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The Directors of Cheerful Scout Plc, whose names appear on page 5 of this document, accept responsibility for the information contained in this document, save for: (i) the information on Peter Litten for which Peter Litten takes responsibility; and (ii) the Recommendation on page 9 of this document, for which the Independent Directors take responsibility. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information. Peter Litten accepts responsibility for the information in this document in relation to himself. To the best of the knowledge and belief of Peter Litten (who has taken all reasonable care to ensure such is the case), the information contained in this document in relation to himself is in accordance with the facts and does not omit anything likely to affect the import of such information.

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# **Cheerful Scout Plc**

*(Incorporated in England and Wales under the Companies Act 1985 with registered number 4314540)*

## **Proposed consolidation, share purchase and subdivision of share capital Approval of a waiver of the obligation under Rule 9 of the City Code on Takeovers and Mergers and Notice of General Meeting**

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Notice convening a General Meeting of the Company to be held at the offices of Cheerful Scout Plc at 25-27 Riding House Street, London W1W 7DU on 26 June 2009 at 11.30 a.m. and a Form of Proxy for use at the meeting is enclosed with this document and should be completed, signed and returned in accordance with the instructions thereon, as soon as possible but, in any event, so as to be received by the Company Registrar's, Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU by not later than 11.30 a.m. on 24 June 2009 (or 48 hours before any adjournment of the General Meeting).

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## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	4 June 2009
Latest time and date of receipt of Forms of Proxy	11.30 a.m. 24 June 2009
Record Date	26 June 2009
General Meeting	11.30 a.m. 26 June 2009
Admission of New Ordinary Shares	on or around 29 June 2009
CREST Accounts credited with New Ordinary Shares	on or around 29 June 2009
Certificates issued in respect of New Ordinary Shares	7 July 2009
Payments issued to entitled Shareholders	7 July 2009
New Ordinary Shares' International Security Identification Number (ISIN)	GB00B4QHH456

## DEFINITIONS

“Act”	the Companies Act 2006 as amended, restated or re-enacted;
“Aggregated Shares”	shall have the meaning given in paragraph 2 of Part I of this document;
“AIM”	the AIM Market of the London Stock Exchange Plc;
“AIM Rules”	the AIM rules for Companies published by the London Stock Exchange Plc from time to time;
“Articles”	the Company’s articles of association;
“BDI”	Business Data Interactive Limited, a company which is a subsidiary of the Company and in respect of which the Company owns 60 per cent. of the voting shares;
“Capita Registrars”	a trading name of Capita Registrars Limited;
“Capital Reorganisation”	the Consolidation, the Share Purchase and the Subdivision;
“Circular”	this document;
“CREST”	the relevant system (as defined in The Uncertificated Securities Regulation 2001) in respect of which Euroclear UK & Ireland Limited is the operator (as defined in the The Uncertificated Securities Regulation 2001);
“Code”	the City Code on Takeovers and Mergers published by the Panel (as amended from time to time);
“Company” or “Cheerful Scout”	Cheerful Scout Plc;
“Consolidated Shares”	means the new ordinary shares of £1,562.50 each arising on the Consolidation;
“Consolidation”	the consolidation of Ordinary Shares, on the basis of one Consolidated Share for every 12,500 Ordinary Shares held on the Record Date;
“Directors” or “Board”	the directors of the Company as set out on page 5 of this document;
“DTR”	the FSA’s Disclosure and Transparency Rules;
“Existing Shares”	9,800,000 Ordinary Shares in issue at the date of this document;
“Form of Proxy”	the form of proxy for use by Shareholders at the GM which is enclosed with this document;
“FSA”	the Financial Services Authority;
“GM” or “General Meeting”	the general meeting of the Company convened for 11.30 a.m. on 26 June 2009 at the address set out in the Notice;
“Group”	Cheerful Scout and its subsidiary undertakings;
“Independent Directors”	the Board, save for Peter Litten;
“Irrevocable Undertakings”	the irrevocable undertakings dated 3 June 2009 entered into by the Directors and Reverse Take-Over Investments Plc in favour of the Company and Seymour Pierce, as detailed in paragraph 5 of Part I of this document;
“Issued Share Capital”	means the Ordinary Shares in issue on the date of this document;

“Official List”	the official list of the UK Listing Authority;
“Ordinary Shares”	the ordinary shares of 12.5 pence each in the capital of the Company;
“New Ordinary Shares”	the new ordinary shares of 12.5 pence each arising on completion of the Capital Reorganisation;
“Notice”	the notice of GM which is set out at the end of this document;
“Panel”	the Panel on Takeovers and Mergers;
“Proposals”	the proposals set out in this document;
“Purchase Contract”	the contract in the agreed form, to be entered into following the GM, pursuant to which Seymour Pierce will sell and the Company shall purchase the fractional entitlements to Consolidated Shares which have been aggregated into whole Consolidated Shares arising as a result of the Consolidation, at a price of £625 per share (being equivalent to 5 pence per Ordinary Share), as detailed further in Part I of this document;
“Recommendation”	the recommendation of the Independent Directors set out in paragraph 9 of Part I of this document;
“Record Date”	26 June 2009, being the record date for the Capital Reorganisation;
“Registrars”	Capita Registrars;
“Reorganised Share Capital”	the ordinary shares of 12.5 pence each in the capital of the Company following the Capital Reorganisation;
“Resolutions”	the resolutions set out in the Notice;
“Seymour Pierce”	means Seymour Pierce Limited, the Company’s nominated adviser;
“Shareholders”	holders of Ordinary Shares;
“Share Purchase”	the buy-back of the fractional entitlements to Consolidated Shares arising as a result of the Consolidation which have been aggregated into whole Consolidated Shares, such buy-back to be effected by the Company entering into the Purchase Contract following the GM, such purchase to be made out of the distributable profits of the Company;
“Subdivision”	the sub-division of the Company’s share capital which is to take place following the Consolidation, on the basis that each Consolidated Share of £1,562.50 shall be sub-divided into 12,500 New Ordinary Shares of 12.5 pence each;
“UK Listing Authority”	a division of the Financial Services Authority acting as a competent authority for the purposes of Part IV of the Financial Services and Markets Act 2000, as amended;
“Waiver”	the waiver provided by the Panel of any obligation on the part of Peter Litten to make a general offer to Shareholders under Rule 9 of the Code; and
“Waiver Resolution”	Resolution 4 set out in the Notice, which is to be proposed as an ordinary resolution to be taken on a poll.

