that the Company's objectives will be achieved. The information and opinions stated are given for your assistance are not to be relied upon as authoritative and no responsibility is accepted by Cairneagle, or any of their respective directors, officers, employees or agents in respect thereof. Information is provided on a confidential basis. This document does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to anyone to whom it is unlawful to make such a solicitation. Prospective Investors should inform themselves of and observe all applicable laws and regulations including any taxation or exchange control legislation in the countries of their citizenship, residence, domicile or such other status as may be relevant in connection with any subscription of shares. An investment in the Company is suitable only for financially sophisticated investors who are capable of evaluating the merits and risks of such investment, who do not require immediate liquidity for their investment and who have sufficient resources to bear any loss which might result from such investment. If you are in doubt about the contents of this document, you should consult your stockbroker, bank manager, solicitor or other professional adviser.

Summary

This summary should be read solely as an introduction to this document. Any decision to invest in Ordinary Shares should be based on consideration of the document as a whole. Your attention is drawn, in particular to the Risk Factors set out in Part I of this document.

The Business

The Company is seeking to raise a maximum of £1,949,700 before expenses from Investors to acquire, develop and manage one or more freehold, or long leasehold, farm shop and food service businesses.

A company operating farm shops is an example of a business in which individuals can invest and qualify for the Tax Advantages under the Enterprise Investment Scheme whilst having substantial asset backing in the form of freehold land and buildings. The Company can therefore provide tax efficient exposure to the property market whilst also operating in an industry which, given that demand for locally produced food has been increasing, has continued to thrive despite the recession.

Our Strategy

The strategy is to create value for Investors over the next 3 – 5 years through capital gain at exit, which will be enhanced by the Tax Advantages. The Directors anticipate that capital value will grow through:

- An increase in unit profitability, driven by refurbishment, development and improved management.
- The creation of a branded portfolio of units either by the Company raising further monies under the EIS in due course, or, where there is sufficient investor appetite (under the EIS a company can only raise £2m in any 12 month period), by the management incorporating distinct, stand alone companies to raise the money under the EIS, to which the Company will licence the brand. Where new companies are incorporated it is anticipated that the Directors will be appointed to the board of those companies and each of them will be managed by RWGL Ltd on terms similar to the RWGL Service Agreement. The Directors anticipate that by creating a branded portfolio of units the Company or the 'group' of companies will become a more attractive target for a potential buyer. It will of course have the additional benefit of generating economies of scale.

Directors and Management

Management of the sites will be conducted by RWGL Limited ('RWGL') pursuant to the RWGL Service Agreement, details of which are set out on page 37. RWGL is 100% owned by Gordon Leatherdale and Richard Weale who are both non-executive directors of the Company. Gordon was the founder and Chief Executive of The Country Food and Dining group of companies. He raised over £7m from private investors to fund the acquisition and development of a number of freehold farm shop businesses which became one of the largest farm shop groups in the UK under his leadership. Richard was a co-founder of The Country Food and Dining group.

There are three other non-executive directors of the Company, Rupert Barclay, who is the Chairman, Michael Foster and Matt Cooksley. Rupert Barclay is a member of Cairneagle, a strategic management and equity investment consultancy. He has previously been Strategy and M&A director at Allied Domecq plc and Reuters plc. Michael Foster has previously been CEO of Courage Limited and Inntrepreneur Estates Limited, and holds several non-executive positions in the industry, including one with Punch Taverns plc. Matt Cooksley is a member of Cairneagle where he runs the venturing activities. Potential investors should note that Cairneagle are promoters of the Offer and as such Rupert Barclay and Matt Cooksley cannot be regarded as independent directors of the Company.

Key Advisers and Auditors

Solicitors	Sherrards Solicitors 47 Marylebone Lane, London W1U 2NT
Bankers	HSBC Bank PLC 133 Regent Street, London, W1B 4HX
Auditors and Tax Advisors	MacIntyre Hudson LLP 30-34 New Bridge Street, London EC4V 6BJ
Promoters	Cairneagle Associates LLP Victory House, 99-101 Regent Street, London W1B 4RS
Receiving Agent	Share Registrars Limited Suite E, First Floor, 9 Lion & Lamb Yard, Farnham, Surrey GU9 7LL
Property Advisor	Quinton Edwards Limited Bartholomew House, 38 London Road, Newbury, Berkshire RG14 1JX

Selected Financial Information

The Company as of 9th March 2010 had £50,300 of issued share capital, all of which has been paid up. This share capital is currently held by RWGL, Cairneagle Nominees Ltd, Michael Foster, Peter Leatherdale and John Carew Pole (the 'Existing Shareholders').

Balance Sheet	9th March 2010
	£
Current assets	
Debtors	0
Cash at bank	50,300
Total assets	<u>50,300</u>
Capital and Reserves	
Called up share capital	50,300
Shareholders' funds	<u>50,300</u>

The Company was incorporated on 11th February 2010, and as of 9th March 2010 the Company had not begun to trade.

Existing Shareholders

The Existing Shareholders hold the following number of Shares:

Name	Ordinary Shares	A Ordinary Shares
RWGL Ltd	10,000	450
Cairneagle Nominees Ltd	29,600	450
Michael Foster	20,000	100
Peter Leatherdale	10,000	0
John Carew Pole	30,000	0

Tax Advantages for Investors

Individuals who subscribe to not more than £500,000 in a tax year, for shares in companies which qualify for EIS ('Qualifying Companies') and who hold those shares for more than 3 years from the commencement of trade, may be eligible for the Tax Advantages. The Tax Advantages have five main constituents: Income Tax Relief, Exemption from Capital Gains Tax, Capital Gains Deferral, Loss Relief and Inheritance Tax Relief. These are explained in detail in Part IV of the document. In order to be eligible for the Tax Advantages the tax code stipulates that an individual must subscribe in cash for fully-paid up new ordinary shares in a Qualifying Company, and claim the relief. It is important to note that the value of the relief depends on individual circumstances.

Tax relief certificates (the Form EIS 3) are issued to individuals who invest in Qualifying Companies. Once the Qualifying Company issues shares and after it has been trading for four months, the Qualifying Company can apply to HM Revenue & Customs for clearance to issue Form EIS 3 to such individuals.

The Company has applied for provisional approval from HM Revenue & Customs that the Company is a Qualifying Company. The Company anticipates that the Trade Commencement Date will be no later than 31 October 2010 and accordingly, providing formal clearance is obtained from HM Revenue & Customs, EIS 3 certificates should be available by 28 February 2011.

Although provisional tax clearance has been applied for, there is no guarantee that formal clearance will be achieved or that it will not be subsequently withdrawn. Prospective Investors are advised to take their own taxation advice.

Venture Capital Trusts

The Company has applied for provisional assurance that the New Ordinary Shares will be eligible shares and that, in so far as the conditions that apply to the Company are concerned, the New Ordinary Shares will be a "Qualifying Holding" for the purpose of investments by venture capital trusts.

Financial Promotion Order

In issuing this document the Company is relying on paragraphs 12, 18, 19, 48, 49, 50, 50A, and 51 of the Financial Promotion Order. The effect of this is that applications for Ordinary Shares under the Offer will only be accepted from persons falling within those paragraphs, as described in Part VIII of this document, which describes the requirements of the Financial Promotion Order in respect of High Net Worth Individuals and certified and self-certified Sophisticated Investors.

Risk Factors

The value of the New Ordinary Shares may go up or down, the New Ordinary Shares are not readily realisable and an Investor may not get back the amount invested and may consequently lose some or all of the monies invested. It is not intended that any income or capital will be realised by Investors for at least three years. Even then it may be difficult to sell the New Ordinary Shares or to obtain accurate information about their worth and proper information for calculating their current value may not be available. It may be difficult or not possible to dispose of an investment of unquoted securities. There is no guarantee that there will be any exit route.

The Company's success depends on its ability to retain the services of RWGL and in particular the services of Gordon Leatherdale and Richard Weale pursuant to the RWGL Service Agreement, and to recruit and retain other key personnel. If either Gordon Leatherdale or Richard Weale were unable or unwilling to continue providing their services under the RWGL Service Agreement, the Company's business would be disrupted and it might not be able to find replacements on a timely basis or with the same level of skill and experience.

Other risk factors relating to (i) the potential need for future funding and its dilutive effect, (ii) the risks of future legislative changes, (iii) a potential downturn in the UK property market, (iv) the risk of being unable to find suitable sites, (v) changes in taxation rates or interest rates and (vi) changes to the EIS are also relevant to the Company, its business, and any investment in Ordinary Shares.

Documents on Display

Copies of this document, the memorandum of association of the Company, Articles and the Material Contracts, referred to in paragraph 8 of Part VI of this document, may be inspected free of charge at the offices of the Company at Victory House, 99-101 Regent Street, London W1B 4RS during normal business hours on any weekday (public holidays excepted) until the first anniversary of the date of this document.

Part I: Risk Factors

Directors' exposition of risks

The document contains forward-looking statements that involve risks and uncertainties. The Company's actual results and operations could differ materially from those anticipated in the forward-looking statements as a result of the risk factors faced by the Company which are described below and which the Directors believe cover all material risks. In addition to the other information contained in this document, potential Investors should carefully consider the risks described below before making a decision to invest in the Company. If any of the following risks actually materialise, the Company's business, financial condition, results or future operations could be materially adversely affected. Investors should be aware that the value of any New Ordinary Shares can go down as well as up.

General

The attention of prospective Investors is drawn to the fact that ownership of Ordinary Shares in the Company involves a variety of risks. Prospective Investors should carefully consider the entire contents of this document including, but not limited to, the factors described below before deciding whether to subscribe. The information below does not purport to be an exhaustive list or summary of the risks affecting the Company. There may be additional risks of which the Directors are not aware. Prospective Investors should consider carefully whether an investment in the Company is suitable for them, in the light of matters referred to in this document, their personal circumstances and the financial resources available to them. Investment in the Company, which is unquoted and not presently admitted to trading on any recognised investment exchange, involves a degree of risk.

1. The Directors believe that upon raising the Minimum Subscription under the Offer the Company will have sufficient working capital to operate as a viable concern for the 12 months following the date of this document. Any additional equity financing, which may occur in the longer term or to pursue acquisition opportunities that are currently unknown by the Directors, may be dilutive to Shareholders and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, the Company may be required to reduce the scope of its operations or anticipated expansion or to cease trading. There can be no assurance that, if required, alternative funding will be available to the Company.
2. The value of the Ordinary Shares may go up or down, the Ordinary Shares are not readily realisable, an Investor may not get back the amount invested and may consequently lose some or all of the monies invested. It is not intended that any income or capital will be realised by Investors for at least three years. Even then it may be difficult to sell an investment in the Company or to obtain accurate information about its worth and proper information for calculating its current value may not be available. It may be difficult or not possible to dispose of an investment of unquoted securities. Although it is hoped that exit routes will be available via an IPO on AIM or trade sale, there is no guarantee that there will be any exit route. An exit within 3 years of commencement of trade will result in withdrawal of the EIS relief.
3. Events in the past, or experience derived from these, or indeed present facts, beliefs or circumstances, or assumptions derived from any of these, do not predetermine the future. Hopes, aims, targets, plans or intentions contained in this document are no more than that and should not be construed as forecasts.
4. The Company's success depends on its ability to retain the services of RWGL and in particular the services of Gordon Leatherdale and Richard Weale pursuant to the RWGL Service Agreement, and to recruit and retain other key personnel. If either Gordon Leatherdale or Richard Weale were unable or unwilling to continue providing their services under the RWGL Service Agreement or key personnel recruited in future were unable or unwilling to continue in his or her position, the Company's business would be disrupted and it might not be able to find replacements on a timely basis or with the same level of skill and experience. Finding and hiring such replacements could be costly and might require the Company to grant significant equity awards or incentive compensation, which could adversely impact its financial results.
5. The Company's business plan depends to an extent on property values in the United Kingdom, and particularly in the food retail and food service sector. An overall downturn in the UK property market or specifically within the food retail sector would have a materially adverse effect upon the value of the Company and ultimately upon the value of its Ordinary Shares.
6. Exit multiples may vary over time depending on business cycles, interest rates and other factors outside of the control of the Directors.
7. The Company's ability to execute its strategy depends on its ability to find and acquire a suitable site at a reasonable price. While the Directors believe that this should be possible, there is a risk that insufficient sites may become available in the required timeframe.

8. The Company also depends on its ability to successfully improve the trading performance of the farm shop that it acquires. While the Directors believe that they will be able to achieve improved trading performance for the acquired sites, there is no guarantee that this will be the case.
9. Levels, bases of, and reliefs from taxation are subject to change, and the tax reliefs referred to in this document are those currently applying. It should be noted that the 2010 Budget is imminent, which may lead to changed in EIS rules.
10. The Company may finance its acquisitions and developments of the site, in part, by way of debt finance. Whilst the Company may enter into appropriate interest rate hedging arrangements, a rise in interest rates is likely to adversely affect the Company's profitability. In addition, although the Directors do not intend that debt should ever exceed 50 per cent of the properties' market value, this cannot be guaranteed and the Company may be more exposed than anticipated to servicing such debt, if any.
11. Although provisional EIS approval has been applied for from HM Revenue & Customs, there is no guarantee that the formal EIS claims will be agreed or that such agreement will not be subsequently withdrawn and in those circumstances subscription monies will not be returned to Investors. Returns to Investors would be lower in the event that the Company fails to obtain EIS tax relief or that it is subsequently withdrawn, as the Tax Advantages would not be obtained. If the Company is not able to acquire an existing farm shop and commence trading by 31st October 2010, the issue of EIS 3 tax certificates could be delayed. Under EIS rules the Company is required to have employed all the monies it raises from the issue of the New Ordinary Shares (after the deduction of issue costs) within 24 months of the Trade Commencement Date. If the Company fails to employ this level of funds within the required deadlines, the Company would have breached EIS regulations and tax relief would be withdrawn from Investors.
12. The investment offered in this document may not be suitable for all recipients of the document. Prospective Investors are accordingly advised to consult an investment advisor who is authorised under the Financial Services and Markets Act 2000 and specialises in investments of this kind, before making their decision to invest.
13. The Financial Services Compensation Scheme or similar arrangement is not available for claims related to the subscription for, or the performance of, the Ordinary Shares.
14. If the Minimum Subscription for the Offer is not reached by 5th April 2010, no Ordinary Shares will be issued and Investors' monies returned without interest.
15. The 2010 Budget may change the EIS rules, which may affect investors subscribing post 5th April 2010

Part II: Offer Details and Definitions**Offer Statistics****Details of the Offer**

The Company is seeking to raise a maximum of £1,949,700 pursuant to the Offer.

