

**INDUSTRIAL & COMMERCIAL HOLDINGS PLC**  
**REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2013**

# INDUSTRIAL & COMMERCIAL HOLDINGS PLC

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# INDUSTRIAL & COMMERCIAL HOLDINGS PLC

## BOARD REVIEW

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The Group's main asset continues to be its land at Dougalston, Milngavie near Glasgow. The land is currently designated as green belt and as shareholders will be aware, we have in the past been working together with urban design consultants and making representations to the local authority that our site be made available for development. The Group also has a small equity portfolio and a cash balance.

In October 2012 the Council halted the Local Development Plan process to engage with Scottish Government on the number of affordable housing units they had been allocated in the national guidelines, and also we believe, to influence the numbers and the consequent release of land. In the spring of this year the Council were firmly told to proceed along the lines previously indicated with their full affordable allocation being upheld.

Our representatives continued with the planned supporting reports covering woodland, habitat, geo-environmental, flood risk and landscaping and in May 2013 these were submitted to the Council as additional supporting documentation pertaining to our original submissions. To date we have had no formal, or informal feedback on these submissions.

However, what we have informally heard is that the most likely outcome will be that the Council will fall some way short of releasing sufficient land or greenbelt areas to (a) fulfil their immediate obligations and (b) plan for the ongoing process of keeping the land stock up at appropriate levels. Should this be the outcome with our site not earmarked in the final Draft Plan, we will strongly appeal any such ruling.

We have received some dividend income from the three blue chip equities we purchased in September 2011, but our revenue is insufficient to cover our administrative expenses and the Dougalston maintenance costs. Consequently, the Group incurred a loss of £34,233 during the year. This was substantially higher than the loss of £18,946 incurred the prior year due to detailed submissions made by our representatives.

Shareholders, having been notified that the value of the Company's net assets was less than half of its called up share capital, resolved at the General Meeting held on 10 October 2012, called as required, under section 656 of the Companies Act 2006, that the strategy of consultation with the Dunbartonshire Council be continued.

In light of the Company's intention to continue to engage with and make representations to East Dunbartonshire Council for the next main Local Plan which is due out 2015, the Board does not consider it necessary for specific resolutions on this matter to be proposed at the Annual General Meeting.

L H Marshall  
Director

16 October 2013

# INDUSTRIAL & COMMERCIAL HOLDINGS PLC

## REPORT OF THE DIRECTORS

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The Directors submit their report and the audited accounts of the Company for the year ended 30 June 2013.

### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is that of a holding Company. The Board Review on page 2 contains details of the Group's business activities during the financial year. The Company's subsidiary, Dougalston Limited holds the legal title to the land at Dougalston.

The principal source of income during the year was dividends from the three equity investments and interest on bank deposits. Expenses relate to business administration and property maintenance and development costs. Further detailed representations were made for the Local Plan during the year, resulting in higher costs of £17,000 (2012 - £2,000).

### RESULTS AND DIVIDENDS

The Group's loss on ordinary activities after property and development expenses and taxation was £34,233 (2012 – £18,946). The Directors do not recommend payment of a dividend in respect of the financial year.

### PRINCIPAL RISKS AND UNCERTAINTIES

Volatility relating to the Company's investments, including movements in interest rates and returns from equity and other investments will impact upon the value of, and income from, the Company's investments. There is limited credit risk from monies held by independently rated banks.

### DIRECTORS

The Directors who have held office during the year were as follows:

C P Latilla-Campbell  
D C Marshall

L H Marshall  
J M Robotham

The Directors have no interests in the shares of the subsidiary Company. The interests of Directors in the Company are as follows:-

	<b>30 June 2013</b>	1 July 2012
C P Latilla-Campbell	-	-
L H Marshall	<b>6,500</b>	6,500
D C Marshall	-	-
J M Robotham	<b>2,000</b>	2,000

Mr D C Marshall and Mr J M Robotham are deemed to be beneficially interested in 7,177,762 ordinary shares by virtue of their directorships and direct shareholdings in Western Selection P.L.C. Mr C P Latilla-Campbell is deemed to be beneficially interested in 2,500,000 ordinary shares held by Buchanan Trading Inc. There have been no changes in Directors' interests since 30 June 2013.