## PART I

### LETTER FROM THE INDEPENDENT DIRECTORS

# Cheerful Scout Plc

*(Incorporated in England and Wales with registered number 4314540)*

#### *Directors*

Stuart Appleton (*Chairman*)  
Peter Litten (*Director*)  
Richard Owen (*Non-executive Director*)  
Neville Newman (*Non-executive Director*)

#### *Registered Office*

65 New Cavendish Street  
London  
W1G 7LS

4 June 2009

*To Shareholders and for information only, to participants in the Company's share option schemes and holders of warrants*

Dear Shareholder,

#### **1. Introduction**

Earlier today, the Board announced details of the reorganisation of the Company's share capital. The Company has approximately 475 Shareholders, almost 90 per cent. of whom hold fewer than 12,500 Ordinary Shares. By undertaking the Capital Reorganisation the Board (including Peter Litten) believe that certain of the costs inherent in maintaining a register of this size will be reduced and an exit will be provided to small Shareholders whose holdings will be acquired by the Company. The Board considers that it is in the interests of the Company and its Shareholders to reorganise the Company's share capital in such a way as to provide a cash payment per Ordinary Share, free of dealing charges, for their entire shareholding to all holders of fewer than 12,500 Ordinary Shares. The Capital Reorganisation is described in more detail below.

As a result of the Capital Reorganisation, Peter Litten will have an interest in approximately 52.38 per cent. of the Reorganised Share Capital. Completion of the Capital Reorganisation will trigger an obligation on Peter Litten to make a mandatory offer under Rule 9 of the Code for all of the New Ordinary Shares in issue and not held by him. The Independent Directors are therefore seeking independent Shareholders' approval, by the proposal of the Waiver Resolution, for a waiver to be granted by the Panel from the obligations that would otherwise apply to Peter Litten under Rule 9 of the Code resulting from the Capital Reorganisation to make a mandatory offer under Rule 9 of the Code for the remaining New Ordinary Shares in issue.

#### **2. Capital Reorganisation**

For the reasons set out above, your Board has decided that the Capital Reorganisation should be implemented. As a result: (i) the Consolidation will consolidate the Company's share capital; (ii) any fractional entitlements of Shareholders which arise as a result of the Consolidation shall be aggregated into whole Consolidated Shares, registered in the name of Seymour Pierce and will then be sold by Seymour Pierce to the Company at a price of £625 per Consolidated Share (being equivalent to 5 pence per Ordinary Share) pursuant to the terms of a contract to be entered into by the Company and Seymour Pierce (with the proceeds thereafter being remitted by Capita Registrars to the relevant Shareholders as detailed below); and (iii) the Subdivision shall be effected.

The Board is aware that it can be difficult for Shareholders to sell very small shareholdings and that dealing charges might make selling small shareholdings uneconomic. Maintaining a large register of very small shareholdings is also very expensive for the Company and considered by the Board to not be in the best interests of Shareholders as a whole.

The Board has, therefore, sought to make arrangements to give the holders of very small holdings of Ordinary Shares cash in consideration for their Ordinary Shares without those Shareholders incurring dealing charges. This document provides the details of these arrangements.

### **Consolidation**

The Directors propose to consolidate every 12,500 Ordinary Shares into one Consolidated Share of £1,562.50. The authority for the Company to undertake the Consolidation is contained in Resolution 1, which will be proposed as an ordinary resolution.

### **Share Purchase**

The Articles give the Directors the authority to determine the manner in which fractional entitlements on a consolidation should be dealt with, including the sale of such fractional entitlements to the Company. Accordingly, it is proposed that following the Consolidation the resulting fractions of Consolidated Shares (the "Aggregated Shares") will be aggregated into whole numbers of Consolidated Shares and registered in the name of Seymour Pierce. Following the passing of Resolution 2 (which will be proposed as a special resolution) it is proposed that Seymour Pierce and the Company will enter into the Purchase Contract pursuant to which Seymour Pierce will sell the Aggregated Shares to the Company at £625 per Consolidated Share (being equivalent to 5 pence per Ordinary Share). Under the terms of the Purchase Contract the Company will pay the aggregate proceeds due in respect of the purchased Aggregated Shares to Capita Registrars, for the purpose of Capita Registrars thereafter making payment pro-rata to the relevant Shareholders.

Cash payments of less than £5.00 will not be distributed to holders of Ordinary Shares but will instead be aggregated and held for the benefit of the Company. Any fractional entitlements which remain following the aggregation into whole Consolidated Shares as set out in the preceding paragraph shall be disregarded which could marginally affect the cash payments received by Shareholders.

As at 31 December 2008, the date of the Company's interim results for the six month period ended 31 December 2008, the Company had accumulated profits on its balance sheet of £1,323,876. In order for the Company to undertake the buy-back of the Aggregated Shares from Seymour Pierce as set out above and in accordance with the Act, the purchase of such shares must be made out of the distributable profits of the Company or out of the proceeds of an issue of shares made for the purpose of the purchase. It is proposed that the Aggregated Shares be bought back by the Company off-market pursuant to the terms of the Purchase Contract.

The authority for the Company to enter into the Purchase Contract is contained in Resolution 2, which shall be proposed as a special resolution.

The purchase price which the Company will acquire the Aggregated Shares off-market pursuant to the terms of the Purchase Contract will be £625 per Consolidated Share (being equivalent to 5 pence per Ordinary Share).

### **Subdivision**

Following the Consolidation, it is proposed that every Consolidated Share then be subdivided into 12,500 New Ordinary Shares. The authority for the Company to undertake the Subdivision is contained in Resolution 3, which will be proposed as an ordinary resolution.