Subscription price per Ordinary Share	£1.00
Number of Ordinary Shares in issue immediately prior to the Offer	99,600
Number of A Ordinary Shares in issue immediately prior to the Offer	1,000
Maximum number of Ordinary Shares being offered by the Company under the Offer	1,949,700
Percentage of the enlarged issued share capital of the Company represented by the New Ordinary Shares*	95%
Minimum number of Ordinary Shares to be subscribed for by each applicant under the Offer	10,000
Gross proceeds of the Offer	£1,949,700
Number of Shares in issue immediately following the Offer*	2,050,300
Estimated net proceeds of the Offer receivable by the Company	£1,842,467
Offer costs have been fixed at 5.5 per cent. of funds raised. This includes an introductory commission of 2.5 per cent. payable to authorised financial advisers.	

* assuming full take-up under the Offer

Expected Timetable of Principal Events

The Offer will open at 10.00 am on 9th March 2010 and in order to qualify for EIS tax relief for the 2009 / 2010 financial year, the latest time and date for application and payment in full for New Ordinary Shares is midday on 5 April 2010. Existing carry back rules would allow investors to subscribe to the offer after 5th April 2010 and still claim EIS relief for the 2009 / 2010 financial year, however the imminent 2010 Budget may change these rules. It is anticipated that the Offer will close on the 5th April 2010; however, this date can be extended at the discretion of the Directors. The issue of New Ordinary Share Certificates will take place a week after the shares are allotted and registered

Definitions

“A Ordinary Shares”	A ordinary shares having a nominal value of 50p each in the share capital of the Company, having the rights set out in the Articles
“A Ordinary Shareholders”	Holders of A Ordinary Shares
“Act”	The Companies Act 2006 or any re-enactment or statutory modification of that Act
"AIM"	The Alternative Investment Market of the London Stock Exchange
“Articles”	The articles of association of the Company, a summary of which is set out in Part VI of this document
“Application Form”	The application form for use in respect of the Offer as set out Part XII of this document
“Cairneagle”	Cairneagle Associates LLP a limited liability partnership, incorporated in England and Wales with registered number OC302340 whose registered office address is at Victory House, 99-101 Regent Street, London, W1B 4RS
“Cairneagle Directors”	The Directors appointed by Cairneagle Nominees pursuant to its right under Articles
“Cairneagle Nominees”	Cairneagle Nominees Limited a private limited company, incorporated in England and Wales with company number 04214606 whose registered office address is at Victory House, 99-101 Regent Street, London, W1B 4RS
“Cairneagle Nominees Agreement”	The agreement dated 3 rd March 2010 made between the Company and Cairneagle Nominees in relation to providing the Cairneagle Directors
“Closing Date”	The final day on which Application Forms may be received by the Company, which shall be the earlier of full subscription and the 5 th April 2010 unless extended.
“the Company”	Countrywide Farm Shops Plc, incorporated in England and Wales (Registered Number 7154892) and having its registered office at Victory House, 99-101 Regent Street, London W1B 4RS
"Directors"	The directors of the Company
“Enterprise Investment Scheme” or “EIS”	The Enterprise Investment Scheme as set out in the Income Tax Act 2007
“Exemption Certificate”	A certificate of an individual’s High Net Worth or certifying an individual’s status as a Sophisticated Investor, in the form set out in Parts XI and X respectively
“Existing Shareholders”	Cairneagle Nominees Limited, RWGL, Michael Foster, Peter Leatherdale and John Carew Pole
“Exit”	An IPO, a sale of the entire issued share capital of the Company, or a sale of all or a substantial part of the assets of the Company.
“Financial Promotion Order”	The Financial and Markets Act 2000 (Financial Promotion) Order 2005
“Fundraising Agreement”	The fundraising agreement dated 3 rd March 2010 made between the Company and Cairneagle in relation to the Offer
“Investor”	A person who completes an Application Form and subscribes for Ordinary Shares pursuant to the Offer

“FSMA”	The Financial Services and Markets Act 2000, or any re-enactment or statutory modification of that Act
“IPO”	The listing of any class of the Company's securities on AIM, the Official List of the London Stock Exchange or another recognised exchange
“Investors”	The persons who subscribe for Ordinary Shares pursuant to the Offer
“Maximum Subscription”	The aggregate maximum subscription of 1,949,700 New Ordinary Shares by Investors pursuant to this Offer
“Minimum Subscription”	The aggregate minimum subscription of £1,000,000 by Investors pursuant to the Offer
“New Ordinary Shares”	The Ordinary Shares to be issued following the Offer
“Offer”	The arrangement whereby Investors will subscribe for Ordinary Shares under the offer contained in the document.
“Offer Price”	£1.00 per Ordinary Share
“Ordinary Shares”	Ordinary shares having a nominal value of 50p each in the capital of the Company having the rights set out in the Articles
“Ordinary Shareholders”	Holders of Ordinary Shares
"Receiving Agent"	Share Registrars Limited a private limited company registered in England and Wales with company number 04715037 whose registered office is at 27-28 Eastcastle Street, London, W1W 8DH and whose trading address is at Suite E, First Floor, 9 Lion & Lamb Yard, Farnham, Surrey, GU9 7LL
"Recognised Stock Exchange"	As defined in Section 841 of the Income and Corporation Taxes Act 1988.
“RWGL”	RWGL Limited, a private limited company registered in England and Wales with company number 07162272 whose registered office is at Hyde Farmhouse Annexe, Walditch, Bridport, Dorset, DT6 4LB
“RWGL Service Agreement”	The agreement for RWGL to provide services to the Company, entered into between RWGL and the Company on 3 rd March 2010.
“Sale of a Controlling Interest”	The sale of (or the grant of a right to acquire or to dispose of) any of the Shares (in one transaction or as a series of transactions) which will result in the buyer of those Shares (or grantee of that right) and persons with him together acquiring a control of the Company
“Shares”	The Ordinary Shares and the A Ordinary Shares
“Shareholders”	A Shareholders and Ordinary Shareholders
“Tax Advantages”	The various tax advantages associated with the EIS as more particularly described in Part IV of the document.
“Trade Commencement Date”	The date on which the Company commences its trade for the purposes of the Enterprise Investment Scheme
“unlisted”	With reference to a company means a company not listed or quoted on an investment exchange or whose shares are not, with the agreement or approval of an officer of the relevant company, the subject of information published for the purpose of facilitating deals in the shares or indicating prices at which persons may be willing to deal

Part III: Information on the Company

Directors, Secretary and Advisers

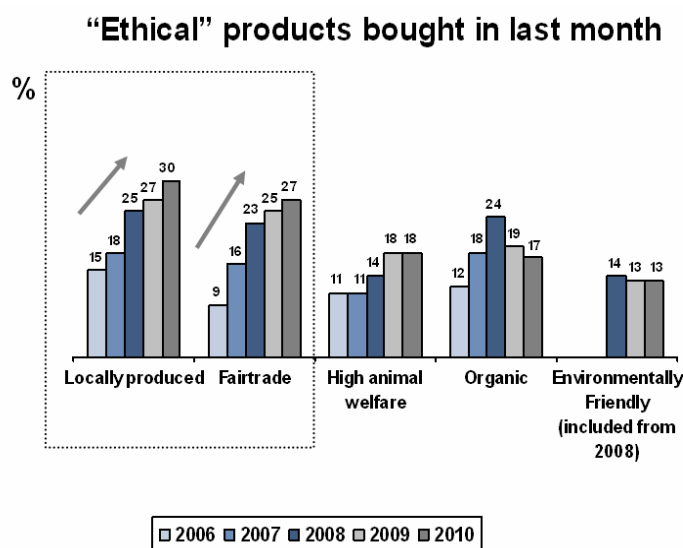
Directors	Rupert Barclay Gordon Leatherdale Matt Cooksley Michael Foster Richard Weale
Company Secretary	Matt Cooksley
Registered Office	Victory House, 99-101 Regent Street, London W1B 4RS
Solicitors	Sherrard Solicitors 47 Marylebone Lane, London W1U 2NT
Bankers	HSBC Bank PLC 133 Regent Street, London, W1B 4HX
Receiving Agent	Share Registrars Limited Suite E, First Floor, 9 Lion & Lamb Yard, Farnham, Surrey GU9 7LL
Auditors and Tax Advisors	MacIntyre Hudson LLP 30-34 New Bridge Street, London EC4V 6BJ
Promoters	Cairneagle Associates LLP Victory House, 99-101 Regent Street, London W1B 4RS
Property Surveyors and Valuers	Quinton Edwards Limited Bartholomew House, 38 London Road, Newbury, Berkshire RG14 1JX

MARKET BACKGROUND

Trends in Food

Trends over recent years demonstrate an increasing desire among consumers to visit farm shops and buy what they perceive to be local and regional foods. Indeed, it is judged that Farm Shops are often now regarded as mainstream shopping destinations.

Most recently, in the (grocery market analysts) IGD report, 'Shopper Trends 2010', 37% of people expect to buy more local food by 2012, and among the top 4 requests from shoppers is to have a farm shop in their area. Moreover the survey suggested that 30% of shoppers say they specifically purchased local food over the past month, compared to 15% in 2006, as indicated below.



The same company reported in 2006 that approximately 65% of shoppers claimed to buy local food and drink, with a further 9% expressing an interest in buying it if availability was better.

There is also a growing consumer desire to minimise the number of 'food-miles' products travel from point of production to point of purchase. Another IGD report in July 2008 suggested that 58% of consumers want products with fewer 'food-miles'. Meanwhile, a survey by the market research company MINTEL found that two in every five consumers want information on 'food-miles' due to concerns about the environment, and that one in five consumers rejects products that had in their opinion travelled too far.

In July 2008 Fine Food Digest magazine stated that the number of farm shops increased by 15% in the year up to mid-2008. The trend towards independent retailers may also represent a backlash against the disproportionate power that supermarkets are perceived to exercise over suppliers. The Western Mail reported in May 2008 that 62% of respondents to a survey were concerned that supermarkets were 'squeezing out British farmers and food producers'.

More recently, the trend for increased use of farm shops by consumers has caught the imagination of garden centre owners. According to gardenforum.co.uk, farm shops are also the fastest growing product area for garden centres and now represent 6% of turnover of members of the Garden Centre association.

According to the Nationwide in a survey of its customers in February 2010, UK consumer confidence is at its highest since February 2008, the report also stating that consumers were more confident about how the economy will develop in 2010.

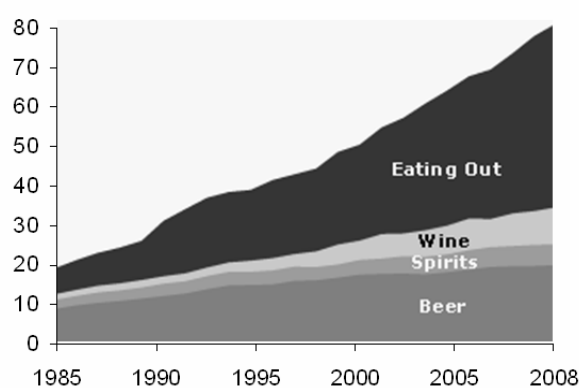
The Directors believe that farm shops are emerging as increasingly mainstream shopping destinations.

Dining Out

It is felt that food provenance continues to be of emerging importance to consumers who eat out, in what is an industry which has emerged strongly over the last 15 years. Indeed, the value of household spending on eating out passed spending on food sector products eaten at home in 2004, and doubled between 1992 and 2004. The impact of the recession has had a negative impact on the foodservice industry as a whole, but in the opinion of the Directors, and based on the experience of Gordon Leatherdale in his recent farm shop venture, a good offer combined with good service can result in food service businesses continuing to grow.

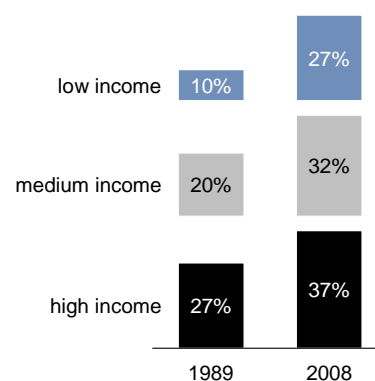
Consumer Expenditure on eating and drinking out (£bn),
1985 to 2008:

Eating Out: average annual growth rate of 8%



Source: Mitchells and Butlers

% of all food (£) consumed out of home
by income level,
1989 vs 2008



Low income: Monthly Income from £500 to £600 for a single person and up to £1200 for
Medium income: Monthly Income from £800 to £900 for a single person and up to £1600
High income: Monthly income from £1300 to £1900 for a single person and up to £2800

Source: Mitchells and Butlers

An emerging offering

At present, the local food retail and foodservice market is largely served by separate sectors. However there are synergies if you combine the two. Many farm shops do have tea rooms but the majority still lack a restaurant. However, a number of senior members of the farm shop industry feel that the opportunities for food service are strong. Indeed, this is demonstrated in Gordon Leatherdale's most recent venture, where an operating contribution of 35% of turnover was achieved within the restaurant at the initial site, the model for subsequent sites.

COUNTRYWIDE FARM SHOPS – THE BUSINESS

Vision

The vision is to create a farm shop brand through the acquisition and creation of number of freehold or long leasehold sites in the South of England. Each site will provide customers with an out-of-town farm shop retail outlet promoting local, regional and fresh food offerings together with a strong food service operation. It is very similar to the model developed by Gordon Leatherdale under his most recent, un-branded, venture, The Country Food and Dining Group Ltd with several enhancements to further improve the model. The business aims to provide customers with an everyday shopping opportunity.