# INDUSTRIAL & COMMERCIAL HOLDINGS PLC

## REPORT OF THE DIRECTORS (continued)

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### SUBSTANTIAL INTERESTS

At 16 October 2013 the Company was aware of the following interests which represented three per cent or more of the Company's issued share capital:

	Number of shares	% of capital
Western Selection P.L.C.	7,177,762	29.9
First Court Limited re 4310	3,850,907	16.0
Mr T P King	2,548,507	10.6
Buchanan Trading Inc	2,500,000	10.4
Lomond Property Management Limited	1,404,310	5.8
Mr M J G Moir	1,000,100	4.2

### SPECIAL BUSINESS TO BE TRANSACTED AT THE ANNUAL GENERAL MEETING

In addition to the ordinary business referred to in agenda items 1 to 3 of the Notice of Annual General Meeting, the Directors propose special business as set out in agenda items 4 and 5 in the Notice of Annual General Meeting on pages numbered 15 and 16.

The resolution on agenda item 4 will, if passed, grant the Directors authority to allot, pursuant to Section 551 of the Companies Act 2006, £760,020 in nominal amount of the Company's authorised but un-issued share capital.

The resolution on agenda item 5 deals with issues of shares for cash. Section 561 of the Companies Act 2006 requires that when the Directors propose to allot ordinary shares for cash, they must first offer such ordinary shares to existing shareholders in proportion to their existing holdings, unless powers have been previously given to the Directors under section 571 of the Act to disapply these provisions. If granted, this authority will expire at the conclusion of the next Annual General Meeting of the Company and in any event, 15 months after passing the resolution.

### PAYMENT OF SUPPLIERS

The Company does not follow any code or statement on payment practice, but the policy of the Company is to abide by such payment terms as are agreed with suppliers within the terms of supply. The Company does not have a significant level of trade creditors.

### AUDITORS

Since the last year end our auditors Steele Roberson Goddard have changed their status and become SRG LLP; Steele Robertson Goddard accordingly resigned as auditors and the directors, in accordance with section 489 of the Companies Act 2006, appointed SRG LLP to fill the vacancy. A resolution to appoint SRG LLP as auditors will be proposed at the next Annual General Meeting in accordance with Section 489 of the Companies Act 2006.

Approved by the Board on 16 October 2013 and signed on their behalf.

City Group P.L.C.  
Company Secretary

# INDUSTRIAL & COMMERCIAL HOLDINGS PLC

## CORPORATE GOVERNANCE

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The Financial Conduct Authority requires that listed companies incorporated in the UK should state in their report and accounts whether they comply with the Combined Code and identify and give reasons for any areas of non-compliance. The Company and its shares are not traded on and not listed on any stock exchange or dealt in AIM and no disclosures are required. This is not a statement of compliance as required by the Combined Code and should therefore not be relied upon to give the disclosure required by the Combined Code.

The Company follows the Code wherever it is reasonable to do so. It operates an effective board, which includes non-executive Directors. The appointment of Directors is a matter for the entire Board. Each Director is required to retire every three years in accordance with the Articles of Association.

The Company has no Remuneration Committee because the Company has no employees and the remuneration of each Director is limited by the Articles of Association and set out in detail in the statutory accounts which are approved by shareholders in General Meeting. None of the Directors has a service contract with the Company. There are no share options in issue.

The Board is aware of the requirements of the Code and the need for appropriate controls and systems to safeguard the Company's assets. Wherever possible, appropriate controls are put in place and monitored by the Board. However full compliance with the Code is not possible because of the size and resource constraints within the Company and because of the relative cost benefit assessment of putting in place the additional procedures.

The Directors, after making enquiries, have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. They therefore continue to adopt the going concern basis in preparing the accounts.

## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company for that period. In preparing those financial statements, the Directors are required to:

- (a) select suitable accounting policies and apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- (d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. After making enquiries and examining major areas which could give rise to significant financial exposure the Directors are satisfied that no material or significant exposures exist, other than as reflected in these financial statements, and that the Company has adequate resources to continue its operations for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the accounts.