### **Effect of the Capital Reorganisation**

The effect of the Capital Reorganisation is that Shareholders holding fewer than 12,500 Ordinary Shares on the Record Date of 26 June 2009 will receive a cash payment equivalent to 5 pence per Ordinary Share (subject to the impact and treatment of fractional entitlements as described elsewhere in this document). The closing middle market price of an Ordinary Share on AIM (as derived from the Official List of the AIM Appendix to the Daily UK Listing Authority) on 3 June 2009 (being the last practicable date prior to the date of this document) was 4.25 pence. As a result of the Capital Reorganisation, those Shareholders holding fewer than 12,500 Ordinary Shares will have received 5 pence per share for their shareholding (subject to the impact and treatment of fractional entitlements as described elsewhere in this document) without incurring dealing costs.

Holders of more than 12,500 Ordinary Shares on the Record Date will likewise receive a cash payment equivalent to 5 pence per Ordinary Share (subject to the impact and treatment of fractional entitlements as described elsewhere in this document) for the number of their Ordinary Shares as become a fraction of a Consolidated Share when their holding is divided by 12,500. These Shareholders will retain the balance of their shareholding. For example, a holder of 15,000 Ordinary Shares would receive: (i) following the Consolidation, 1 Consolidated Share in respect of 12,500 Ordinary Shares together with a cash payment in respect of 2,500 Ordinary Shares; and (ii) following the Subdivision, would retain 12,500 New Ordinary Shares.

The Directors anticipate that the Capital Reorganisation will reduce the number of Shareholders from present level of approximately 475 to approximately 36. This will reduce the Company's costs on an ongoing basis.

Based on the Company's share register on 3 June 2009, the Share Purchase would result in approximately 1,400,000 Consolidated Shares being bought back by the Company for an aggregate purchase price of approximately £70,000. As the Record Date for the Capital Reorganisation is 26 June 2009, there could be movement in the Company's share register prior to completion of the Share Purchase which could result in a change to the number of Consolidated Shares which are to be bought back by the Company. The Company will announce the exact number of Consolidated Shares bought back by the Company following completion of the Share Purchase.

The Directors do not anticipate any suspension on AIM of the trading of the Company's Ordinary Shares or any delay in the commencement of the trading of the New Ordinary Shares as a result of the Capital Reorganisation. The Capital Reorganisation is anticipated to be completed and take effect on or around 29 June 2009.

It is expected that share certificates in respect of the New Ordinary Shares arising from the Proposals will be dispatched by the Registrars on or around 7 July 2009. Upon receipt of new share certificates, certificates in respect of the Ordinary Shares will become invalid and should be destroyed. CREST accounts will be credited with the New Ordinary Shares on 29 June 2009.

### **3. Approval of the Capital Reorganisation**

In accordance with Article 46 of the Articles, the Company may amend its Articles to consolidate its shares into shares of a larger nominal value or sub-divide its shares into a larger number of shares of the same class. The Proposals will be effected by the passing of Resolutions 1 to 3, which will effect the Consolidation, the Share Purchase and the Subdivision.

### **4. Code**

Under Rule 9 of the Takeover Code, ("the Code"), any person who acquires an interest (as defined in the Code) in shares which, taken together with shares in which he is already interested, and in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company which is subject to the Code, is normally required to make a general offer to all the remaining shareholders to acquire their shares.

Similarly, when any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of such voting rights, a general offer will normally be required if any further interests in shares are acquired by any such person.

An offer under Rule 9 must be made in cash and at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares in the company during the 12 months prior to announcement of the offer.

Peter Litten currently owns, in aggregate, 44 per cent. of the issued Ordinary Shares. On completion of the Capital Reorganisation, Peter Litten will be interested in 4,407,840 Ordinary Shares, representing approximately 52.38 per cent. of the Company's enlarged issued voting share capital.

Under Rule 37.1 of the Code, when a company redeems or purchases its own voting shares, any resulting increase in the percentage of shares carrying voting rights of a person or group of persons acting in concert will be treated as an acquisition for the purpose of Rule 9 of the Code. A person who comes to exceed the limits of Rule 9 in consequence of a company's redemption or purchase of its own shares will not normally incur an obligation to make a mandatory offer unless that person is a director, or the relationship of the person with any one or more of the directors is such that the person is, or presumed to be, acting in concert with any of its directors.

**The Panel has agreed, however, to waive the obligation to make a general offer that would otherwise arise as a result of the Capital Reorganisation, subject to approval of independent shareholders of the Company. Accordingly, resolution 4 is being proposed at the General Meeting, and will be taken on a poll. Peter Litten will not be entitled to vote on this resolution.**

Following completion of the Capital Reorganisation, Peter Litten will hold more than 50 per cent. of the Company's voting share capital and may accordingly increase his interests in Ordinary Shares without incurring any further obligation under Rule 9 to make a general offer.

The Waiver, which the Panel has agreed to provide, subject to the Whitewash Resolution being passed on a poll by independent Shareholders at the GM, will be invalidated if any purchases or exercise of options of Ordinary Shares are made by Peter Litten or any person acting in concert with him in the period between the date of this document and the GM. Peter Litten has undertaken to the Company that he will not make any such purchases between the date of this document and the date of the GM.

Further information on Peter Litten is included in Part III of this document.

## **5. Irrevocable undertakings**

The Independent Directors have undertaken to both the Company and Seymour Pierce to vote in favour of the Resolutions in respect of their aggregate beneficial holdings of 412,160 Ordinary Shares representing approximately 4.21 per cent. of the Issued Share Capital.

Peter Litten has undertaken to both the Company and Seymour Pierce to vote in favour of the Resolutions (save for the Waiver Resolution in respect of which he has undertaken not to vote (whether by hand or on a poll) or to return a Form of Proxy), in respect of his beneficial holding of 4,407,840 Ordinary Shares representing approximately 44.98 per cent. of the Issued Share Capital.

Reverse Take-Over Investments Plc (a company which Richard Owen is interested in accordance with the Act) has also undertaken to both the Company and Seymour Pierce to vote in favour of the Resolutions in respect of its beneficial holding of 800,000 Ordinary Shares representing approximately 8.16 per cent. of the Issued Share Capital. The holding of Reverse Take-Over Investments Plc is included within the beneficial holdings of the Independent Directors above.

In aggregate, irrevocable undertakings to vote in favour of all of the Resolutions (save for the Waiver Resolution) have been received by the Company in respect of 5,624,000 Ordinary Shares representing approximately 57.39 per cent. of the Issued Share Capital. In addition, irrevocable undertakings to vote in favour of the Waiver Resolution have been received by the Company in respect of 1,212,160 Ordinary Shares representing approximately 12.37 per cent. of the Issued Share Capital.