In the Directors' view, the industry is dominated by independently owned sites run by families or small companies and, in some cases, farm shops or food halls have appeared in garden centres as a means of drawing additional custom. Although the market today is highly fragmented given its early stage and high growth characteristics the Directors believe that merger and acquisition activity will occur in the future as businesses seek to create enhanced buying power and greater economies of scale.

Further monies are expected to be raised under the EIS in the future in order to develop the brand either by the Company raising further monies under the EIS in due course, or, where there is sufficient investor appetite (under the EIS a company can only raise £2m in any 12 month period), by the management incorporating distinct, stand alone companies to raise the money under the EIS, to which the Company will licence the brand. Where new companies are incorporated it is anticipated that the Directors will be appointed to the board of those companies and each of them will be managed by RWGL Ltd on terms similar to the RWGL Service Agreement. The Directors anticipate that by creating a branded portfolio of units the Company or the 'group' of companies will become a more attractive target for a potential buyer. It will of course have the additional benefit of generating economies of scale.

Sites

Sites which provide easy access, ample car-parking and good visibility together with large outdoor areas will be sought, together with those which have the potential for considerable uplift in property value. The team has particular experience of planning and property acquisition and receives the details of prospective new sites on a regular basis.

The business seeks to acquire and operate sites which are similar to well located out-of-town public houses and garden centres. They will be freehold or long leasehold, have good roadside visibility, and be situated on A roads or major B roads within areas of wealthy population. The minimum site size is expected to be 1 acre but can be up to 5 acres in order to provide the possibility of extending any buildings on-site over time and ensuring a large outdoor dining area. The Directors reserve the right to select sites which do not match exactly all these criteria but, in their opinion, fall within the strategic objectives of the Company.

Gordon Leatherdale has viewed many sites over the last 4 years and has extensive contacts with the property industry, including Qunitons, Knight Frank, Strutt and Parker and several other specialist firms. Many possible sites have been 'off market' and introduced privately to Gordon Leatherdale. The Directors therefore feel well placed to exploit their strong property contacts in order to secure a suitable site.

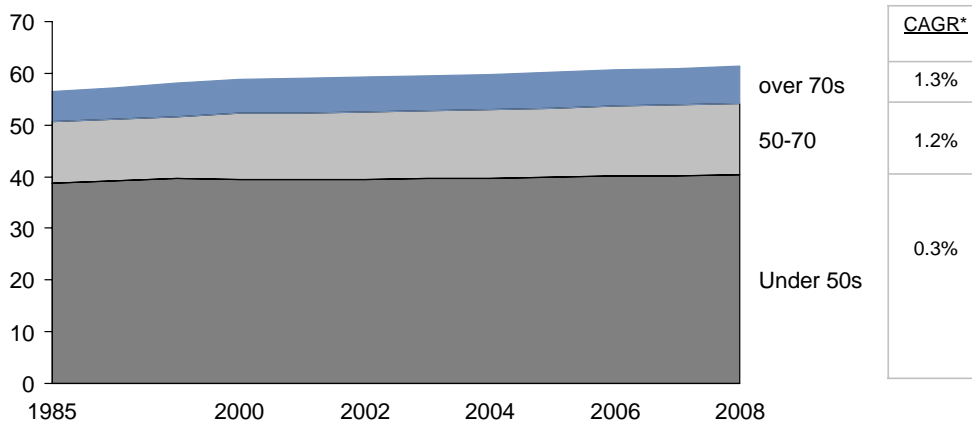
Sites presently under consideration include existing farm shops and brownfield sites with considerable potential to maximise added value through building and operating a farm shop unit.

Target Customers

Two demographics are of significant interest:

- Higher income families with dual incomes who are interested in health issues and, in particular, the provenance of their food.
- The 'Grey Pound' i.e. those people over 50 who have generally paid off their mortgage and who are the wealthiest segment of the UK's population. This is the most discerning demographic and one where a good shopping experience appeals strongly. Data from the Office for National Statistics shows that the population aged between 50 and 70 years has been growing at 1.2% a year:

Breakdown of UK population, millions of people, 1985 – 2008



*CAGR: Compound annual growth rate

Source: Office for National Statistics

Case Study – Cobbs Farm Shop & Kitchen (‘Cobbs’)

In October 2007, whilst Gordon Leatherdale was the CEO, The Country Food and Dining Company Ltd (‘CFD’), purchased the freehold of Highclose Farm Shop near Hungerford in West Berkshire, situated on the A4, which carries approximately 8,000 vehicles per weekday.

After an extensive refit the business now provides an enlarged retail farm shop, including delicatessen, a 55 seat restaurant and a 100 seat al fresco dining terrace, a purpose-built children's playground and a butcher, fishmonger, florist and kitchen monger.

As a result of these developments, sales increased from around £0.5 million a year at the time of its acquisition by CFD1 in October 2007 to approaching £1.5 million, a total increase of 180%.

Woody's Farm Shop, near Bath (‘Woody’s’)

In August 2008, again whilst Gordon Leatherdale was the CEO, CFD purchased the 10 acre freehold site of Springleaze Farm Shop on the A36, about 7 miles south of Bath, with passing traffic in excess of 12,000 vehicles per day.

Using the model of CFD’s business plan and the experience obtained from the Cobbs development, a major refurbishment was carried out by CFD in late 2009 and the business was re-launched to include a newly designed farm shop, including delicatessen, a 50 seat indoor dining area, a 75 seat raised terrace, butcher, baker, florist, kitchen wares and a children's playground,

In the last quarter of 2009, Woody's' sales were £254,504 compared to sales of £106,361 in the same period of 2008, an increase of 139%. Woody's' sales since redevelopment have closely matched the sales at Cobbs in the last quarter of 2008 when it was re-opened after redevelopment. Cobbs’ like-for-like sales growth in the last quarter of 2009 was over 50%, so it is probable that continued sales increases will closely match those of Cobbs.

Reasons for the Offer and use of proceeds

The Company is seeking to raise a Minimum Subscription of £1,000,000 and up to £1,949,700 before expenses by the issue of up to 1,949,700 Ordinary Shares at the Offer Price, representing 95 per cent of the enlarged issued share capital of the Company following the issue of the New Ordinary Shares (assuming full take-up of the Offer). The net proceeds of the issue of the New Ordinary Shares will be used to finance the acquisition, development and management of a number of freehold or long leasehold farm shops as well as for working capital purposes.

An application for Ordinary Shares may only be made on the Application Form. Applications are to be made for not less than 10,000 Ordinary Shares at a price of £1 per Ordinary Share under the Offer. The Offer opened at 10.00 am on 9th March 2010 and the latest time and date for application and payment in full for Ordinary Shares under the Offer is midday on 5 April 2010; however this date can be extended at the discretion of the Directors. Full details of the Offer, including the procedure for application and payment, are set out in Part VII of this document.

Once the Minimum Subscription is raised, the Directors will proceed to allot New Ordinary Shares even if the Offer is not subscribed in full. Such allotments of New Ordinary Shares shall be made for the number of Ordinary Shares applied for or for such lesser number of Ordinary Shares as the Directors in their absolute discretion shall determine. In the event that the Maximum Subscription is reached, New Ordinary Shares will be allocated between Investors, in such proportions as the Directors in their absolute discretion shall determine.

Assuming that the Offer is fully subscribed, the net proceeds of the issue of the New Ordinary Shares after expenses will be approximately £1,842,467, calculated by subtracting fixed offer costs of 5.5% from the gross proceeds of £1,949,700.

The Directors believe that once the Minimum Subscription has been raised, the Company will have sufficient working capital to trade as a going concern for the next 12 months. Any funds raised by the Company above the Minimum Subscription will be used by the Company to increase the budget for the acquisition, development and management of a number of freehold or long leasehold Farm Shops.

The long term strategy of the Company is to develop a national branded chain of farm shops which will involve additional fundraisings.

Description of the New Ordinary Shares

The Company is offering up to 1,949,700 Ordinary Shares under the Offer. The Existing Shareholders currently own 99,600 fully paid Ordinary Shares and 1,000 fully paid A Ordinary Shares in aggregate. An Ordinary Shares are not being offered in connection with the Offer.

Corporate Governance and Internal Controls

Due to the nature, size and stage of development of the Company and the fact that the Ordinary Shares are not listed on any exchange and the Company has no intention to seek such a listing on AIM or a Recognised Stock Exchange within the next three years due to the EIS rules, the Company does not currently and does not intend to comply with the Combined Code on Corporate Governance, as issued by the Financial Reporting Council in the UK. The Company does not currently have a remuneration or audit committee, and such responsibilities will be carried out by the Directors in the meantime.

Dividends and Dividends Policy

It is not the Directors' current intention that the Company will pay a dividend prior to an Exit. Cash flows will be used to pay down mortgages on the properties. The declaration and payment by the Company of any future dividends and the amount of any such dividends will depend upon the Company's results, financial condition, future prospects, profits being available for distribution and any other factors deemed by the Directors to be relevant at the time, subject always to the requirement of applicable legislation.

Current Trading and Prospects

Since incorporation, the Company has not traded (other than to enter into the agreements described in paragraph 8 of Part VI) and has not generated any revenue.

Capital Resources

As at the date of this document, the capital resources available to the Company consist solely of the funds received from the Existing Shareholders in relation to their initial subscriptions for shares in the Company. These amount to £50,300 in aggregate.

Following completion of the Offer, the Company will have in addition the net proceeds of the Offer.

Following successful completion of the Offer, the Directors believe that the Company will have sufficient working capital to trade as a going concern for the next 12 months.

Cash outflow: Cash used in operating activities since incorporation was £0.

Cash inflow: Since incorporation, the cash received by the Company has consisted solely of the funds received from the Existing Shareholders in relation to their initial subscriptions for shares in the Company. These amount to £50,300 in aggregate; for further details, please see paragraph 5.1 of Part VI of the document.

Capitalisation and Indebtedness

As of 9th March 2010, the Company had no debt and share capital of £50,300.

	9th March 2010
	£
Total Current Debt	0
Total Non-Current Debt	0
Share Capital	50,300
Total Liabilities	50,300

Directors

Gordon Leatherdale will be responsible for managing the acquisition and development of the farm shops on a day-to-day basis. Gordon co-founded The Country Food and Dining Company Ltd ('CFD') with Richard Weale, an EIS qualifying Company, in November 2006 following a career in Investment Banking with Noble Group.

During his tenure as founder and Chief Executive of CFD, CFD raised £7 million from investors under the EIS and purchased 3 freehold sites; near Hungerford, Bath and Donnington, 2 of which were developed. This proved the concept of a combined farm shop and food service retail offer and achieved consistent sales growth at his sites during the 2008 – 2009 recession.

During his time as CEO of CFD, Gordon developed specific skills in planning, evaluating and executing site acquisitions and has excellent contacts in the property market. Furthermore, Gordon has a thorough knowledge of consumer trends in food retail and service market, and has excellent management and leadership skills.

He writes the monthly column 'better retailing' for the Fine Food Digest, the industry journal, has provided consultancy services for several food businesses and retains a strong equity position in his original venture. Gordon Leatherdale, together with Richard Weale, will manage the farm shops through their company RWGL Limited.

Rupert Barclay is Chairman of the board of Directors. He is the senior partner of Cairneagle Associates LLP, a boutique strategic management and equity investment consultancy. He was previously a director at LEK. A chartered accountant and INSEAD MBA, he sits on the board of Dimension Data plc and Lowland Investment Trust. He was director of Strategy and M&A at Allied Domecq plc from 1997 to 1999, director of Group Strategy Development for Reuters plc and Chief Financial Officer at Lombard Risk Management plc. Investors should note that Rupert Barclay is a member of Cairneagle, the promoters of the Offer. Consequently, Rupert Barclay cannot be regarded as an independent director of the Company.

Michael Foster has spent 27 years in the pub retail and brewing industry. He currently has five non-executive Directorships in the retailing and leisure trade: Punch Taverns plc, Foundation Inns plc, Roxton Bailey Robinson Ltd, Innserve Ltd and 333 Holdings Ltd. He was Chief Executive of Innpreneur Estates Ltd from 1995 until 1998, Chief Executive of Courage Ltd from 1987 until 1995, Chairman of Leisurelink Ltd from 1998 until its sale in 2001, Chairman of the British Pub & Beer Association from 1998 until 2001 and Non-Executive Director of Geest plc from 1993 until 1999.

Matt Cooksley is a member of Cairneagle Associates LLP, having joined the company in 2004. Alongside strategy consulting, where he focuses on business development and new commercial opportunities, Matt is responsible for Cairneagle's venturing and corporate finance activities. Having graduated from Emmanuel College, he spent the first 5 years of his career as a consultant with Corporate Value Associates, a Paris-headquartered strategy consulting firm. Thereafter, Matt spent 3 years at Cazenove as an equity analyst and advising Cazenove's Private Equity team. He has a diploma from the Securities Institute in investment analysis, accounting and compliance. Prospective Investors should note that Matt Cooksley is a member of Cairneagle, the promoters of the Offer. Consequently, Matt Cooksley cannot be regarded as an independent director of the Company.

Richard Weale is responsible for property acquisition and property management. Richard co-founded The Country Food and Dining Company with Gordon Leatherdale in November 2006 following a corporate and entrepreneurial career in property. He subsequently branched out into property development and also operates as a private consultant helping clients to maximise their property investment/development.

Richard has specific skills in property acquisition, visualisation, design and development which will be important in maximising the value of each retail site. Richard Weale, together with Gordon Leatherdale, will manage the farm shops through their company RWGL Limited.

Directors' Incentives

1. Gordon Leatherdale and Richard Weale

Gordon Leatherdale and Richard Weale between them own the entire issued share capital of RWGL. RWGL and the Company have entered into the RWGL Service Agreement, pursuant to which, in consideration for the services to be provided by RWGL thereunder, RWGL will receive an annual fee of £40,000 and a bonus of 5% of the Company's pre-tax profits.