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

# INDUSTRIAL & COMMERCIAL HOLDINGS PLC

## REPORT OF THE INDEPENDENT AUDITOR'S TO THE MEMBERS OF INDUSTRIAL & COMMERCIAL HOLDINGS PLC

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We have audited the financial statements of Industrial & Commercial Holdings PLC for the year ended 30 June 2013 which comprise the Group Profit and Loss Account, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement, the Group and Parent Company Movements in Shareholders' Funds and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Chairman's Review, report of the Directors and Corporate Governance statement to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs at 30 June 2013 and of the group loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

David Skeet FCA (Senior Statutory Auditor)  
For and on behalf of SRG LLP, Statutory Auditor  
SRG LLP  
Chartered Accountants  
and Registered Auditors  
28 Ely Place  
LONDON EC1N 6AA

21 October 2013

# INDUSTRIAL & COMMERCIAL HOLDINGS PLC

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

Year ended 30 June	Notes	2013 £	2012 £
Administration, Development and Property expenses		<b>(36,488)</b>	(20,545)
<b>Operating loss</b>		<b>(36,488)</b>	(20,545)
Dividends receivable		<b>2,223</b>	1,437
Bank interest receivable		<b>5</b>	135
Other income		<b>27</b>	27
<b>Loss on ordinary activities before taxation</b>	2	<b>(34,233)</b>	(18,946)
Taxation	4	-	-
<b>Loss retained for the financial year</b>		<b>(34,233)</b>	(18,946)
<b>Retained at start of year</b>		<b>(204,515)</b>	(185,569)
<b>Retained at end of year</b>		<b>(238,748)</b>	(204,515)
<b>Basic loss per share</b>	5	<b>(0.14p)</b>	(0.08p)

All activities derive from continuing operations.

The notes set out on pages 11 to 14 form part of these accounts.

# INDUSTRIAL & COMMERCIAL HOLDINGS PLC

## CONSOLIDATED BALANCE SHEET

At 30 June	Notes	2013 £	2012 £
<b>Fixed Assets</b>			
Investment property	6	42,125	42,125
		<b>42,125</b>	42,125
<b>Current assets</b>			
Investments		45,721	45,721
Cash at bank		20,605	51,048
		<b>66,326</b>	96,769
<b>Creditors:</b> amounts falling due within one year	9	<b>(26,100)</b>	(22,310)
<b>Net current assets</b>		<b>40,226</b>	74,459
<b>Total assets less current liabilities</b>		<b>82,351</b>	116,584
<b>Capital and reserves</b>			
Called up share capital	10	239,980	239,980
Share premium account	11	81,119	81,119
Profit and Loss Account		(238,748)	(204,515)
<b>Total equity shareholders' funds</b>	12	<b>82,351</b>	116,584

These accounts were approved by the Board on 16 October 2013.

Signed on behalf of the Board

L H Marshall  
Director

The notes set out on pages 11 to 14 form part of these accounts.

# INDUSTRIAL & COMMERCIAL HOLDINGS PLC

Company Number 4024879

## COMPANY BALANCE SHEET

At 30 June	Notes	2013 £	2012 £
<b>Fixed Assets</b>			
Investments in Group companies	7	160	160
		<b>160</b>	160
<b>Current assets</b>			
Investments	8	45,721	45,721
Amounts receivable from Group Company		42,123	42,123
Cash at bank		20,605	51,048
		<b>108,449</b>	138,892
<b>Creditors:</b> amounts falling due within one year	9	<b>(26,100)</b>	(22,310)
<b>Net current assets</b>		<b>82,349</b>	116,582
<b>Total assets less current liabilities</b>		<b>82,509</b>	116,742
<b>Capital and reserves</b>			
Called up share capital	10	239,980	239,980
Share premium account	11	81,119	81,119
Profit and Loss Account		<b>(238,590)</b>	(204,357)
<b>Total equity shareholders' funds</b>	13	<b>82,509</b>	116,742

These accounts were approved by the Board on 16 October 2013.

Signed on behalf of the Board

L H Marshall  
Director

The notes set out on pages 11 to 14 form part of these accounts.

# INDUSTRIAL & COMMERCIAL HOLDINGS PLC

## CONSOLIDATED CASH FLOW STATEMENT

Year ended 30 June		2013 £	2012 £
<b>Net cash absorbed by operating activities</b>	See note below	<b>(32,698)</b>	(16,145)
<b>Cash flow from investment activity</b>			
Acquisition of investments		-	(45,721)
<b>Returns on investments and servicing of finance</b>			
Dividends received		2,223	1,437
Interest received		5	135
Other income		27	27
<b>Decrease in funds</b>		<b>(30,443)</b>	(60,267)
<b>Opening balance of funds</b>		<b>51,048</b>	111,315
<b>Closing balance of funds</b>		<b>20,605</b>	51,048

Note to the Cash Flow Statement

<b>Reconciliation of operating loss to net cash outflow form operating activities</b>			
<b>Operating Loss</b>		<b>(36,488)</b>	(20,545)
<b>Movement in working capital</b>			
<b>Increase in creditors</b>		<b>3,790</b>	4,400
<b>Net cash from operating activities</b>		<b>(32,698)</b>	(16,145)

The notes set out on pages 11 to 14 form part of these accounts.