## **6. Current Trading/Interim Results**

The Board (including Peter Litten) are committed to building Cheerful Scout's position as a niche non-broadcast based multi-media specialist services company, with a primary focus on delivering corporate communications solutions and DVD oriented design and technical services.

Cheerful Scout announced its interim results for the six months to 31 December 2008 on 30 March 2009. In the Chairman's statement it highlighted that progress had been made during the period under review, delivering creative corporate communication solutions to Cheerful Scout's list of blue-chip clients and DVD orientated design and technical services. In addition, the Board (including Peter Litten) remain committed to streamlining the business, reducing overheads and using the Company's resources in a cost effective manner to deal more efficiently in the competitive sector in which it operates. This process will continue throughout this financial year.

Revenue for the six months to 31 December 2008 increased to £894,889 (2007: £695,839) and an operating profit of £3,032 (2007: loss of £238,948). The cash balance remains healthy with cash balances at 31 December 2008 of £943,624 (2007: £1,023,634).

The loss of the Company's contract with the Contender Group has led the Company to review and restructure the DVD division to focus on Blu-ray DVD. The drive for new business in this division continues and importantly other client relationships remain stable and there is potential, even in these difficult markets, for increased activity from them.

The On Screen division has performed well in the first half year with major projects for BAA and HMRC. However, the pipeline of work for the second half of the year has been adversely affected by the general economic climate which will impact on the Company's second half performance.

Cheerful Scout's business intelligence software joint venture has not performed well and the Board believe that it will be difficult to exploit its high-end products in the current economic climate. As a result the Board have taken a decision to write-off the Company's investment and loans which to date total £200,600. There is no cash outflow connected with the write-off and the loss is eliminated on consolidation.

The Board expects business levels to be adversely affected during the second half of the year as clients reduce spending in-line with the economic environment and business sentiment.

## **7. The General Meeting**

Set out at the end of this document is a notice convening the General Meeting of the Company to be held at the offices of Cheerful Scout Plc, 25-27 Riding House Street, London W1W 7DU on 26 June 2009 at 11.30 a.m. where the following resolutions will be proposed:

### *Resolution 1*

An ordinary resolution to undertake the Consolidation.

### *Resolution 2*

A special resolution, conditional on the passing of Resolution 1, to authorise the Company to enter into the Purchase Contract.

### *Resolution 3*

An ordinary resolution, conditional on the passing of Resolutions 1 and 2, to undertake the Subdivision.

### *Resolution 4*

An ordinary resolution to be passed on a poll vote by independent Shareholders, conditional on the passing of Resolutions 1 to 3, to waive the requirement on Peter Litten to make a mandatory offer under Rule 9 of the Code that would otherwise arise as a result of the Capital Reorganisation.

## **8. Action to be taken by Shareholders**

Shareholders will find enclosed with this document a Form of Proxy for use at the General Meeting. The Form of Proxy should be completed and returned in accordance with the instructions printed thereon so as to arrive at the Company's Registrars, Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and in any event not later than 11.30 a.m. on 24 June 2009. Completion and return of a Form of Proxy will not prevent Shareholders from attending and voting in person at the General Meeting should they so wish.

## **9. Recommendation**

The Independent Directors, who have been so advised by Seymour Pierce, consider the Capital Reorganisation, and also the Waiver to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole. In giving its advice, Seymour Pierce has taken into account the Independent Directors' commercial assessments.

Accordingly, the Independent Directors unanimously recommend the independent Shareholders to vote in favour of the Resolutions as they intend to do so in respect of their own beneficial holdings amounting to, in aggregate, 412,160 Ordinary Shares, representing approximately 4.21 per cent. of the Issued Share Capital.

Peter Litten has undertaken that he will not vote on, and will not return a Form of Proxy in respect of, the Waiver Resolution.

Yours faithfully

**Stuart Appleton**  
*Chairman*

**PART II**  
**FINANCIAL INFORMATION**

**Incorporation of the relevant information by reference**

The information listed below relating to Cheerful Scout is hereby incorporated by reference into this document.

*No. Information*

*Source of Information*

1. Turnover, net profit or loss before and after taxation, the charge for tax, extraordinary items, minority interests, the amount absorbed by dividends and earnings and dividends per share for Cheerful Scout for the three years ended 30 June 2008

Cheerful Scout Annual Report & Accounts 2008, Group Income Statement on page 12 page 8 on Dividends Policy and note 5 on Taxation on page 19.

If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.

**[http:// www.cheerfulscout.com/data/fpdfs/2007\\_annual.pdf](http://www.cheerfulscout.com/data/fpdfs/2007_annual.pdf)**

Cheerful Scout Annual Report & Accounts 2007, Consolidated Profit and Loss account on page 12, page 7 on Dividends Policy and note 5 on Taxation on page 18.

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**[http://www.cheerfulscout.com/data/fpdfs/2006\\_annual.pdf](http://www.cheerfulscout.com/data/fpdfs/2006_annual.pdf)**

Cheerful Scout Annual Report & Accounts 2006, Consolidated Profit and Loss account on page 9, page 3 on Dividends Policy and note 6 on Taxation on page 15.

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**[http://www.cheerfulscout.com/data/fpdfs/2005\\_annual.pdf](http://www.cheerfulscout.com/data/fpdfs/2005_annual.pdf)**

2. Details relating to the items referred to in 1 above in respect of the interim statement for Cheerful Scout for the six months ending 31 December 2008

Cheerful Scout Company Interim Report 2008, Company Income Statement on page 7, page 3 on dividend policy and note 5 on taxation page 13.

If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.

