

RNS Number : 4032X  
Tricor PLC  
14 February 2012

**Tricor plc**  
("Tricor" or the "Company")

### **Update on VAT Tribunal and New Investment Facility**

#### **Update on VAT Tribunal**

Both parties in the VAT tribunal are preparing final written submissions, which will be presented to the VAT tribunal at a hearing scheduled for 9 and 10 May 2012. A final decision is expected a few weeks thereafter. The Company's legal advisers remain positive on the chances of success and the Company is seeking to engage a senior barrister to assist with the final stages. In addition, the Company has extended its consultancy arrangements with Joe Case, whereby he will continue to provide assistance with the on-going VAT tribunal for £2,000 per month for a further three months. Mr Case is also entitled to a fee of 10 per cent. of the net sum received by the Company from HMRC which is derived from the Company's claim for repayment of approximately £1.7 million of VAT plus any interest and costs and HMRC's claim to recover approximately £0.7 million of assessed VAT plus any interest and costs.

#### **New Investment Facility**

The Company has entered into an investment facility of £40,000 (the "**Facility Agreement**") with Joe Case (the "**Investor**"). The salient terms of the Facility Agreement are as follows:

- (a) The Investor shall make available to the Company an investment facility of up to £40,000 (the "**Investment**") to be secured by unsecured convertible notes.
- (b) The Company will be entitled, from time to time, to draw down the amount of the Investment or any part of it amounting to not less than £10,000.
- (c) The Company will upon receipt of the amount drawn down issue to the Investor convertible notes for the corresponding amount. The Investor has the right, but not the obligation, at any time to convert the principal amount outstanding to newly issued ordinary shares of 0.01 of one penny each in the capital of the Company ("**Shares**") at the conversion rate of 0.03 of one penny for each Share.
- (d) Interest on the amount outstanding under the convertible notes is six *per cent. per annum*. The Investment, if all or part of it is not converted, shall be repaid to the Investor by 31 December 2013.
- (e) The Investor is entitled, at any time, to require the Company to accept an advance of that amount of the Investment which, when added to the amount previously advanced, will amount to not more than £40,000 in principal amount of the Investment.
- (f) The Company may require the convertible notes to convert into Shares on a successful reverse takeover by the Company, as defined in the AIM Rules for Companies (a "**Reverse**").
- (g) The funds from the investment facility may only be used to pay for expenses related to or in connection with any work that is done or to be done for a purpose that may possibly lead to the Company making an acquisition (which may or may not amount to a Reverse), any expenses relating to the on-going VAT tribunal, certain professional fees and any other purpose that the Investor may approve in writing.
- (h) The availability of any of the Investment not already drawn down will automatically be withdrawn if certain events occur including, *inter alia*, the trading of the Shares on AIM being suspended or cancelled.

Mr Case is not related to any director or substantial shareholder (as defined in the AIM Rules for Companies) of the Company.

Mr Case has been a director of the Company within the last 12 months and therefore his consultancy fees and entering into the Facility Agreement are considered related party transactions under the AIM Rules for Companies. The directors of Tricor consider, having consulted with the Company's nominated adviser, Allenby Capital Limited, that the terms of the consultancy agreement and Facility Agreement are fair and reasonable insofar as the shareholders of Tricor are concerned.

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