# INDUSTRIAL & COMMERCIAL HOLDINGS PLC

## NOTES TO THE ACCOUNTS

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### 1. Accounting policies

The accounts have been prepared in accordance with applicable accounting standards. A summary of the more important accounting policies, which have been consistently applied, is given below.

#### Accounting convention

The accounts have been prepared in accordance with the historical cost convention.

These consolidated accounts include the results of the subsidiary company for the year ended 30 June 2013. Results of subsidiaries are included from their effective date of acquisition to their effective dates of disposal.

Under Section 408(3) of the Companies Act 2006, the Company is exempt from the requirement to present its own profit and loss account.

#### Investment properties

Freehold land held for development is stated at its open market value.

#### Current asset investments

Listed investments are carried at the lower of cost and net realisable value.

#### Deferred taxation

Deferred taxation is provided on the full liability method on timing differences arising from the different treatment of items for accounts and taxation purposes which are expected to reverse in the future, calculated at rates at which it is estimated that tax will arise.

#### Property transactions

Acquisitions and disposal of property are accounted for upon exchange of contracts provided completion takes place prior to the date on which the accounts are approved.

#### Liquid resources

Liquid resources comprise cash at bank and in hand.

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	2013	2012
	£	£

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### 2. Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging:

Audit fees for the Group (excluding VAT)	4,000	3,675
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# INDUSTRIAL & COMMERCIAL HOLDINGS PLC

## NOTES TO THE ACCOUNTS (continued)

	2013 £	2012 £
<b>3. Directors' emoluments and employees</b>		
The emoluments of the Directors who were the only employees of the Company were:		
C P Latilla-Campbell	3,000	3,000
D C Marshall	-	1,000
L H Marshall	1,000	1,000
J M Robotham	1,000	1,000
	<b>5,000</b>	<b>6,000</b>

Mr D C Marshall waived his fees for the year. The services of Mr L H Marshall were supplied by his primary employer.

### 4. Taxation

There is no recognition of tax losses arising on the result for the current year. There are also unrecognised tax losses from prior years carried forward.

	2013 £	2012 £
<b>5. Loss per share</b>		
Loss per share is based on the profit on ordinary activities after taxation and on 23,997,985 (2012 – 23,997,985) being the weighted average number of shares in issue during the year.		
	<b>(0.14p)</b>	<b>(0.08p)</b>
<b>6. Investment property</b>		
<b>Group</b>		
Freehold property at cost, brought forward and carried forward	<b>42,125</b>	<b>42,125</b>

The Directors consider that the open market value of the freehold land is equivalent to its original cost.

### 7. Fixed asset investments

#### Company

#### Shares in subsidiary undertaking

Dougalston Limited

At cost – brought forward and carried forward	<b>160</b>	<b>160</b>
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Dougalston Limited, a dormant wholly-owned subsidiary Company, holds the title to the freehold property and is incorporated in England.

# INDUSTRIAL & COMMERCIAL HOLDINGS PLC

## NOTES TO THE ACCOUNTS (continued)

	2013 £	2012 £
<b>8. Investments</b>		
<b>Group and Company</b>		
Investments held as current assets at cost	45,721	45,721
	45,721	45,721
<b>Investments are listed on a recognised stock exchange and had a value at 30 June 2013 of £57,026 (2012 - £50,658).</b>		
<b>9. Creditors: amounts falling due within one year</b>		
<b>Group and Company</b>		
Accruals and deferred income	26,100	22,310
	26,100	22,310
<b>10. Share capital</b>		
<b>Authorised</b>		
100,000,000 ordinary shares of 1p	1,000,000	1,000,000
<b>Called up, allotted and fully paid</b>		
<b>Ordinary shares of 1p</b>		
At 1 July 2012 and 30 June 2013		
23,997,985 shares	239,980	239,980
<b>11. Share premium account</b>		
At 1 July 2012 and 30 June 2013	81,119	81,119
<b>12. Reconciliation of movement in shareholders' funds</b>		
<b>Group</b>		
Total recognised loss for the year and decrease in shareholders' funds	(34,233)	(18,946)
Opening equity shareholders' funds	116,584	135,530
<b>Closing total equity shareholders' funds</b>	82,351	116,584
<b>13. Reconciliation of movement in shareholders' funds</b>		
<b>Company</b>		
Total recognised loss for the year and decrease in shareholders' funds	(34,233)	(18,946)
Opening equity shareholders' funds	116,742	135,688
<b>Closing total equity shareholders' funds</b>	82,509	116,742

**14. Related parties**

The section on Related Party Disclosures below gives details of the interests of the Directors in any material transactions. Other than as disclosed there and in Note 3, no Director was interested in any contract between the Directors, the Company and any other related parties which subsisted during or at the end of the financial year.