**[http://www.cheerfulscout.com/data/fpdfs/2008\\_sixmon.pdf](http://www.cheerfulscout.com/data/fpdfs/2008_sixmon.pdf)**

<i>No. Information</i>	<i>Source of Information</i>
3. A statement of the assets and liabilities shown in the audited accounts for Cheerful Scout for the year ended 30 June 2008	<p>Cheerful Scout Annual Report &amp; Accounts 2008, Group Balance Sheet on page 13.</p> <p>If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.</p> <p><b><a href="http://www.cheerfulscout.com/data/fpdfs/2007_annual.pdf">http:// www.cheerfulscout.com/data/fpdfs/2007_annual.pdf</a></b></p>
4. A cash flow statement as provided in the audited accounts for Cheerful Scout for the year ended 30 June 2008	<p>Cheerful Scout Annual Report &amp; Accounts 2008, Group Cash Flow Statement on page 14.</p> <p>If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.</p> <p><b><a href="http://www.cheerfulscout.com/data/fpdfs/2007_annual.pdf">http:// www.cheerfulscout.com/data/fpdfs/2007_annual.pdf</a></b></p>
5. Significant accounting policies together with any points from the notes to the accounts which are of major relevance to an appreciation of the figures	<p>Cheerful Scout Annual Report &amp; Accounts 2008, the Statement of Critical Accounting Policies, Judgements and Estimates on pages 15 to17and Notes to the Group's Financial Statements on pages 18 to 28.</p> <p>If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.</p> <p><b><a href="http://www.cheerfulscout.com/data/fpdfs/2007_annual.pdf">http:// www.cheerfulscout.com/data/fpdfs/2007_annual.pdf</a></b></p> <p>Cheerful Scout Annual Report &amp; Accounts 2007, the Statement of Accounting Policies on pages 16 to 17 and the Notes to the Group's Financial Statements on pages 17 to 26.</p> <p>If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.</p> <p><b><a href="http://www.cheerfulscout.com/data/fpdfs/2006_annual.pdf">http://www.cheerfulscout.com/data/fpdfs/2006_annual.pdf</a></b></p> <p>Cheerful Scout Annual Report &amp; Accounts 2006, the Statement of Accounting Policies on pages 13 to 14 and the Notes to the Group's Financial Statements on pages 14 to 21.</p> <p>If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.</p> <p><b><a href="http://www.cheerfulscout.com/data/fpdfs/2005_annual.pdf">http://www.cheerfulscout.com/data/fpdfs/2005_annual.pdf</a></b></p>

The results for Cheerful Scout for the three years ended 30 June 2008, 30 June 2007 and 30 June 2006 and for the six months ended 31 December 2008 are available free of charge on the Cheerful Scout website at <http://www.cheerfulscout.com>.

Information in relation to 1, 2, 3 and 4 above has not been published in an inflation adjusted form.

The annual reports and interim results are available in “read-only” format and can be printed from the Cheerful Scout website. Cheerful Scout will provide within two Business Days, without charge, to each person to whom a copy of this document has been delivered, upon their written request, a copy of any documents incorporated by reference in this document. Copies of any documents incorporated by reference in this document will not be provided unless such a request is made. Requests for copies of any such document should be directed to either the Company Secretary, Cheerful Scout plc at 65 New Cavendish Street, London W1G 7LS or Capita Registrars by telephoning the shareholder helpline on 0871 664 0300 (calls cost 10 pence per minute plus network extras) or +44 (0) 20 8639 3399 if phoning from outside the UK. Alternatively Cheerful Scout Shareholders may email Capita Registrars at [ssd@capitaregistrars.com](mailto:ssd@capitaregistrars.com).

**PART III**  
**FURTHER INFORMATION**

**1. Further Information on Peter Litten**

- 1.1 Peter Litten is an executive director of the Company. Peter Litten has worked for more than 25 years in many capacities in the entertainment industry. He was a director of a special effects company for many years, designing and supplying special effects to numerous TV programmes, feature films and commercials.
- 1.2 Since 1 May 2002, the date of which the Company acquired Centralfix Limited (its wholly owned subsidiary), Peter Litten has been a director of the Company and it is his principal business interest.
- 1.3 Peter Litten, aged 49, is or has been a director or partner of the following companies or partnerships during the previous five years:
- Current directorships or partnerships:
- Centralfix Limited \*  
TDF Productions Limited  
Cheerful Scout Plc  
Nvision Technology Limited \*  
Business Data Interactive Limited \*
- \*Subsidiaries of Cheerful Scout
- Directorships or partnerships held within the previous five years:
- None
- 1.4 There are no other matters which are required to be disclosed under paragraph 14.1 and paragraph 14.2 of Appendix 3 of the Prospective Rules.

**2. Disclosure of interests and dealings in shares**

**Definitions**

- 2.1 For the purposes of this paragraph 2:
- 2.1.1 “**acting in concert**” has the meaning attributed to it in the Code;
- 2.1.2 “**arrangement**” includes an indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing;
- 2.1.3 “**associate**” of any company means:
- (a) its parent, subsidiaries and fellow subsidiaries, their associated companies, and companies of which any such parent, subsidiaries, fellow subsidiaries or associated companies are associated companies (for this purpose, ownership or control of 20 per cent. or more of the equity share capital of a company is regarded as the test of “associated company” status);
  - (b) its connected advisers and persons controlling, controlled by or under the same control as such connected advisers;
  - (c) its directors and the directors of any company covered in (a) above (together in each case with their close relatives and related trusts); and
  - (d) its pension funds or the pension funds of a company covered in (a) above;

- 2.1.4 “**connected adviser**” has the meaning attributed to it in the Code;
- 2.1.5 “**connected person**” has the meaning attributed to it in section 252 and 253 of the Act;
- 2.1.6 “**control**” means a holding, or aggregate holdings, of shares carrying 30 per cent. or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether the holding or aggregate holding gives *de facto* control;
- 2.1.7 “**dealing**” or “**dealt**” includes the following:
- (a) the acquisition or disposal of relevant securities; of the right (whether conditional or absolute) to exercise or direct the exercise of voting rights attached to relevant securities, or of general control of relevant securities;
  - (b) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including a traded option contract) in respect of any relevant securities;
  - (c) subscribing or agreeing to subscribe for relevant securities;
  - (d) the exercise of conversion of any relevant securities carrying conversion or subscription rights;
  - (e) the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced directly or indirectly, to relevant securities;
  - (f) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities; and
  - (g) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;
- 2.1.8 “**derivative**” includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security but which does not include the possibility of delivery of such underlying security;
- 2.1.9 “**disclosure date**” means 3 June 2009, being the latest practicable date prior to the posting of this document;
- 2.1.10 “**disclosure period**” means the period commencing on 3 June 2008, being the date 12 months prior to the date of the posting of this document and ending of the disclosure date;
- 2.1.11 “**exempt principal trader**” or “**exempt fund manager**” has the meaning attributed to it in the Code;
- 2.1.12 being “**interested**” in relevant securities includes where a person:
- (a) owns relevant securities;
  - (b) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities or has general control of them;
  - (c) by virtue of any agreement to purchase any option or derivative, has the right or option to acquire relevant securities or call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or

(d) is party to any derivative whose value is determined by reference to its price and which results, or may result, in his having a long position in it;

2.1.13 “**relevant Cheerful Scout securities**” means shares in Cheerful Scout (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof;

2.1.14 “**relevant securities**” means relevant Cheerful Scout securities; and

2.1.15 “**short position**” means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.