Further, RWGL has subscribed for 450 A Ordinary Shares at par, as nominee for Gordon Leatherdale and Richard Weale.

2. Rupert Barclay and Matt Cooksley

Rupert Barclay and Matt Cooksley are members of Cairneagle. Cairneagle and the Company have entered into the Fundraising Agreement, pursuant to which, in consideration for the services to be provided by Cairneagle thereunder, Cairneagle will receive 5.5% of the amount raised less the costs incurred by the Company in raising the funds pursuant to the Offer, including commissions payable to IFAs which, it is anticipated, will amount to approximately 2.5% of the monies raised. To the extent that these costs exceed the balance, Cairneagle will reimburse the Company the deficit.

Further, Cairneagle Nominees, a company wholly owned by Cairneagle Associates, and the Company have entered into the Cairneagle Nominees Agreement, pursuant to which, in consideration for Cairneagle Nominees providing two Cairneagle Directors, the Company will pay Cairneagle Nominees the sum of £20,000 per annum. In addition, Cairneagle Nominees has subscribed for 450 A Ordinary Shares at par, as nominee for Cairneagle members and staff.

3. Michael Foster

Michael Foster has subscribed for 100 A Ordinary Shares.

Michael Foster has been engaged by the Company to act as a non-executive director pursuant to a letter of appointment dated 3rd March 2010. Under the letter of appointment Michael Foster will receive a fee of £10,000 per annum in return for which he will be expected to attend to the Company's affairs for, on average, one day a month and provide entrepreneurial and strategic advice the Company.

Rights attaching to the A Ordinary Shares

Upon an Exit the Articles provide that a bonus (**Exit Bonus**) be paid to the A Ordinary Shareholders provided that at the time of such Exit the value of the Shares exceeds certain thresholds. The entitlement of the A Ordinary Shareholders to receive an Exit Bonus is set out in Article 8 of the Articles and the attention of any prospective Investor is particularly drawn to that Article. In summary:

1.1 Upon an Exit:

- (a) on any day up to and including the 4th anniversary of the Trade Commencement Date realising a price per Share, equal to or in excess of £1.20 per Share;
- (b) on any day after the 4th anniversary of the Trade Commencement Date and ending on the 5th anniversary of the Trade Commencement Date realising a price per Share equal to or in excess of £1.22 per Share; or
- (c) on any day after the 5th anniversary of the Trade Commencement Date realising a price per Share equal to or in excess of £1.25 per Share,

an Exit Bonus will be payable to the A Ordinary Shareholders in an amount equal to 25% of such excess. In all other circumstances where an Exit realises a price per Share in excess of £1.10 an Exit Bonus will be payable to the A Ordinary Shareholders in an amount equal to 12.5% of such excess.

1.2 On an Exit, the price per Share is calculated as follows:

- (a) where the Exit is by way of an IPO, by reference to the price for new Shares to be issued at the time of the IPO;
- (b) where the Exit is by way of a sale of all the Shares, by reference to the consideration payable for those Shares;
- (c) where the Exit is by way of a sale of all or a substantial part of the Company's assets, by reference to the value of the assets of the Company remaining after payment of all its liabilities.

- 1.3 The Exit Bonus will be payable to the A Ordinary Shareholders as follows:
- (a) where the Exit is by way of an IPO, the Company shall, immediately prior to the IPO, repurchase the A Ordinary Shares from the A Ordinary Shareholders at a price equal to the Exit Bonus;
 - (b) where the Exit is by way of a sale of all the Shares, the Exit Bonus shall be paid to the A Ordinary Shareholders from the consideration payable for those Shares, before the balance is paid to the Ordinary Shareholders;
 - (c) where the Exit is by way of a sale of all or a substantial part of the Company's assets, the Exit Bonus shall be distributed to the A Ordinary Shareholders, before the balance is distributed to the Ordinary Shareholders.

Exit

Considering the time taken to acquire a portfolio of sites and achieve full sales uplift from refurbishment, it is anticipated that the optimal exit point will therefore be after around 4 years. This is likely to be through either a trade sale or an IPO on AIM. The Enterprise Investment Scheme stipulates that the minimum period before sale or IPO is within 3 years of commencement of trade.

It is the intention of the Directors to inform the Shareholders of the proposed exit strategy for the Company not later than four years after the final closing of the Offer.

Article 8.6 of the Articles provides that in the event of an Exit recommended by the Directors, all Shareholders shall be required to consent to, vote for, raise no objections to and waive any applicable rights in connection with that Exit. The Shareholders shall be required to take whatever action as is required by the Directors to facilitate that Exit.

Further Information

Further information on the Company is provided in the sections that follow and precede, including the risk factors, which any potential Investor should read carefully.

Part IV: EIS Tax Relief

This is a summary of the main provisions of the Enterprise Investment Scheme so far as relevant to the Company as set out in the Income Tax Act 2007. It does not set out any of the provisions in full and prospective Investors are strongly advised to seek professional advice as to the tax relief that their particular investment will attract and the tax consequences of selling or otherwise disposing of their New Ordinary Shares. It should also be noted that the imminent Budget may change some of the EIS rules.

Individuals who invest in companies which qualify under the EIS ('Qualifying Companies') may benefit from five separate tax benefits under the EIS: Income Tax Relief, Capital Gains Tax Exemption, Capital Gains Tax Deferral, Inheritance Tax & Business Property Tax Relief, and Loss relief against income or gains.

EIS Income Tax Relief

If an individual subscribes for new shares in a Qualifying Company ('Qualifying Shares') and holds those Qualifying Shares for three years from the date of issue or from when the trade commences, if later, that individual may be eligible for tax relief at the lower 20 per cent. tax rate on the cost of the Qualifying Shares for which he subscribed. The maximum aggregate investment that is eligible for income tax relief for an individual across all EIS income tax schemes in any one tax year is £500,000. This corresponds to a maximum income tax relief of £100,000. Note that this amount is combined for married couples, meaning spouses may each invest up to £500,000. Note that under the connected persons rule, if the husband and wife between them hold more than a 30% in this company then they would breach the 30% rule and therefore get no EIS relief. Tax relief is given against, but cannot exceed, an individual's income tax liability for the tax year in which the Qualifying Shares are issued.

Example:

	£
Gross investment in Qualifying Shares	10,000
Minus income tax relief at 20%	(2,000)
Net cost of investment	8,000

Capital Gains Tax Exemption

As well as the income tax relief, there is no capital gains tax payable by an individual on capital gains on Qualifying Shares held for more than three years, if the Qualifying Shares were eligible for income tax relief, from the later of the date the Qualifying Shares were issued and the date the trade commences. CGT exemption only applies if EIS Income Tax Relief has been given and not withdrawn.

Example:

	£
Realised value of Qualifying Shares after 3 years	20,000
Minus original gross investment in Qualifying Shares	(10,000)
Tax-free gain	10,000

Capital Gains Tax Deferral

If an individual has realised a gain on the disposal of an asset, and that gain would be chargeable for capital gains tax, the individual may defer the payment of the capital gains tax by investing in Qualifying Shares. The gain is deferred until there is a chargeable event such as the disposal of the Qualifying Shares or a breach of the EIS rules. The individual must be ordinarily resident in the UK for tax purposes at time of the accrual of the capital gain, and also may not have become non-resident for 3 years after reinvestment or the date the trade commenced, if this post-dates the time of the capital gain. Note that whilst there is an annual limit for investment of £500,000 under EIS rules, there is no limit to the magnitude of capital gains that can be deferred.

Inheritance Tax & Business Property Relief

100 per cent. business property relief is available provided an individual has owned Qualifying Shares for at least two years and if certain conditions are met at the time of transfer. This business property relief has the effect of reducing the inheritance tax liability on transfer on death to nil.

Loss relief against income or gains

In the event of a loss being released on disposal of Qualifying Shares with EIS income tax relief (as described above in EIS Income Tax Relief), the amount of the loss, after deducting EIS income tax relief if any has been granted, can be set against the individual's taxable income in the relevant tax year, that is, the one in which the disposal is made, or against the taxable income of the previous year. If further losses remain after this set-off, they can be carried forward as a capital loss to be set against any future capital gains.

Example:

Realised value of Qualifying Shares	£ Nil
Gross investment in Qualifying Shares	(10,000)
Less income tax relief at 20 per cent.	2,000
Loss before tax relief	(8,000)
Tax relief at 40%	3,200
Net Loss	4,800

This is a summary and is not intended as a substitute for obtaining professional tax advice. The summary only applies to UK Taxation and any non UK applicants need to take their own specific advice in relation to taxation. The examples above are predicated on current legislation and what is understood to be current practice by HM Revenue & Customs, which may be subject to change in the 2010 Budget.

Part V: Historical Financial Information**Historical Financial Information on the Company****Responsibility**

The Directors of the Company are responsible for the Historical Financial Information set out below.

Basis of preparation

The Historical Financial Information does not constitute audited statutory accounts within the meaning of the Act.

The Historical Financial Information has been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom.

The Historical Financial Information set out below is based on the transactions of the Company from incorporation on 11 February 2010 to 9th March 2010.

Financial information

The Company was incorporated and registered in England and Wales on 11 February 2010 as a public company limited by shares with the name Countrywide Farm Shops plc.

The Company has not yet completed its first accounting period and has not traded from the date of its incorporation until 9th March 2010, hence no income statement has been prepared. No financial statements have been prepared, audited or filed with the Registrar of Companies since incorporation.

BALANCE SHEET AS AT 9th MARCH 2010

	Note	9th March 2010
		£
Current assets		
Debtors		0
Cash at bank		50,300
Total assets		<u>50,300</u>
Capital and Reserves		
Called up share capital	1	50,300
Shareholders' funds		<u>50,300</u>

CASH FLOW FOR THE PERIOD ENDED 9th MARCH 2010

	Note	9th March 2010
		£
Financing		
Issue of ordinary share capital		50,300
Net cash inflow from financing		<u>50,300</u>
Increase in cash in the period		<u>50,300</u>

SHARE CAPITAL

9th March 2010

£

Authorised

9,999,000 Ordinary Shares

£4,999,500

1,000 A Ordinary Shares

500

£5,000,000

Issued and called up

99,600 Ordinary Shares, fully paid up

49,800

1,000 A Ordinary Shares, fully paid up

500

50,300

Part VI: Statutory and General Information**1. The Company**

1.1 The Company was incorporated and registered in England and Wales on 11 February 2010 as a public limited company with the name Countrywide Farm Shops Plc and with registered number 7154892. The Company's registered office and principal place of business is located at 99-101 Regent Street, London W1B 4RS (telephone number: 020 7036 9400).

1.2 The Company's legal and commercial name at the date of this document is Countrywide Farm Shops Plc. The Company is domiciled in England and Wales. The primary legislation under which the Company operated is the Companies Act 2006.

1.3 The liability of the Shareholders of the Company is limited.

2. Share capital of the Company

2.1 The Company was incorporated with an authorised share capital of £50,000 divided into 100,000 Ordinary Shares of 50p each, of which 4 Ordinary Shares were subscribed for on incorporation by Cairneagle Nominees, Michael Foster, Gordon Leatherdale and John Carew Pole.

2.2 The authorised and issued share capital of the Company as at the date of this document is as set out below. All the issued Ordinary Shares and A Ordinary Shares have been issued at a par value and are fully paid. By comparison the Ordinary Shares are offered at the Offer Price of £1 each.

2.3

<i>Authorised</i>			<i>Issued and fully paid</i>	
<i>£</i>	<i>Number</i>		<i>£</i>	<i>Number</i>
£4,999,500	9,999,000	Ordinary shares of 50p each	£49,800	99,600
£500	1,000	A Ordinary shares of 50p each	£500	1,000

2.4 The issue of up to 1,949,700 Ordinary Shares represents a dilution of up to 95 per cent. for the Existing Shareholders.

2.5 The Articles provide that the Directors are generally and unconditionally authorised for the purposes of section 551 of the Act to exercise all of the powers of the Company to allot Ordinary Shares up to an aggregate nominal amount of £4,999,500, and to allot A Ordinary Shares up to an aggregate nominal amount of £500, and are authorised, pursuant to section 568 of the Act, to allot Ordinary Shares pursuant to the above authority as if sections 561 and 562 of the Act do not apply to such allotment. This authority is to expire (unless previously revoked, varied or renewed) on 3rd March 2015.

2.6 The following is a summary of the changes in the Company's authorised and issued share capital since incorporation:

- (a) At incorporation, the subscriber shares were held by Cairneagle Nominees, Michael Foster, Gordon Leatherdale and John Carew Pole.
- (b) On the 3rd March 2010, Gordon Leatherdale transferred the subscriber share in his name to RWGL.
- (c) On 3rd March 2010, 99,600 Ordinary Shares and 1,000 A Ordinary Shares were issued to the Existing Shareholders pursuant to subscription letters addressed to the Company requesting the allotment of

such Shares to the Existing Shareholders in the numbers set out in the Summary at the beginning of this document.

2.7 Save as disclosed in this Part VI, no share or loan capital of the Company has been issued for cash or for a consideration other than cash, no such share or loan capital is proposed to be issued.

2.8 No commissions, discounts, brokerages or other special terms have been granted by the Company since incorporation, in connection with the issue or sale of any share or loan capital, save for the arrangements set out in paragraph 8 in Part VI of this document.

2.9 No share or loan capital of the Company is under option or is agreed conditionally or unconditionally to be put under option.

3. **Articles of Association**

3.1 The Articles, which were adopted by special resolution on 3rd March 2010, contain provisions, *inter alia*, to the following effect:

(a) Voting rights

The Shareholders are entitled to attend and vote at any general meeting of the Company. On a show of hands every Shareholder present in person, or if a corporation, present by a representative shall have one vote and on a poll every Shareholder present in person, by representative or by proxy shall have one vote for every Share of which he is a holder. Voting rights may not be exercised by a member who has not paid to the Company all moneys then payable by him in respect of Shares.