Mr D C Marshall, Mr L H Marshall and Mr J M Robotham are Directors of City Group P.L.C. which Company received fees of £2,000 (2012: £2,000) for the provision of office, accounting and secretarial services to the Company. There was an amount of £850 due to City Group P.L.C. from the Group at 30 June 2013 (2012 – due to City Group - £400).

# **INDUSTRIAL & COMMERCIAL HOLDINGS PLC**

## **NOTICE OF ANNUAL GENERAL MEETING**

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Notice is hereby given that the Annual General Meeting of Industrial & Commercial Holdings PLC will be held at 30 City Road, London EC1Y 2AG on Wednesday, 4 December 2013 commencing at 10.30am for the following purposes:

### **ORDINARY BUSINESS**

1. To receive and adopt the Report and Accounts for the year ended 30 June 2013 together with the Reports of the Directors and the Auditors.
2. To re-elect Mr David Marshall who retires in accordance with the Company's Articles of Association and being eligible offers himself for re-election.
3. To appoint SRG LLP as Auditors to the Company to hold office until the next General Meeting at which accounts are laid before the Company and to authorise the Directors to determine their remuneration.

### **SPECIAL BUSINESS**

To consider and, if thought fit, pass the following resolutions. The resolution on agenda item 4 will be proposed as an Ordinary Resolution and the resolution on agenda item 5 will be proposed as a Special Resolution.

4. To consider the following Ordinary Resolution:

THAT the Board be and is hereby generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities (within the meaning of Section 551 of the Companies Act 2006) up to an aggregate nominal amount of £760,020 provided that this authority shall expire on 3 December 2018 save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and that the Board may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired but otherwise in substitution for any authorities conferred on the Directors to allot relevant securities. Words or expressions defined in or for the purposes of Part XV11 of the Companies Act 2006 shall bear the same meaning herein.

## INDUSTRIAL & COMMERCIAL HOLDINGS PLC

### NOTICE OF ANNUAL GENERAL MEETING (continued)

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5. To consider the following Special Resolution:

THAT subject to the passing of Resolution number 4 and upon such resolution becoming effective, the Board be and is hereby empowered pursuant to Section 571 of the Companies Act 2006 to allot equity securities (within the meaning of Section 560 of that Act) for cash pursuant to the authority conferred by resolution number 5 as if sub-section (1) of Section 561 of that Act did not apply to any such allotment provided that this power shall be limited:

- (a) to the allotment of equity securities in connection with a rights, bonus or other similar issue in favour of shareholders and other persons entitled to participate therein where the equity securities respectively attributable to the interests of all shareholders are proportionate (as nearly as may be) to the respective number of shares held by them but subject only to such exclusions or other arrangements as the Directors may deem necessary or expedient for the purpose of dealing with fractional entitlements or legal or practical problems under the laws of or the requirements of any regulatory body or any stock exchange in any territory; and
- (b) to the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal value of £11,999 representing 5 per cent of the issued share capital and it shall expire on 3 March 2015 save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Board may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired but otherwise it shall be in substitution for any prior authorities conferred on the Directors to allot equity securities.

By Order of the Board  
City Group P.L.C.  
Secretaries

Registered Office  
30 City Road  
London EC1Y 2AG  
16 October 2013

#### Notes

A member entitled to attend and vote at the meeting may appoint one or more proxies to attend and, on a poll, to vote on his behalf. A proxy need not be a member of the Company.

A form of proxy is enclosed. To be valid it should be completed and returned so as to reach the registered office of the Company not less than 48 hours before the time fixed for the meeting. Completion of a form of proxy does not preclude a member from subsequently attending and voting in person.

The Register of Directors' interests will be available, for inspection by members, at the registered office of the Company during usual business hours on any weekday (Saturday and public holidays excepted), from the date of this notice until the date of the Annual General Meeting and at the place of the meeting, from 10.15 a.m. until the conclusion thereof. No Director has a service contract with the Company.