2.2 The voting rights (within the meaning of Chapter 5 of the DTR) of the Directors and their respective families (as defined in the AIM Rules) all of which are beneficial unless otherwise stated and of connected persons within the meaning of the Act, in the issued share capital of the Company as at the date of this document, the existence of which is known to, or could, with reasonable diligence, be ascertained by the Directors, together with the percentages which such interests represent of the Ordinary Shares in issue are as follows:

<i>Name</i>	<i>Number of Ordinary Shares as at 3 June 2009</i>	<i>% of Issued Share Capital as at 3 June 2009</i>	<i>Number of options over Ordinary Shares</i>
Peter Litten	4,407,840	44.98	None
Stuart Appleton	132,320	1.35	None
Neville Newman	279,840	2.86	None
Richard Owen *	800,000	8.16	None

\* Richard Owen is a director of and in accordance with the Act has an interest in Reverse Take-Over Investments Plc through its parent company Westside Acquisitions Plc.

2.3 Save as disclosed above, none of the Directors or any persons connected with them (within the meaning of Rule 3 of the DTR) has any interest, beneficial or non-beneficial, in the share capital of the Company.

2.4 So far as the Directors are aware, the only persons who are directly or indirectly interested (within in the meaning of Chapter 5 of the DTR) in 3 per cent. or more of the Company’s share capital are as follows:

<i>Name of Shareholder</i>	<i>Number of Ordinary Shares as at 3 June 2009</i>	<i>% of Issued Share Capital as at 3 June 2009</i>
Barclayshare Nominees Limited	564,814	5.76
Jarvis Investment Management Limited	523,000	5.34
Pershing Nominees Limited	439,083	4.48
Reverse Take-Over Investments Plc *	800,000	8.16

\* Richard Owen is a director of and in accordance with the Act has an interest in Reverse Take-Over Investments Plc through its parent company Westside Acquisitions Plc.

- 2.5 Save for Peter Litten, the Company is not aware of any person or persons who either alone or, if connected, jointly will (directly or indirectly) exercise or could exercise control over the Company.
- 2.6 The Company's Shareholders listed in this paragraph 2 do not have different voting right to other holders of Ordinary Shares.
- 2.7 The Directors are not aware of any arrangements in place or under negotiation which may, at a subsequent date, result in a change of control of the Company.
- 2.8 As at 3 June 2009 (the last practicable date prior to the publication of this document), the Company had not granted any options over Ordinary Shares to the Directors. The Company introduced on 27 October 2004 an EMI share option scheme for certain senior employees.
- 2.9 As at the close of business on 3 June 2009 (the last practicable date prior to the publication of this document), Seymour Pierce, nominated adviser to Cheerful Scout, owned or controlled the following Ordinary Shares:

<i>Name</i>		<i>Number of Ordinary Shares</i>
Seymour Pierce Limited	Long	5,182

- 2.10 There have been no dealings in Ordinary Shares by Seymour Pierce during the twelve months prior to the date of this document.
- 2.11 As at the close of business on 3 June 2009 (the last practicable date prior to the publication of this document), Dowgate Capital Stockbrokers Limited ("Dowgate"), broker to Cheerful Scout, did not own or control any Ordinary Shares.
- 2.12 The following dealing for value in Ordinary Shares by Dowgate has taken place during the twelve months prior to the date of this document:

<i>Name</i>	<i>No. of Ordinary Shares</i>	<i>Date</i>	<i>Trade</i>	<i>Price (p)</i>
Dowgate on behalf of non-discretionary client	6,000	25.03.09	Sell	0.04

- 2.13 During the Disclosure Period, Peter Litten has not dealt in relevant Cheerful Scout securities.
- 2.14 As at the close of business on the disclosure date, save as disclosed in this paragraph 2:
- 2.14.1 Peter Litten had no interest in or right to subscribe for, or had any short position in relation, any relevant Cheerful Scout securities, nor had he dealt in any relevant securities during the disclosure period;
- 2.14.2 none of the Directors (including any members of such Directors' respective immediate families, related trusts or connected persons) had an interest in or a right to subscribe for, or had any short position in relation to, any relevant Cheerful Scout securities;
- 2.14.3 no person acting in concert with Peter Litten had an interest in or a right to subscribe for, or had any short position in relation to, any relevant Cheerful Scout securities, nor had any such person dealt in any relevant Cheerful Scout securities during the disclosure period;
- 2.14.4 no person referred to in 2.14.1, 2.14.2 or 2.14.3 has dealt in any relevant Cheerful Scout securities in the disclosure period;
- 2.14.5 no category (a) associate of Cheerful Scout had any interest in, or right to subscribe for, or had any short position in relation to, any relevant Cheerful Scout securities;