(b) Exit

Upon an Exit:

- (i) on any day up to and including the 4th anniversary of the Trade Commencement Date realising a price per Share, equal to or in excess of £1.20 per Share;
- (ii) on any day after the 4th anniversary of the Trade Commencement Date and ending on the 5th anniversary of the Trade Commencement Date realising a price per Share equal to or in excess of £1.22 per Share; or
- (iii) on any day after the 5th anniversary of the Trade Commencement Date realising a price per Share equal to or in excess of £1.25 per Share,

an Exit Bonus will be payable to the A Ordinary Shareholders in an amount equal to 25% of such excess. In all other circumstances where an Exit realises a price per Share in excess of £1.10 an Exit Bonus will be payable to the A Ordinary Shareholders in an amount equal to 12.5% of such excess.

On an Exit, the price per Share is calculated as follows:

- (i) where the Exit is by way of an IPO, by reference to the price for new Shares to be issued at the time of the IPO;
- (ii) where the Exit is by way of a sale of all the Shares, by reference to the consideration payable for those Shares;
- (iii) where the Exit is by way of a sale of all or a substantial part of the Company's assets, by reference to the assets of the Company remaining after payment of all its liabilities.

The Exit Bonus will be payable to the A Ordinary Shareholders as follows:

- (i) where the Exit is by way of an IPO, the Company shall, immediately prior to the IPO, repurchase the A Ordinary Shares from the A Ordinary Shareholders at a price equal to the Exit Bonus;

- (ii) where the Exit is by way of a sale of all the Shares, the Exit Bonus shall be paid to the A Ordinary Shareholders from the consideration payable for those Shares, before the balance is paid to the Ordinary Shareholders;
- (iii) where the Exit is by way of a sale of all or a substantial part of the Company's assets, the Exit Bonus shall be distributed to the A Ordinary Shareholders, before the balance is distributed to the Ordinary Shareholders.

In the event of an Exit recommended by the Directors, all Shareholders shall be required to consent to, vote for, raise no objections to and waive any applicable rights in connection with that Exit. The Shareholders shall be required to take whatever action as is required by the Directors to facilitate that Exit.

(c) Sale of a Controlling Interest

Before any Sale of a Controlling Interest the sellers shall procure that the buyer makes an offer to the holders of the A Ordinary Shares to buy all the A Ordinary Shares held by them for a consideration equal to the value of the Exit Bonus. The Exit Bonus shall be calculated by reference to the price per Share offered by the buyer to the sellers.

(d) Transfer of Ordinary Shares

Ordinary Shares may be transferred by instrument of transfer in writing in any usual form or in any other form which the Directors may approve. The instrument of transfer must be signed by or on behalf of the transferor and, where the share is not fully paid, by or on behalf of the transferee. The Directors may, in their absolute discretion and without giving any reason, refuse to register the transfer of an Ordinary Share which is not fully paid and in favour of more than 4 persons jointly.

The Directors may also decline to recognise an instrument of transfer unless it is:

- (i) deposited at the Transfer Office (being the place where the register of Shareholders is situated for the time being) or such other place as the Directors may appoint;
- (ii) in respect of one class of share;
- (iii) duly stamped;
- (iv) accompanied by the relevant share certificate(s) (except where no certificate shall have been issued) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer; and
- (v) if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do.

The transferor is deemed to remain the holder until the name of the transferee is entered on the register. If the directors refuse to register the transfer of an Ordinary Share they shall, within two months after the date on which the transfer was lodged with the Company, send notice of the refusal to the transferee.

Save as aforesaid, the Articles contain no restrictions as to the free transferability of the fully paid Ordinary Shares.

(e) Dividends

- (i) The A Ordinary Shares shall not carry any rights to participate in any dividend declared or paid by the Company.
- (ii) The Company may by ordinary resolution declare dividends to be paid to Ordinary Shareholders but no dividend shall be payable except out of profits available for distribution in

accordance with the Act, or in excess of the amount, or at any earlier date than, recommended by the Directors.

(f) Changes in capital

The Company may by ordinary resolution increase its share capital, consolidate and divide all or any of its share capital into shares of larger amount than its existing shares, subject to the provisions of the Act sub-divide all its shares (or any of them) into shares of smaller amount than is fixed by the Memorandum of Association and determine that, as between the shares resulting from such a sub-division, any of them may have any preference or advantage as compared with others and cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its authorised share capital by the amount of the shares so cancelled. Subject to the provisions of the Act, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any way. Where Shareholders become entitled to fractions of a share the Directors may deal with such fractions as they see fit. Subject to the provisions of the Act, and without prejudice to any rights or privileges including those conferring rights of pre-emption attached to any shares for the time being in issue, any share may be issued with or have attached thereto such preferred, deferred or other special rights or privileges or restrictions as the Company may from time to time by ordinary resolution determine or, if there has not been any such determination or so far as the same shall not make specific provision, as the Directors may determine.

(g) Variation of class rights

Subject to the provisions of the Act, none of the rights or privileges for the time being attached to any shares in the capital of the Company for the time being in issue shall (whether or not the Company is being wound up) be modified, varied or abrogated in any manner except with the consent in writing of the holders of not less than three fourths 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 such shares. The provisions of the articles relating to general meetings shall apply *mutatis mutandis* to every such separate meeting but so that the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of the class, that every holder of the shares of the class shall be entitled on a poll to one vote for every such share held by him, that any holder of shares of the class present in person or by proxy may demand a poll and that at any adjourned meeting of such holders one holder present in person or by proxy (whatever the number of shares held by him) shall be a quorum.

(h) General meetings

- (i) The Company shall call an annual general meeting in each year and not more than 15 months shall elapse between annual general meetings. The Directors may call an extraordinary general meeting whenever they think fit and shall call an extraordinary general meeting upon one being requisitioned by Shareholders representing not less than 10 per cent. of the voting rights at general meetings of the Company.
- (ii) If a special resolution or any resolution to appoint a Director is to be put before a general meeting then at least 21 clear days' notice of the general meeting will be given to all Shareholders entitled to attend and vote at the general meeting. At least 14 days' clear notice will be given for all other general meetings.
- (iii) For the purposes of determining which persons are entitled to attend or vote at a general meeting and how many votes such person may cast, the Company may specify a time in the notice of the general meeting, not more than 48 hours before the time fixed for the general

meeting, by which a person must be entered in the Company register of members in order to have the right to attend or vote at the meeting.

(i) Capitalisation of profits

Subject to the provisions of the Act and by ordinary resolution, the Company may resolve to capitalise an amount standing to the credit of reserves and authorise the Directors to appropriate the sum resolved to be capitalised to the Shareholders in proportion to the sum that would have been divisible amongst them had the same been a distribution of profits by way of dividend on the shares and apply that sum on their behalf in paying up amounts unpaid on shares held by them or paying up in full unissued shares or debentures of a nominal amount equal to that sum.

(j) Borrowing powers

The Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge all or part of its undertaking, property, assets (present or future) and uncalled capital and, subject to the provision of the Act, to issue debentures and other securities, whether outright or as collateral security for a debt, liability or obligation of the Company or of a third party. The Directors shall restrict the borrowings of the Company and shall exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries (if any) so as to procure (as regards subsidiaries in so far as they can) that the aggregate principal amount outstanding in respect of monies borrowed by them shall not, without the previous sanction of an ordinary resolution of the Company, exceed an amount equal 50 per cent. of the net asset value of the Company.

(k) Directors

- (i) Unless otherwise determined by ordinary resolution of the Company, the number of Directors (other than alternate directors) shall not be less than two. There is no maximum number.
- (ii) A Director shall not require a share qualification but shall nevertheless be entitled to attend and speak at any general meeting of, or at any separate meeting of the holders of any class of shares in, the Company.
- (iii) Subject to the Act, the Directors may appoint one or more of their body to be the holder of any executive office (except that of auditor) on such terms and for such period as they think fit. A Director holding such executive office shall receive such remuneration as the Directors may determine in addition to or in substitution for his ordinary remuneration as a Director.
- (iv) Any Director who serves on any committee or who devotes special attention to the business of the Company or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director may be paid such extra remuneration by way of salary, participation in profits or otherwise as the Directors may determine.
- (v) The Directors may be paid all travelling, hotel and other incidental expenses properly incurred by them in connection with the discharge of their duties as a Director of the Company, including, without limitation, expenses incurred in attending meetings of the Directors or of committees of the Directors or general meetings or separate meetings of the holders of a class of shares or debentures.
- (vi) A Director may not vote on any resolution of the Directors, or of a committee of the Directors, in respect of any contract, arrangement, transaction or proposal to which the Company is or is to be a party and in which he is materially interested. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting. However, a Director shall (in the absence of some other material interest than is

indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters namely:

- (aa) the giving to any such Director of any security, guarantee or indemnity in respect of money lent by him or obligations undertaken by him at the request of or for the benefit of the Company or any of its subsidiaries;
 - (bb) the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director has assumed responsibility in whole or in part, either alone or jointly with others, under a guarantee or indemnity or by the giving of security;
 - (cc) a contract, arrangement, transaction or proposal concerning an offer of shares, debentures or other securities of the Company or any of its subsidiaries for subscription or purchase, in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
 - (dd) any contract or arrangement in which he is interested by virtue of his interest in shares or debentures or other securities of the Company or by reason of any other interest in or through the Company;
 - (ee) a contract, arrangement, transaction or proposal to which the Company is or is to be a party concerning another company (including a subsidiary undertaking of the Company) in which he is interested (directly or indirectly) and whether as an officer, shareholder, creditor or otherwise, if he does not to his knowledge hold an interest in shares representing 1 per cent. or more of either any class of the equity share capital of or the voting rights in the relevant company;
 - (ff) any proposal concerning the adoption, modification or operation of a pension fund or retirement, death or disability benefit scheme which relates both to Directors and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director as such any privilege or advantage not accorded to the employees to which such scheme or fund relates;
 - (gg) any arrangement for the benefit of the employees of the Company or of any of its subsidiaries under which the Director benefits in a similar manner as the employees and which does not accord to any Director as such any privilege or advantage not accorded to the employees to whom such arrangement relates; and
 - (hh) a contract, arrangement, transaction or proposal concerning the purchase or maintenance for any Directors of any insurance policy against liabilities incurred in connection with the discharge of that Director's duties or exercise of his powers in relation to his duties in relation to the Company.
- (vii) For so long as Cairneagle Nominees Limited and its permitted transferees hold Shares, Cairneagle Nominees Limited shall have the right to appoint and maintain in office up to two Directors and to remove any Director so appointed and, upon the removal of any of them whether by Cairneagle Nominees Limited or otherwise, to appoint another person to act as a Director in his place. Any Director appointed by Cairneagle Nominees Limited shall be known as a Cairneagle Director.

(l) Gratuities and pensions

The Directors may pay or agree to pay gratuities, pensions or other retirement, superannuation, insurance, and any other benefits to any past or present employee or Director of the Company or any subsidiary undertaking or any holding company of any of the Company's predecessors in business and to any spouse, former spouse, family or dependants of any such person (as well before as after he ceases to hold such office or employment) and may contribute to any fund or pay premiums for the purchase or provision of any such benefit.

(m) Untraced shareholders

The Company shall be entitled to sell the shares of a Shareholder or person entitled on death or bankruptcy of a Shareholder if all warrants and cheques in respect of at least three dividends sent to such a Shareholder or person have remained unclaimed and uncashed for a period of 12 years and the Company has, at the expiration of such period, given notice in a daily national newspaper and an appropriate local newspaper (having first given the London Stock Exchange, where relevant, notice of its intention to do so) and for a period of three months following the said advertisement no indication is received as to the whereabouts or existence of such Shareholder or person. The Company shall be obliged to account to the Shareholder or such other person for the net proceeds of sale without interest.

4. **Directors' interests in the Company**

4.1 The interests of the Directors, their immediate families and the persons connected with them within the meaning of section 252 of the Act, in Shares, as at the date of this document, are as follows:

Gordon Leatherdale and Richard Weale

RWGL is holding 10,000 Ordinary Shares and 450 A Ordinary Shares as nominee for Gordon Leatherdale and Richard Weale.

Peter Leatherdale who is the father of Gordon Leatherdale is the legal and beneficial owner of 10,000 Ordinary Shares

Rupert Barclay and Matt Cooksley

Cairneagle Nominees is holding 15,100 Ordinary Shares as nominee for Rupert Barclay and 6,000 Ordinary Shares as nominee for Matt Cooksley. Further it is holding 8,500 Ordinary Shares for other members of Cairneagle. Cairneagle Nominees is holding 450 A Ordinary Shares as nominee for members of Cairneagle, including Rupert Barclay and Matt Cooksley

Michael Foster

Michael Foster is the legal and beneficial owner of 20,000 Ordinary Shares and 100 A Ordinary Shares

4.2 Save as disclosed in this paragraph 4 none of the Directors, nor any member of their respective immediate families, nor any person connected with them within section 252 of the Act, is interested in any share capital of the Company.

4.3 There are no outstanding loans granted or guarantees provided by the Company to or for the benefit of any of the Directors.

4.4 Save in respect of the agreements disclosed in paragraph 6 below, no Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company during the current or immediately preceding financial year, or during any earlier financial year and which remains in any respect outstanding or unperformed.

5. Existing Shareholders

5.1 The Existing Shareholders hold the following number of Shares

<i>Name</i>	<i>Ordinary Shares</i>	<i>% of Ordinary Shares</i>	<i>A Ordinary Shares</i>	<i>% of A Ordinary Shares</i>	<i>% of total Issued Shares</i>
Cairneagle Nominees	29,600	29.7%	450	45.0%	29.9%
RWGL	10,000	10.0%	450	45.0%	10.4%
Michael Foster	20,000	20.1%	100	10.0%	20.0%
Peter Leatherdale	10,000	10.0%	0	0.0%	9.9%
John Carew Pole	30,000	30.1%	0	0.0%	29.8%

5.2 No Existing Shareholder has any different voting rights to the other Shareholders.

5.3 So far as the Directors are aware the Company is not directly or indirectly controlled by any person.

5.4 Other than the Offer, the Company is not aware of any arrangements the operation of which may at a date subsequent to this document result in a change in control of the Company.

6. Remuneration of the Directors

6.1 Gordon Leatherdale and Richard Weale

Gordon Leatherdale and Richard Weale between them own the entire issued share capital of RWGL. RWGL and the Company have entered into the RWGL Service Agreement, pursuant to which, inter alia, in consideration for the services to be provided by RWGL thereunder, RWGL will receive an annual fee of £40,000.

Gordon Leatherdale and Richard Weale have entered into the RWGL Agreement, inter alia, to guarantee the obligations of RWGL and to undertake to act as Directors of the Company for so long as the RWGL Service Agreement is in force.

Each of Gordon Leatherdale and Richard Weale has been engaged by the Company to act as non-executive directors pursuant to letters of appointment dated 3rd March 2010. Under the letters of appointment each of Gordon Leatherdale and Richard Weale will be expected to attend to the Company's affairs for, on average, one day a month and provide entrepreneurial and strategic advice the Company.

6.2 Rupert Barclay and Matt Cooksley

Cairneagle Nominees and the Company have entered into the Cairneagle Nominees Agreement, pursuant to which, inter alia, in consideration for Cairneagle Nominees providing two individuals to act as the Cairneagle Directors, the Company will pay Cairneagle Nominees £20,000 per annum.

Each of Rupert Barclay and Matt Cooksley has been engaged by the Company to act as non-executive directors pursuant to letters of appointment dated 3rd March 2010. Under the letters of appointment each of Rupert Barclay and Matt Cooksley will be expected to attend to the Company's affairs for, on average, one day a month and provide entrepreneurial and strategic advice the Company.

6.3 Michael Foster

Michael Foster has been engaged by the Company to act as a non-executive director pursuant to a letter of appointment dated 3rd March 2010. Under the letter of appointment Michael Foster will receive a fee of £10,000

per annum in return for which he will be expected to attend to the Company's affairs for, on average, one day a month and provide entrepreneurial and strategic advice the Company.

- 6.4 It is estimated that under the agreements currently in force, the aggregate remuneration and benefits in kind to be paid directly and indirectly to the Directors for the provision of their services as non-executive directors of the Company, for the Company's first twelve months ending on 31st March will be £70,000, assuming
- (a) £20,000 payable to Cairneagle Nominees Ltd under the Cairneagle Nominees Agreement in respect of the services of the Cairneagle Directors;
 - (b) £10,000 non-executive director fee for Michael Foster;
 - (c) £40,000 payable to RWGL under the RWGL Service Agreement in respect of the services to be provided by RWGL such services to include the services of Gordon Leatherdale and Richard Weale as non-executive directors of the Company.

Please note that in addition to this amount, it is anticipated that a sum will be paid to Cairneagle under the Fundraising Agreement from which Matt Cooksley and Rupert Barclay will benefit as members of Cairneagle. Further in addition to this amount, it is anticipated that a sum, representing 5% of the Company's pre-tax profits will be paid to RWGL under the RWGL Service Agreement, from which Gordon Leatherdale and Richard Weale will benefit as owners of RWGL.

- 6.5 None of the contracts pursuant to which remuneration is to be paid, directly or indirectly for the services of the Directors provide for benefits upon termination of their non-executive directorship.

7. Additional Information on the Board

- 7.1 The full names of the Directors and their respective functions are:

<i>Name</i>	<i>Function</i>
Rupert George Maxwell Lothian Barclay	Non-executive Director & Chairman
Michael Rodney Mordaunt Foster	Non-executive Director
Gordon Thomas Leatherdale	Non-executive Director
Matthew Alexander Cooksley	Non-executive Director and Company Secretary
Richard Mark Weale	Non-executive Director

- 7.2 The current business address of each of the Directors is 99-101 Regent Street, London W1B 4RS.

- 7.3 The Directors hold or have held the following directorships or been a partner in the following partnerships within the five years prior to the date of this document:

Name of Director	Current Directorships	Past Directorships
Rupert Barclay	Lowland Investment Company plc Dimension Data Holdings Plc Cairneagle Associates LLP Cairneagle Nominees Ltd Trusted Sources UK Ltd Rupert Barclay And Associates Ltd Foundation Inns Plc	Lombard Risk Management Plc Lombard Risk Systems Limited Lombard Risk Consultants Limited Swapval Limited Wisbey Ventures Limited L.E.K Consulting (International) Limited Macfarlane Group Plc Britvic Holdings Limited Britannia Soft Drinks Limited Lombard Risk Management Plc Lombard Risk Systems Limited Lombard Risk Consultants Limited Instinet Group Incorporated RBIL Limited RV Capital Limited

Name of Director	Current Directorships	Past Directorships
Matt Cooksley	Cairneagle Associates LLP Cairneagle Nominees Ltd Venture Exchange Ltd	
Gordon Leatherdale	St Catherine's Business Management Services Limited RWGL Limited	The Country Food and Dining Company Limited Country Food & Dining (2) Limited Country Food & Dining (3) Limited
Richard Weale	Aeromotherapy Limited RWGL Limited	The Country Food and Dining Company Limited
Michael Foster	Punch Taverns Plc Innserv Limited Innserv (ETI) Limited Innserv Technical Solutions Limited Phoenix Inns Management Limited EP (GL) Limited DB (CPC) Limited Foster Leisure Limited Mordaunt & Foster Limited Roxton Bailey Robinson Limited Roxton Bailey Robinson Worldwide Limited Foundation Inns Plc 333 Holdings Ltd	W.H. Brakspear & Sons Plc The British Foundation For Brewing Science And Technology British Beer & Pub Association Peer Information Limited The Brewing Research Foundation Limited Listerham Properties Limited Spring Inns Limited Spring Inns Management Limited 1406 Pub Company Limited Honeypot Inns Plc Olrip Limited Kangaroo Ridge Wines Europe Limited Inntrepreneur Pub Company Inntrepreneur Retail Limited Foster's Emea Limited FBG Holdings (UK) Limited FBG Brewery Holdings UK Limited Brewman Group Limited Tibsco Limited Phoenix Inns Limited HBSN Beverages Marketing Limited Courage Pensions Limited Courage Pensions Investments Limited The Bishop Estate Limited Thame Pub Management Limited Retailink Management Limited Supplyline Services Limited Inntrepreneur Pub Company (GL) Inntrepreneur Pub Company (CPC) Inntrepreneur Pub Company (Ch) Limited Inntrepreneur Pub Company (GL Developments) Limited

7.4 Michael Foster was a director of Peer Information Limited when it was placed into voluntary liquidation on 3 April 2003 with estimated total assets of £436 available for preferential creditors. Peer Information Limited was dissolved on 25 February 2004.

7.5 Save as disclosed above none of the Directors has:

- (a) any unspent convictions in relation to indictable offences;

- (b) had any bankruptcy order made against him or entered into any voluntary arrangements;
- (c) been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, been subject to a 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 12 months after he ceased to be a director of that company;
- (d) been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
- (e) been the owner of any assets or a partner in any partnership which has been placed in receivership whilst he as a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
- (f) been publicly criticised by any statutory or regulatory authority (including designated professional bodies);
- (g) been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a Company; or
- (h) had a name other than his existing name.

7.6 Except as disclosed in this Part VI, there are no potential conflicts of interest between any duties to the Company of the Directors and their private interests or their other duties.

8. **Material contracts**

The following section contains summaries of the principal terms of material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company since it was incorporated and any other contracts (not being contracts entered into in the ordinary course of business) entered into by the Company which contains any provision under which the Company has any obligation or entitlement which is material to the Company as at the date of this document:

8.1 Cairneagle Nominees Agreement

On 3rd March 2010, the Company entered into the Cairneagle Nominees Agreement with Cairneagle Nominees Limited, pursuant to which Cairneagle Nominees Limited agreed to make available to the Company two non-executive directors to provide certain management and advisory services to the Company for an annual fee of £20,000. Under the terms of the Cairneagle Nominees Agreement, the Company is to pay the Cairneagle Directors for reasonable expenses incurred by the Cairneagle Directors in performing their duties.

8.2 RWGL Agreement

On 3rd March 2010, the Company entered into the RWGL Agreement with RWGL under the terms of which:

- (a) RWGL will provide the following services:
 - (i) finding suitable premises for the Company to acquire, assisting the Company in arranging finance for acquiring such premises, and arranging suitable insurance for the Company in respect of both the premises and the operation of the business from those premises;
 - (ii) arranging suitable plans to be drawn up for the fit out of the premises, overseeing such fit out, dealing with the Company's obligations under any lease and ensuring the premises are properly maintained;

- (iii) supervising, directing and controlling the management and operation of the Company's business and rendering all services necessary for the efficient and proper operation of the Company's business in accordance with good commercial practice;
 - (iv) arranging for the preparation and submission to the Directors of management accounts and audited accounts;
 - (v) employing a sufficient number of people to manage and run the Company's business on behalf of the Company
- (b) The Company will pay RWGL an annual fee of £40,000 for providing the services described above, together with a bonus equal to 5% of the Company's profit before tax.

8.3 Fundraising Agreement

On 3rd March 2010, the Company entered into the Fundraising Agreement with Cairneagle, under the terms of which:

- (a) Cairneagle has agreed to be primarily responsible for the marketing of the Offer to prospective Investors, including the printing of this document and associated marketing and organisational costs.
- (b) In consideration of the services outlined in paragraph 8.3(a) above, the Company is to pay Cairneagle:
 - (i) a fund raising fee, equal to the surplus of the fixed amount of 5.5 per cent. of funds raised committed to the fundraising against the costs incurred spent during the fundraising. The costs incurred include the 2.5% commission payable to IFAs. In the event that this fixed fundraising fee is insufficient to cover the expenses, Cairneagle will underwrite the difference;
 - (ii) In relation to the fixed fund raising fee set out in paragraph 8.3(b)(i) above, the Company expects to incur a number of costs while executing the Offer including professional fees, commission payable to financial intermediaries and other costs. To the extent that the fund raising costs exceeds 5.5 per cent. of funds raised, such excess is to be paid for by Cairneagle. Conversely, the fixed fees may exceed the incurred costs. In this latter case, Cairneagle is entitled to receive a payment equal to the surplus.

9. **Litigation**

The Company is not involved in any governmental legal or arbitration proceedings which may have or have had in the 12 months preceding the date of this document a significant effect on the Company's financial position or profitability and, so far as the Company is aware, there are no such proceedings pending or threatened against the Company.

10. **Subsidiary Undertakings**

The Company does not have any subsidiaries or holding companies.

11. **Employees**

As at the date of this document, the Company has no employees.

12. **Working Capital**

The Directors are of the opinion that upon raising the Minimum Subscription it will have sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this document.

13. **Principal Establishments**

The principal establishment used by the Company is 99-101 Regent Street, London, W1B 4RS. There are no material environmental issues effecting the Company's utilisation of this property.

14. **Related Party Transactions**

The Cairneagle Nominee Agreement, the RWGL Agreement and the Fundraising Agreement, further details of which are set out in paragraph 8 of this Part VI, are the Company's only material transactions with a related party.

15. **Third party information**

The Company confirms that the information in this document which has been sourced from third parties has been accurately reproduced and that, as far as it is aware and able to ascertain from information published by these third party sources, no facts have been omitted which would render the information reproduced inaccurate or misleading.

16. **Consents**

16.1 Cairneagle has given and not withdrawn its written consent to the issue of this document with references to its name being included in the form and context in which they appear.

17. **Other information**

17.1 There are no specific dates on which entitlement to dividends or interest thereon on Shares arises and there are no arrangements in force for the waiver of future dividends.

17.2 The total costs and expenses payable by the Company in connection with or incidental to the Offer are estimated to be £107,234 (inclusive of VAT). The gross sum expected to be raised by the Offer is £1,949,700 and the net proceeds of the Offer (after the deduction of expenses including VAT) are estimated to be £1,842,467.

17.3 The accounting reference date of the Company is currently 31 March.

17.4 The Company does not have any restriction on borrowings that may materially affect its operations other than is summarised in this paragraph. However, under Article 34.2 of the Articles of Association, the Directors are obliged to restrict the borrowings of the Company and of its subsidiary undertakings (if any) so as to secure that the aggregate undischarged amount of all moneys borrowed by the Company shall not (excluding intra-company borrowings) at any time without the previous sanction of an ordinary resolution of the Company exceed a sum equal to 50 per cent. of the net asset value of the Company, excluding debt.

17.5 Save as disclosed in this document, as far as the Directors are aware:

- (a) there are no environmental issues that may affect the Company's utilisation of its tangible fixed assets;
- (b) there are no known trends, uncertainties, demands or events that are reasonably likely to have a material adverse effect on the Company's prospects for at least the current financial year;
- (c) the Company is not dependent on any patents or licences, industrial, commercial or financial contracts or new manufacturing processes which are of fundamental importance to its business or profitability; and
- (d) there are no exceptional factors that have influenced the Company's activities.

17.6 Save as disclosed in this document, the Company does not hold a proportion of the capital of any undertaking likely to have a significant effect on the assessment of the Company's assets and liabilities, financial position or profits and losses.

17.7 Save as disclosed in this document, the Company has no principal investments for the period covered by the historic financial information contained in this document and has no principal investments in progress and no principal future investments in relation to which it has made a firm financial commitment.

17.8 As a public company the Company is subject to the provisions of the City Code on Takeovers and Mergers which contains detailed provisions concerning mandatory takeover bids and 'squeeze-out' and 'sell-out' rules.

18. **Takeover Offer By Third Parties for the Company's Shares**

Since its incorporation on 11 February 2010, there has not been a takeover offer (within the meaning of Part 28 of the Act) for any Shares.

19. **Copies of this document**

Copies of the documents listed below may be inspected free of charge at the offices of the Company at Victory House, 99-101 Regent Street, London W1B 4RS during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) until the first anniversary of the date of this document:

19.1 the memorandum and articles of association of the Company;

19.2 the material contracts referred to in paragraph 8 of this Part VI; and

19.3 this document.