- 2.14.6 no pension fund of Cheerful Scout or of a category (a) associate of Cheerful Scout had any interest in or right to subscribe for, or had any short position in relation to, any relevant Cheerful Scout securities;
- 2.14.7 no employee benefit trust of Cheerful Scout or of a category (a) associate of Cheerful Scout had any interest in or right to subscribe for, or had any short position in relation to, any relevant Cheerful Scout securities;
- 2.14.8 no connected adviser to Cheerful Scout or to a category (a) associate of Cheerful Scout or to a person acting in concert with Cheerful Scout, nor any person controlling, controlled by or under the same control as any such connected adviser (except for an exempt principal trader or exempt fund manager) had any interest in or right to subscribe for, or had any short position in relation to, any relevant Cheerful Scout securities;
- 2.14.9 Cheerful Scout has not redeemed or purchased any relevant Cheerful Scout securities during the disclosure period;
- 2.14.10 there were no arrangements which existed between Peter Litten, or any person acting in concert with Peter Litten, and any other person;
- 2.14.11 neither Peter Litten nor any person acting in concert with Peter Litten had borrowed or lent any relevant Cheerful Scout securities; and
- 2.14.12 neither Cheerful Scout nor any person acting in concert with Cheerful Scout had borrowed or lent any relevant Cheerful Scout securities.
- 2.15 As at the close of business on the disclosure date, save as disclosed in paragraph 2 above, neither Cheerful Scout nor any of the Directors (including any members of such Directors' respective immediate families, related trusts or connected persons) had any interest in or right to subscribe for, or had any short position in relation to any Cheerful Scout securities.
- 2.16 The following table lists the closing middle market quotations for the Ordinary Shares (as derived from the AIM Appendix to the Daily Official List of the UK Listing Authority) for the first business day of each of the six months immediately before the date of this document and on the disclosure date:

<i>Date</i>	<i>Market Value (p)</i>
1 December 2008	3.75
5 January 2009	3.59
2 February 2009	4.25
2 March 2009	4.50
1 April 2009	3.63
1 May 2009	4.25
1 June 2009	4.25
3 June 2009	4.25

### **3. Directors' letters of engagement and service contracts**

- 3.1 The services of the Directors are provided to the Company under the following agreements:
- 3.1.1 On 18 April 2002 Stuart Appleton entered into an agreement with the Company pursuant to which he is appointed as Non executive Chairman of the Company at an annual salary (subject to review) of £1,500.00. The agreement is for a fixed term of 3 months from 1 May 2002 and continues thereafter until terminated by either party giving to the other not less than 3 months' notice in writing, such notice to be served after the first term of 3 months;
- 3.1.2 On 18 April 2002 Peter Litten entered into a service agreement with the Company pursuant to which he is employed as an Executive Director of the Company at an annual salary (subject to review) of £50,000.00 with a maximum bonus entitlement of £15,000.00. The agreement is for a fixed term of one year from 1 May 2002 and continues thereafter until terminated by either party giving the other not less than 12 months' notice in writing;

- 3.1.3 On 18 April 2002 Neville Newman entered into an agreement with the Company pursuant to which he is appointed as a Non-Executive Director of the Company at an annual salary (subject to review) of £1,500.00. The agreement is for a fixed term of 3 months from 1 May 2002 and continues thereafter until terminated by either party giving to the other not less than 3 months' notice in writing, such notice to be served after the first 3 months; and
- 3.1.4 On 18 April 2002 and subsequently amended on 4 April 2007, Richard Owen entered into a letter of appointment as a Non-Executive Director of the Company. Pursuant to this letter of appointment (as amended) he will receive a fee of £7,500.00 per annum and will be required to attend no more than 6 board meetings of the Company during any 12 month period. His appointment is terminable on 30 days' written notice by either party.
- 3.2 There have been no amendments to any of the Directors' service contracts in the six months prior to the date of this document.

#### **4. Material contracts**

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group within the two years preceding the date of this document and are or may be material:

- 4.1 a joint venture agreement dated 31 July 2007, between Cheerful Scout (1) James Apperly (2) and BDI (3) pursuant to which Cheerful Scout lent to BDI the sum of £200,000.00 and licensed to BDI the intellectual property for its proprietary visualisation software package "nVision Strategy" and James Apperly procured that Apperly & Associates Limited licensed to BDI the intellectual property for a business intelligence engine;
- 4.2 a licence agreement dated 31 July 2007 between Apperly & Associates Limited (1) and BDI (2) for BDI to use certain intellectual property rights of Apperly & Associates Limited on an exclusive basis;
- 4.3 a licence agreement dated 31 July 2007 between Cheerful Scout (1) and BDI (2) for BDI to use certain intellectual property rights of Cheerful Scout on an exclusive basis;
- 4.4 an irrevocable undertaking dated 3 June 2009 from Stuart Appleton, Chairman, to the Company and Seymour Pierce undertaking to vote in favour of the Resolutions in respect of his entire holding of 132,320 Ordinary Shares. There are no circumstances in which the irrevocable ceases to be binding. The purpose of this irrevocable is to approve the Capital Reorganisation and the Waiver;
- 4.5 an irrevocable undertaking dated 3 June 2009 from Neville Newman, Non-Executive Director, to the Company and Seymour Pierce undertaking to vote in favour of the Resolutions in respect of his entire holding of 279,840 Ordinary Shares. There are no circumstances in which the irrevocable ceases to be binding. The purpose of this irrevocable is to approve the Capital Reorganisation and the Waiver;
- 4.6 an irrevocable undertaking dated 3 June 2009 from Peter Litten, CEO, to the Company and Seymour Pierce undertaking to vote in favour of the Resolutions (save for the Waiver Resolution) in respect of his entire holding of 4,407,840 Ordinary Shares. In addition under the terms of this irrevocable undertaking Peter Litten has also undertaken not to acquire (whether by purchase or otherwise) interests in any further shares or other securities in the capital of the Company carrying the right to vote at the GM. Furthermore, (although he does not currently hold any options over any shares or further securities in the capital of the Company) to the extent that he may have any options over any shares or further securities in the capital of the Company, he has also undertaken not to exercise any rights in respect thereof prior to the GM. There are no circumstances in which the irrevocable ceases to be binding. The purpose of this irrevocable is to approve the Capital Reorganisation;
- 4.7 an irrevocable undertaking dated 3 June 2009 from Reverse Take-Over Investments Plc to the Company and Seymour Pierce undertaking to vote in favour of the Resolutions in respect of its entire holding of 800,000 Ordinary Shares. There are no circumstances in which the irrevocable ceases to be binding. The purpose of this irrevocable is to approve the Capital Reorganisation and the Waiver; and

- 4.8 an irrevocable undertaking dated 4 June 2009 from Richard Owen to the Company and Seymour Pierce undertaking to procure that the registered holder of the 800,000 Ordinary Shares in which he is beneficially interested votes in favour of the Resolutions. There are no circumstances in which the irrevocable ceases to be binding. The purpose of this irrevocable is to approve the Capital Reorganisation and the Waiver.

## **5. General**

- 5.1 Seymour Pierce has given and not withdrawn its written consent to the issue of this document with the inclusion herein of the reference to its name and the form and context in which they appear.
- 5.2 Save as disclosed in the Post Balance Sheet Events note of the Interim Financial Statements as set out in Section B of Part II of this document, there have been no known material changes in the financial or trading position of Cheerful Scout since 31 December 2008 (the date to which the last published interim audited accounts were prepared).
- 5.3 No agreement, arrangement or understanding (including any compensation agreement) exists between Peter Litten and any other directors, recent directors, shareholders or recent shareholders of Cheerful Scout having any connection with or dependence upon or which is conditional upon the Capital Reorganisation.
- 5.4 No agreement, arrangement or understanding exists pursuant to which any Cheerful Scout securities will be transferred to any other person.
- 5.5 The Board (including Peter Litten) can confirm that Cheerful Scout will continue to operate from the Company's current office in London. The Board (including Peter Litten) also confirm that the fixed assets will be used in the normal course of business to support operations and that there is no intention of disposing of any material fixed assets.
- 5.6 The Board (including Peter Litten) can confirm that the proposed consolidation and subdivision of the share capital of the Company will not impact on the employment of employees and no conditions of employment will change as a result of this transaction.
- 5.7 The Capital Reorganisation is to be financed from the Company's net cash balance of approximately £0.9 million and is not subject to any external financing arrangements.

## **6. Documents for inspection**

Copies of the documents listed below will be available for inspection during normal business hours on any weekday (Saturday and public holidays excepted) for one month from the date of this document at the offices of Finers Stephens Innocent LLP, 179 Great Portland Street, London W1W 5LS:

- 6.1 the Circular;
- 6.2 memorandum and Articles of Association of the Company;
- 6.3 audited consolidated accounts of the Company for the financial periods ended 30 June 2006, 30 June 2007 and 30 June 2008;
- 6.4 the interim accounts for the Company for the six months ended 31 December 2008;
- 6.5 the service contracts and letters of appointment of the Directors referred to in paragraph 3.1 above;
- 6.6 the letter from Seymour Pierce as referred to in paragraph 5.1 above;
- 6.7 material contracts as referred to in paragraph 4 above; and
- 6.8 the Irrevocable Undertakings as referred to in paragraphs 4.4 to 4.8 above.

# Cheerful Scout Plc

*(Incorporated in England and Wales with registered number 4314540)*

## NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of the Company will be held at the offices of Cheerful Scout Plc, 25-27 Riding House Street, London W1W 7DU on 26 June 2009 at 11.30 a.m. for the purposes of considering and, if thought fit, passing the following Resolutions of which Resolutions 1 and 3 to 4 will be proposed as Ordinary Resolutions and Resolution 2 will be proposed as a Special Resolution.

### ORDINARY RESOLUTION

1. THAT every 12,500 ordinary shares of 12.5 pence each in the capital of the Company ("the Ordinary Shares") registered in the name of a holder of Ordinary Shares ("the Shareholders") at 6.00 p.m. on 26 June 2009 (or such other time and/or date as the Directors of the Company shall determine) shall be consolidated into one share of £1,562.50 in the capital of the Company (each such share being a "Consolidated Share").

### SPECIAL RESOLUTION

2. THAT, conditional on the passing of Resolution 1 above:
  - 2.1 the Directors of the Company be and are hereby authorised to enter into the Purchase Contract (as defined in the circular to shareholders of the Company dated 4 June 2009 of which this notice of general meeting forms part ("the Circular")) for the purpose of section 165 of the Companies Act 1985; and
  - 2.2 unless renewed the authority conferred by paragraph 2.1 of this Resolution shall expire on the earlier of the Company's annual general meeting in 2010 and eighteen months from the passing of this Resolution.

### ORDINARY RESOLUTIONS

3. THAT, conditional on the passing of Resolutions 1 and 2 above, each of the Consolidated Shares arising as a result of the consolidation set forth in Resolution 1 above shall be sub-divided into 12,500 ordinary shares of 12.5 pence each in the capital of the Company.
4. THAT, conditional on the passing of Resolutions 1 to 3 above, the waiver from The Panel on Takeovers and Mergers of the obligation pursuant to Rule 9 of the Takeover Code that would otherwise arise on Peter Litten to make a general offer to the shareholders of the Company as a result of the Capital Reorganisation (as defined in the Circular) be and is hereby approved.

*Registered office:*  
65 New Cavendish Street  
London  
W1G 7LS

*By order of the Board*  
Neville Newman  
Company Secretary

Dated: 4 June 2009

Notes:

1. **A member entitled to attend and vote at the above meeting is entitled to appoint a proxy or proxies to attend, speak and vote instead of him. A proxy need not be a member of the Company.**
2. A Form of Proxy is enclosed for your use if desired. The instrument appointing a proxy must reach the Company's Registrars, Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not less than 48 hours before the time of holding of the meeting.
3. In order to comply with the requirements of Rule 9 of the Takeover Code, Resolution 4 will be taken on a poll.
4. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those Shareholders of the Company on the register at 6.00 p.m. on 24 June 2009 shall be entitled to attend or vote at the General Meeting in respect of the number of shares registered in their name at the time. Changes to the register of members after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.
5. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
6. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you should contact Company's Registrars, Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.
7. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
8. Except as provided above, members who have general queries about the Meeting should telephone Capita Registrars on Capita Registrars on 0871 664 0321 or, if telephoning from outside the UK, on +44 20 8639 3399. Calls to the Capita Registrars 0871 664 0321 number are charged at 10 pence per minute (including VAT) plus any of your service provider's network extras. Calls to the Capita Registrars +44 20 8639 3399 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Capita Registrars cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice. (no other methods of communication will be accepted). You may not use any electronic address provided either in this notice of general meeting; or any related documents (including the chairman's letter and proxy form), to communicate with the Company for any purposes other than those expressly stated.
9. A copy of the Purchase Contract will be available for inspection at the registered office of the Company from the date of this Notice of GM until the date of the General Meeting and at the place of the General Meeting for at least 15 minutes prior to and during the General Meeting.