Dated: 9th March 2010

Part VII: General Information about the Offer

1. Applications

Applications should be made in accordance with Part VIII of this document.

2. Non-UK Applicants

No person receiving a copy of this document in any territory other than the UK may treat the same as constituting an invitation or offer to him, nor should he in any event make any application for New Ordinary Shares unless, in the relevant territory, such an invitation or offer could lawfully be made to him or such application could lawfully be made without contravention of any registration or other legal requirements. It is the responsibility of any person outside the UK wishing to make an application hereunder to satisfy himself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory. The Directors reserve the right to request confirmation from any Investor's attorney as to the ability of a non-UK applicant to subscribe lawfully for the Offer.

3. General

The information presented herein was prepared by the Company and is being furnished by the Company solely for use by prospective Investors in connection with the Offer. Neither the Company nor Cairneagle are making any representation as to its future performance. This document (together with any amendments or supplements and any other information that may be furnished to prospective Investors by the Company) contains or may contain certain statements, estimates and forward looking projections of the Company with respect to the anticipated future financial performance of the Company. Such statements, estimates and forward looking projections are based on various assumptions of the Directors about future events and circumstances, many of which will not be within the control of the Company and the Directors and may or may not prove to be correct. The Company believes that such estimates and other assumptions are reasonable under the circumstances, but no representation, warranty or other assurance is given that such statements, estimates and projections will be realised. There will be variances between such projections and actual events and results and such variations will likely be material. Prospective Investors are not to construe the contents of this document as constituting legal or tax advice. Each Investor should consult his or her personal lawyer, accountant and other advisor(s) as to legal, tax, economic and related aspects of the investment described herein and its suitability for such Investor.

This document does not constitute a solicitation of an offer to sell to or buy from, anyone in any country or in any jurisdiction in which such an offer or solicitation is not authorised. Except as otherwise indicated, this document speaks as of the date hereof. Neither the delivery of this document nor any sale made hereunder shall, under any circumstances, create an implication that there has been no change in the affairs of the Company after the date hereof.

4. Money Laundering Regulations 2007

It is a term of the Offer that, to ensure compliance with the Money Laundering Regulations 2007 the Company is entitled to require, at its absolute discretion, verification of identity from any applicant.

Pending the provision of evidence satisfactory to the Company including by electronic means as to the identity of the applicant and/or the cheque or other remittance relating thereto the Company shall not be obliged to register the New Ordinary Shares in the name of any potential Investor. If verification of identity is so required, this may result in a delay in dealing with an application and in ultimate rejection. The Company reserves the right, in its absolute discretion, to reject any application in respect of which the Company considers that, having requested verification of identity, it has not received evidence of such identity satisfactory to it by such time as may be specified in the request for verification of identity or in any event within a reasonable period. In the event of an application being rejected in any such circumstances, the Company reserves the right in its absolute discretion, but shall have no obligation, to terminate any contract of allotment related to or constituted by any application (but without prejudice to any rights the Company may have to take proceedings to recover in respect of loss or damage suffered or incurred by it as a result of the failure to produce satisfactory evidence as aforesaid).

The Company shall not be responsible or have any liability for loss or damage (whether actual or alleged) arising from the election by the Company to treat an application for New Ordinary Shares lodged by any applicant as invalid or to terminate the contract of allotment as a result of the Company not having received evidence as to the identity of the applicant reasonably satisfactory to it within a reasonable time of having requested such information.

The making of all applications, acceptances of applications and contracts resulting therefrom under the Offer shall be governed by and construed in accordance with English law, and each party submits to the jurisdiction of the English courts.

5. Financial Promotion Order

The maximum subscription under the Offer is £1,949,700. Consequently, this offer does not constitute an offer within the meaning of the Prospectus Regulations 2005, and as such this document does not constitute a prospectus. Furthermore, in regard to the exemptions available within certain paragraphs of the Financial Promotion Order, this document has not been drawn up in accordance with the Financial Services Authority Handbook and in particular the Conduct of Business Rules. The following exemptions are relied upon:

- (i) paragraph 12 – that the Offer is made within the United Kingdom to recipients overseas;
- (ii) paragraph 18 – that the Offer is made to persons who act as mere conduits for it only. Persons act as mere conduits for communications if they communicate them in the course of a business carried on by them, the principal purpose of which is transmitting or receiving material provided to him by others, the content of the communication is devised by another and the nature of the service does not allow that mere conduit to exercise any form of editorial control over a communication prior to its transmission or receipt;
- (iii) paragraph 19 – that the Offer is made to investment professionals, namely those persons who have professional experience in matters relating to investments to which the Offer relate (“Investment Professionals”);
- (iv) paragraph 48 – that the Offer is made to certified High Net Worth Individuals;
- (v) paragraph 49 – that the Offer is made to High Net Worth Companies;
- (vi) paragraph 50 – that the Offer is made to Sophisticated Investors;
- (vii) paragraph 50A – that the Offer is made to Self-Certified Sophisticated Investors;
- (viii) paragraph 51 – that the Offer is made to associations of High Net Worth Individuals or Sophisticated Investors, including Self-Certified Sophisticated Investors.

The attention of each class of person above is drawn to the provisions of Part VIII of this document.

Part VIII: Financial Promotion Order

This document is exempt from the general restriction contained in section 21 of FSMA relating to the communication of invitations or inducements to engage in investment activity on the grounds that it is being made available by the Company only to certified High Net Worth Individuals, Sophisticated Investors, Self-Certified Sophisticated Investors, Investment Professionals, High Net Worth Companies and associations of High Net Worth Individuals or Sophisticated Investors. The Offer is only capable of acceptance by:

1. High Net Worth Individuals, Sophisticated Investors or Self-Certified Sophisticated Investors who have presented certified copies or the originals of certificates required paragraphs 48, 50 and 50A respectively of the Financial Promotion Order in a form acceptable to the Directors; No application will be accepted from any person not so certified or who fails to present an acceptable form of certification to the Directors;
2. Investment Professionals falling within the definition of the same within paragraph 19 of the Financial Promotion Order, those persons generally being authorised under FSMA to engage in investment activity or being governmental or municipal bodies.
3. High Net Worth Companies
4. Associations of High Net Worth Individuals or Sophisticated Investors, including Self-Certified Sophisticated Investors.

High Net Worth Individuals

Under the terms of paragraph 48 of the Financial Promotion Order certified high net worth individual means any individual:

- who has a current certificate of high net worth; and
- who has signed, within the period of twelve months ending with the day on which the communication contained in this document is made to such person, a statement in terms similar to those contained in Part XI.

A certificate of high net worth:

- (i) must be in writing or other legible form;
- (ii) is current if it is signed and dated within the period of twelve months ending with the day on which the communication contained in this document is made to such person;
- (iii) must state that the person to whom the certificate relates either had, during the financial year immediately preceding the date on which the certificate is signed, an annual income of not less than £100,000; or held, throughout the financial year immediately preceding the date on which the certificate is signed, net assets to the value of not less than £250,000. Net assets for the purpose of the certificate excluding the property which is the person's primary residence or any loan secured on it, any rights of the person under a qualifying contract of insurance or any Benefits.

Sophisticated Investors

Under the terms of paragraph 50 of the Financial Promotion Order certified sophisticated investor means a person:

- who has a current certificate in writing or other legible form signed by an authorised person to the effect that he is sufficiently knowledgeable to understand the risks associated with that description of investment; and
- who has signed, within the period of twelve months ending with the day on which the communication contained in this document is made to such person, a statement in the following terms:

"I make this statement so that I am able to receive promotions which are exempt from the restrictions on financial promotion in the Financial Services and Markets Act 2000. The exemption relates to certified sophisticated investors and I declare that I qualify as such in relation to investments of the following kind. I accept that the contents of promotions and other material that I receive may not have been approved by an authorised person and that their content may not therefore be subject to controls which would apply if the promotion were made or approved by an authorised person. I am aware that it is open to me to seek advice from someone who specialises in advising on this kind of investment".

Self-Certified Sophisticated Investors

Under the terms of paragraph 50A of the Financial Promotion Order Self-Certified Sophisticated Investor means a person who:

- is a member of a network or syndicate of business angels and has been so for a period of six months prior to the date of the certificate referred to below; or
- has made more than one investment in an unlisted company in the two years prior to the date of the certificate referred to below;
- or is working, or has worked in the two years prior to the date of the certificate referred to below, in a professional capacity in the private equity sector, or in the provision of finance for small and medium enterprises;
- or is, or has been in the period of two years prior to the date of the certificate referred to below, a director of a company with an annual turnover of at least £1 million, who has signed, within the period of twelve months ending on the day on which the communication contained in this document is made to such person, a statement in terms similar to those contained in Part X.

Paragraphs 48, 50 and 50A of Financial Promotion Order require Self-Certified Sophisticated Investors, Sophisticated Investors and High Net Worth Individuals to be informed that reliance upon this document may expose an individual to a significant risk of losing all of the property invested pursuant to the Offer.

The Company has in place proper systems and procedures to prevent recipients other than those listed above engaging in investment activities to which this document relates. Persons other than those described above should not act or rely on this document.

This document has not been approved by an authorised person and such approval is required by section 90 of FSMA in the absence of an exemption.

Part IX: Procedure for Application

The Offer is being made by the Company. Applicants are encouraged to submit their Application Forms early in order to be confident that their applications will be successful. Applications must be made on the accompanying Application Form. No application will be accepted unless it is made on an original Application Form.

Terms and Conditions of Application

1. The contract created by the acceptance of applications under the Offer will be conditional upon the Minimum Subscription being received by the requisite Closing Date.
2. The right is reserved by the Company to present all cheques and bankers' drafts for payment on receipt and to retain surplus application monies pending clearance of successful applicants' cheques. The Company reserves the right to reject, in whole or in part, or to scale down, any application. If any application is not accepted in full, or is accepted for fewer New Ordinary Shares than the number applied for, or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance thereof will be returned (without interest) by crossed cheque in favour of the applicant, through the post to the applicant's address set out on the Application Form at the risk of the person(s) entitled thereto within seven days of the closing of the Offer for which the applicant made his application. The Company reserves the right to treat as valid and binding upon the applicant any application, even if the accompanying Application Form is not completed in all respects in accordance with the instructions or is not accompanied by the power of attorney where necessary. The right is reserved to reject any application in respect of which the applicant's cheque or banker's draft has not been cleared on first presentation. Notifications of acceptance or non-acceptance will not be issued pending issue of definitive certificates for the New Ordinary Shares or return of application monies (as the case may be).
3. By completing and delivering an Application Form each applicant:
 - a) offers to subscribe for the number of New Ordinary Shares specified in his Application Form (or such lesser number for which his application is accepted as the Directors, in their absolute discretion, shall determine) at the Offer Price on the terms of and subject to this document, including these terms and conditions, and the Memorandum and Articles of Association of the Company;
 - b) agrees that, his application shall not be revoked and this paragraph shall constitute a collateral contract between him and the Company which will become binding upon despatch by post to, or (in the case of delivery by hand) on receipt by the Receiving Agent;
 - c) agrees that application monies may be presented on receipt and will be retained in a separate designated bank account pending allotment of Ordinary Shares. Interest earned on application monies pending allotment, or returned to applicants, will be paid to the Company. If any application is not accepted the amount paid will be returned without interest. If any application is accepted for a lesser number of Ordinary Shares than the number applied for, the balance of the amount will be returned without interest. In each case the cheque will be returned through the post at the applicant's own risk. It is expected that in such cases the relevant cheque will be returned to the applicant within 14 days of the requisite Closing Date.
 - d) warrants that his remittance will be honoured on first presentation and agrees that if such remittance is not so honoured, he will not be entitled to receive a share certificate in respect of the Ordinary Shares applied for or to enjoy or receive any rights or distributions in respect of any Ordinary Shares unless and until he makes payment in cleared funds for such Ordinary Shares and such payment is accepted by the Company (which acceptance shall be in its absolute discretion and may be on the basis that he indemnifies the Company against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of his remittance to be honoured in first presentation) and that, at any time prior to unconditional acceptance by the Company of such late payment in respect of such Ordinary Shares, the Company (without prejudice to any other rights) may avoid the agreement to allocate such Ordinary Shares to him and may re-allocate Ordinary Shares to some other person, in which case he will not be entitled to any refund or payment in respect of such Ordinary Shares (other than the refund to him at his risk of any proceeds of the cheque or bankers' draft accompanying this application, without interest);
 - e) agrees that any monies returnable to him may be retained by the Company pending clearance of his remittance and that such monies will not bear interest;
 - f) agrees that applications which are settled by way of a third party payment are settled only by way of bankers' draft or building society cheque where the bank or building society has endorsed the banker's draft or cheque with details of the account which has been debited and the name of such account accords with the name of the applicant, or by way of an IFA's cheque, from a firm regulated by the FSA and who submits the application form on behalf of the applicant, and that such applications will be subject to the UK's verification of identity requirements which are contained in the Money Laundering Regulations 2007 as amended, updated, replaced or superseded from time to time;

- g) agrees with the Company promptly, on request, to disclose in writing any information which it may request in connection with his application and authorises the Company to disclose any information relating to his application it may consider appropriate;
 - h) agrees that any definitive share certificate to which he might become entitled and monies to be returned to him may be retained pending clearance of his remittance or pending investigation of any suspected breach of the warranties of this Part IX and that such monies will not bear interest;
 - i) agrees that all applications, acceptance of applications and contracts resulting therefrom under the Offer shall be governed by and construed in accordance with English law, and that he submits to the jurisdiction of the English Courts and agrees that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of it in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
 - j) confirms that in making such application he is not relying on any information or representation in relation to the Company other than the information contained in this document and accordingly he agrees that no person responsible solely or jointly for this document or any part thereof or involved in the preparation thereof shall have any liability for any such other information or representation;
 - k) agrees that, having had the opportunity to read this document, he shall be deemed to have had notice of all information and representations concerning the Company contained therein;
 - l) confirms and warrants that he has read and complied with paragraph 4 below;
 - m) warrants that he is not under the age of 18;
 - n) agrees that all certificates, documents, monies and cheques sent by post to, by or on behalf of the Company or the Receiving Agent will be sent at the risk of the person(s) entitled thereto to the address specified in the Application Form (or in the case of multiple applicants the first named);
 - o) warrants that, if an Application Form is signed on behalf of somebody else, the signatory has the authority to do so and such person will be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these terms and conditions;
 - p) warrants that no other application (not being an application under the terms of the Application Form) is being made by him for his own account or by another on his behalf or for benefit and with his knowledge for such purpose or, if he is applying as agent or nominee of another, that no other application is being made by him (not being an application as aforesaid) as an agent or nominee for that other person and that other person is not, to his knowledge, acting in concert with any other person or persons as aforesaid;
 - q) warrants that, in connection with the application he has observed the laws of all relevant territories, obtained any requisite governmental or other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with his application in any territory, other than stamp duty or SDRT, and that he has not taken any action which will or may result in the Receiving Agent or the Company or any of their respective directors, officers, agents or employees acting in breach of the regulatory or legal requirements of any territory in connection with the Offer or the application; and
 - r) authorises the Company or the Receiving Agent or their agents to do all things necessary to effect registration into the applicant's name(s) of any New Ordinary Shares for which his application is accepted and authorise any representative of the Company or Cairneagle to execute and/or complete any document of title required.
 - s) warrants that he is a person to whom any one of regulations 18, 19, 48, 49, 50, 50A and 51 of the Financial Promotion Order applies.
4. No person receiving a copy of this document or an Application Form in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him, nor should he in any event use such Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him or such Application Form could lawfully be used without contravention of any registration or other legal requirements. It is the responsibility of any person outside the United Kingdom wishing to make an application hereunder to satisfy himself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.
5. Save where the context otherwise requires, words and expressions defined in this document have the same meaning when used in the Application Form and any explanatory notes in relation thereto.

Documents of Title

Application Forms must be sent by post or delivered by hand to the Receiving Agent together with the appropriate remittance and either the original or a copy, certified as a true copy, by a UK solicitor of an Exemption Certificate, at Suite E, First Floor, 9 Lion & Lamb Yard, Farnham, Surrey, GU9 7LL, so as to be received not later than midday on 5 April 2010 in order to qualify for tax relief for the 2010 tax year. The closing date can be extended at the discretion of the directors. The subscription list will open at 10.00 am on 9th March 2010 and will close at midday on the 5th April 2010, unless extended or the Maximum Subscription has been achieved before that date.

Temporary documents of title will not be issued. Definitive share certificates will be despatched by first class post within 7 days of the allotment and issue of New Ordinary Shares under the Offer, pending which, transfers will be certified against the register. Allotments of New Ordinary Shares will be made at the discretion of the Board.

Money Laundering Regulations

It is a term of the Offer that, to ensure compliance with the Money Laundering Regulations 2007 as amended, updated, replaced or superseded from time to time, the Receiving Agent may at its absolute discretion require verification of identity (including by electronic means) from any person lodging an Application Form (the “Applicant”) and, without prejudice to the generality of the foregoing, in particular any person who either (i) tenders payment by way of cheque or bankers’ draft drawn on an account in the name of a person or persons other than the Applicant or (ii) appears to be acting on behalf of some other person. In the former case, verification of the identity of the Applicant may be required. In the latter case, verification of the identity of any person on whose behalf the Applicant appears to be acting may be required.

If within a reasonable period of time following a request for verification of identity and in any case by no later than 3.00 pm on the relevant date of allotment the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Company with the agreement of the Receiving Agent may, at its absolute discretion, reject any such application in which event the remittance submitted in respect of that application will be returned to the Applicant (without prejudice to the rights of the Company to undertake proceedings to recover any loss suffered by it as a result of the failure to produce satisfactory evidence of identity). Where possible, Applicants should make payment by their own cheque. If a third party cheque, bankers’ draft or building society cheque is used, the Applicant should:

- a) write his/her name and address on the back of the draft or cheque and, in the case of an individual, record his/her date of birth against his/her name; and
- b) ask the bank or building society (if relevant) to endorse on the reverse of the draft or cheque the full name and account of the person whose account is being debited and stamp such endorsement.

In any event, if it appears to the Receiving Agent that an Applicant is acting on behalf of some other person, further verification of the identity of any person on whose behalf the Applicant appears to be acting will be required. In relation to any application in respect of which the necessary verification of the identity of the Applicant or the person on whose behalf of any Applicant appears to be acting has not been received on or before 3.00 pm on the relevant date of allotment, the Company will treat the relevant application as invalid and application monies will be returned (without interest).

The above information is provided by way of guidance to reduce the likelihood of difficulties, delays and potential rejection of an Application Form (but without limiting the Receiving Agent’s right to require verification of identity as indicated above).

Guide to the Application Form

The following instructions should be read in conjunction with the Application Form:

- 1) Insert your full name, address and date of birth in block capitals in Box 1. Applications may only be made by persons aged 18 or over.
- 2) Insert in Box 2 (in figures) the number of Ordinary Shares for which you are applying. Your application in respect of the Offer must be for a minimum of 10,000 Ordinary Shares and above that in multiples of 1,000 Ordinary Shares. Ensure you complete the box relating to the tax year in respect of which your application is being made (which may be one or other, or both).
- 3) Insert in Box 3 (in figures) the amount of your payment. Your cheque or bankers' draft should be for the amount which represents £1 multiplied by the number of Ordinary Shares inserted in Box 2. Ensure you complete the box relating to the tax year in respect of which your application is being made (which may be one or other, or both).
- 4) You must affix to the completed Application Form cheques or bankers' drafts for the full amount payable and your signed Exemption Certificate. Your cheque or bankers' draft must be payable to Share Registrars Limited a/c Countrywide Farm Shops Plc for the amount payable on application inserted in Box 3 and should be crossed "A/C Payee". Please note the requirements for payments made by banker's draft as set out in paragraph 3(f) of the Terms and Conditions of Application, as set out above. No receipt will be issued for this payment that must be solely for this application. Your cheque or bankers' draft must be drawn in sterling on an account at a branch (which must be in the UK, the Channel Islands or the Isle of Man) of a bank which is either a settlement member of the Cheque & Credit Clearing Company Limited or the CHAPS Town Clearing Company Limited or a member of either of the Committees of the Scottish or Belfast Clearing Houses or which has arranged for its cheques or bankers' drafts to be presented for payment through the clearing facilities provided for the members of any of those companies or committees, and must bear the appropriate sort code number in the top right hand corner. The right is reserved to reject any application in respect of which the applicant's cheques or bankers' drafts have not been cleared on first presentation. Applications may be accompanied by a cheque or bankers' draft drawn by someone other than the applicant(s), but any monies to be returned will be sent by crossed cheque in favour of the person(s) named in Box 1.
- 5) Share Certificates will be sent to you incorporating the details included in Box 1 following the allotment and issue of New Ordinary Shares under the Offer.
- 6) Sign and date the Application Form in Box 4.
- 7) Agents who are entitled to receive commission should stamp and complete Box 6 on the Application Form, giving their full name and address, telephone number and details of their authorisation under the Financial Services and Markets Act 2000. The right is reserved to withhold payment of any commission if the Company is not, in its sole discretion, satisfied that the agent is so authorised. Agents may agree to waive part or all of their commission in respect of an application. If this is the case, then such application will be treated as an application to apply for the number of Ordinary Shares stated in box 2 of the Application Form together with a number of additional Ordinary Shares equivalent to the amount of commission waived at £1 per Ordinary Share, which waived commission will be applied in paying for such Ordinary Shares. No commission will be paid in respect of such additional Ordinary Shares.

If you have any queries on the procedure for application and payment, you should contact your financial advisor or

- Matt Cooksley at Cairneagle Associates LLP on 0207 036 9400 or email matt.cooksley@cairneagle.com.

Send the completed Application Form together with the cheque or bankers' draft and Exemption Certificate by post, or deliver it by hand, to the Receiving Agent so as to be received no later than midday on 5 April 2010 to qualify for the investment in the 2009 / 2010 tax year. Existing carry back rules would allow investors to subscribe to the offer after 5th April 2010 and still claim EIS relief for the 2009 / 2010 financial year, however the imminent 2010 Budget may change these rules. In the event that applications are received for an amount in excess of the Maximum Subscription, New Ordinary Shares will be allocated on a first come first served basis and will not favour one tax year before the other. If you post your Application Form you are recommended to use first class post and to allow at least two working days for delivery. Photocopied or faxed copies of the Application Form will not be accepted. Your attention is drawn to the warranties set out in the paragraph headed "Terms and Conditions of Application" in Part IX of this document.

Part X: Self-Certified Sophisticated Investor

I declare that I am a Self-Certified Sophisticated Investor for the purposes of the Financial Services and Markets Act (Financial Promotion) Order 2005.

I understand that this means:

- a) I can receive financial promotions that may not have been approved by a person authorised by the Financial Services Authority;
- b) the content of such financial promotions may not conform to rules issued by the Financial Services Authority
- c) by signing this statement I may lose significant rights
- d) I may have no right to complain to either of the following:
 - the Financial Services Authority; or
 - the Financial Ombudsman Scheme;
- e) I may have no right to seek compensation from the Financial Services Compensation Scheme.

I am a Self-Certified Sophisticated Investor because at least one of the following applies:

- I am a member of a network or syndicate of business angels and have been so for at least the last six months prior to the date below;
- I have made more than one investment in an unlisted company in the two years prior to the date below;
- I am working, or have worked in the two years prior to the date below, in a professional capacity in the private equity sector, or in the provision of finance for small and medium enterprises;
- I am currently, or have been in the two years prior to the date below, a director of a company with an annual turnover of at least £1 million.

I accept that I can lose my property and other assets from making investment decisions based on financial promotions.

I am aware that it is open to me to see advice from someone who specialises in advising on investments.

Signature _____

Date _____

Part XI: Self-Certification of High Net Worth

I declare that I am a certified high net worth individual for the purposes of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.

I understand that this means:

- a) I can receive financial promotions that may not have been approved by a person authorised by the Financial Services Authority;
- b) the content of such financial promotions may not conform to rules issued by the Financial Services Authority;
- c) by signing this statement I may lose significant rights;
- d) I may have no right to complain to either of the following:
 - the Financial Services Authority; or
 - the Financial Ombudsman Scheme;
- e) I may have no right to seek compensation from the Financial Services Compensation Scheme.

I am a certified high net worth individual because at least one of the following applies:

- I had, during the financial year immediately preceding the date below, an annual income to the value of £100,000 or more;
- I held, throughout the financial year immediately preceding the date below, net assets to the value of £250,000 or more. Net assets for these purposes do not include:
 - the property which is my primary residence or any loan secured on that residence;
 - any rights of mine under a qualifying contract of insurance within the meaning of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001; or
 - any benefits (in the form of pensions or otherwise) which are payable on the termination of my service or on my death or retirement and to which I am (or my dependants are), or may be, entitled.

I accept that I can lose my property and other assets from making investment decisions based on financial promotions.

I am aware that it is open to me to seek advice from someone who specialises in advising on investments.

Signature _____

Date _____

Application Form Checklist

1. Completed application form
2. Completed and attached either:
 - a High Net Worth Individual certificate
 - or
 - a Sophisticated Investor certificate
3. Attached cheque drawn on a UK bank account in the name of the applicant made payable Share Registrars Limited a/c Countrywide Farm Shops Plc
4. Full money laundering documents if you are not paying by a cheque in your own name

Part XII: Application Form

COUNTRYWIDE FARM SHOPS PLC

**OFFER PURSUANT TO INFORMATION MEMORANDUM DATED 9th
MARCH 2010**

Please write in Block Capitals

1. Mr., Mrs., Miss or Title _____
Forename(s) (in full) _____
Surname _____
Address in full _____

Postcode _____
Daytime tel. no. _____
Permanent address _____
(if different from address given above)

Postcode _____
Date of Birth _____ National Insurance Number _____

2. I apply for the following:

Tax year 09/10: _____ Ordinary Shares

(Minimum of 10,000 Ordinary Shares, thereafter in multiples of 1,000 Ordinary Shares)

Tax year 10/11: _____ Ordinary Shares

(Minimum of 10,000 Ordinary Shares, thereafter in multiples of 1,000 Ordinary Shares)

3. I attach a cheque or bankers' draft for the amount £ _____ payable to "Share Registrars Limited re Countrywide Farm Shops plc". Please send me a certificate confirming my entitlement to Enterprise Investment Scheme tax reliefs.

4. By signing this form I HEREBY DECLARE THAT:

I have received the Offer for Subscription dated 9th March 2010 and have read the procedure for application contained therein and agree to be bound by all the terms and conditions set out therein and in this Application Form and the Memorandum and Articles of Association of Countrywide Farm Shops Plc ; and to the best of my knowledge and belief, the particulars I have given are correct. HM Revenue & Customs may inspect this declaration. It is a serious offence to make a false declaration.

Signature _____ Date _____

5. Delivery of Application Form

Send the completed Application Form, together with the cheque or bankers' draft and Exemption Certificate by post or deliver it by hand to Share Registrars Limited at Suite E, First Floor, 9 Lion & Lamb Yard, Farnham, Surrey GU9 7LL so as to be received no later than midday on 5 April 2010 to qualify for the investment in the 2009 / 2010 tax year. (Existing carry back rules would allow investors to subscribe to the offer after 5th April 2010 and still claim EIS relief for the 2009 / 2010 financial year, however the imminent 2010 Budget may change this.)

Completion of the agent's box indicates that the agent is duly authorised to transact investments of this type under the Financial Services and Markets Act 2000 and confirms that the requirements of The Money Laundering Regulations 2007, as amended, have been complied with. Commission, at a rate of 2.5% of the funds invested, will be paid to authorised financial intermediaries.

6. Stamp of authorised financial intermediary (if applicable)

Please Reinvest 2.5% Initial Commission (Y/N) ____

Authorised Ref No _____