

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT ABOUT THE ACTION YOU SHOULD TAKE, OR THE CONTENTS OF THIS DOCUMENT, YOU SHOULD CONSULT AN INDEPENDENT FINANCIAL ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000, WHO SPECIALISES IN ADVISING ON THE ACQUISITION OF SHARES AND OTHER SECURITIES.** If you have sold or otherwise transferred all of your registered holding of Ordinary Shares, please immediately forward this Document together with the accompanying Form of Proxy and Application Form (if appropriate) to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold only part of your holding of Ordinary Shares, please contact your stockbroker, bank or other agent, through whom the sale or transfer was effected, immediately.

The distribution of this Document outside the UK may be restricted by laws of such other jurisdictions in which the Document is distributed and therefore persons outside the UK into whose possession this Document comes should inform themselves about and observe any restrictions in relation to the Ordinary Shares and the distribution of this Document. The Ordinary Shares have not been, nor will be, registered in the United States under the United States Securities Act of 1933, as amended, or under the securities laws of Canada, Australia, South Africa or Japan and they may not be offered or sold directly or indirectly within the United States, Canada, Australia, South Africa or Japan or to, or for the account or benefit of, US persons or any national, citizen or resident of the United States, Canada, Australia, South Africa or Japan. This Document does not constitute an offer to sell or an invitation to subscribe for, or the solicitation of an offer to buy or subscribe for, Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful.

This Document is not an approved prospectus for the purposes of and as defined in section 85 of FSMA and has not been prepared in accordance with the Prospectus Rules and has not been approved by the FSA or by any other competent authority which could be a competent authority for the purposes of the Prospectus Directive. Further, the contents of this Document have not been approved by an authorised person for the purposes of section 21 of FSMA.

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## **BWA GROUP PLC**

*(Incorporated in England and Wales under the Companies Act 1929 with registered number 0255647)*

### **Open Offer of up to 26,666,667 New Ordinary Shares of 0.5p each at 0.75p per share**

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In connection with this Document and/or the Proposals, no person is authorised to give any information or make any representations other than as contained in this Document and, if given or made, such information or representation must not be relied upon as having been so authorised.

The New Ordinary Shares will rank *pari passu* in all respects with the Ordinary Shares currently in issue and will rank in full for all dividends and other distributions hereafter declared, paid or made on the ordinary share capital of the Company.

If you have any queries on the procedures for application under the Open Offer, you should contact Share Registrars Limited, Suite E, First Floor, 9 Lion & Lamb Yard, Farnham, Surrey GU9 7LL D or, by telephone, on 01252 821390 (from the UK) or +44 1252 821390 (from outside the UK). Please note that Share Registrars Limited cannot give Shareholders financial advice in connection with the Open Offer.

**The text of this Document should be read in its entirety. An investment in the Company involves a high degree of risk and, in particular, attention is drawn to the section entitled "Risk Factors" in Part II of this Document. All statements regarding the Company's business, financial position and prospects should be viewed in the light of such Risk Factors. An investment in the Company may not be suitable for all recipients of this Document. Prospective investors should consider carefully whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them.**

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## DEFINITIONS

The following definitions apply throughout this Document, unless the context requires otherwise:

"2006 Act"	the Companies Act 2006
"AIM"	the AIM market of the London Stock Exchange
"Application Form"	the application form on which Qualifying Shareholders may apply for New Ordinary Shares under the Open Offer
"Articles"	the Articles of Association of the Company
"Board" or "Directors"	the Directors of the Company whose names appear on page 5 of this Document
"Bridge Hall"	Bridge Hall Stockbrokers Limited, authorised and regulated under FSMA
"City Code"	the City Code on Takeovers and Mergers
"Company" or "BWA Group"	BWA Group Plc, a company registered in England and Wales with company number 0255647
"Document"	this document
"Enlarged Share Capital"	the issued ordinary share capital of the Company following implementation of the Proposals, comprising the Existing Ordinary Shares and the New Ordinary Shares
"Existing Ordinary Shares"	the current issued Ordinary Shares in the capital of the Company
"FSA"	the Financial Services Authority
"FSMA"	the Financial Services and Markets Act 2000, as amended
"London Stock Exchange"	the London Stock Exchange plc
"Official List"	the Official List of the UK Listing Authority
"Open Offer"	the conditional offer to Qualifying Shareholders, constituting an invitation to apply to subscribe for New Ordinary Shares on the terms and subject to the conditions set out in this Document and in the Application Form
"Open Offer Price"	0.75 pence per Open Offer Share
"New Ordinary Shares"	up to 26,666,667 new Ordinary Shares being made available for subscription by Qualifying Shareholders under the Open Offer
"Ordinary Shares"	ordinary shares of 0.5p each in the capital of the Company
"Overseas Shareholder"	a Shareholder with a registered address outside the United Kingdom
"PLUS Markets"	PLUS Stock Exchange plc, a recognised investment exchange under section 290 of the FSMA
"PLUS-quoted Market" or "PLUS"	the primary market for unlisted securities operated by PLUS Markets
"Proposals"	the Open Offer and other proposals described in this Document
"Qualifying Shareholders"	holders of Ordinary Shares on the register of members of the Company at the Record Date (but excluding any Overseas Shareholder)
"Receiving Agent"	Share Registrars Limited, Suite E, First Floor, 9 Lion & Lamb Yard, Farnham, Surrey, GU9 7LL
"Record Date"	5.00 p.m. on 10 August 2011
"Registrars"	Share Registrars Limited, as above
"Shareholders"	persons registered as the holders of Ordinary Shares
"UK"	the United Kingdom of Great Britain and Northern Ireland
"UK Listing Authority"	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part IV of FSMA
"US" or "United States"	the United States Of America

## OPEN OFFER STATISTICS

Existing Ordinary Shares in issue on the Record Date	105,504,369
New Ordinary Shares to be issued (assuming full subscription)	26,666,667
Open Offer Price	0.75p
Gross proceeds of the Open Offer (assuming full subscription)	£200,000
Enlarged Ordinary Share Capital (assuming full subscription)*	132,171,036
Market capitalisation at the Open Offer Price (assuming full subscription)*	£991,282

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date	5.00 p.m. on 10 August 2011
Publication of this Document	11 August 2011
First closing date for receipt of completed Application Forms and payment	By 3:00pm on 30 September 2011
Dispatch of share certificates *	By 14 October 2011

\* for applications received prior to the first closing date.

## DIRECTORS, SECRETARY AND ADVISERS

<b>Directors:</b>	Richard Godfrey Battersby (Non-executive Chairman) James Montford Victor Butterfield (Non-executive Director) Alex Borelli (Non-executive Director)
<b>Company Secretary:</b>	James Butterfield
<b>Registered Office:</b>	50 Broadway, London, SW1H 0BL
<b>Solicitors:</b>	Bircham Dyson Bell LLP 50 Broadway London SW1H 0BL
<b>Auditors:</b>	Additions Chartered Accountants Queen Insurance Buildings 7 Queen Avenue Liverpool L2 4TZ
<b>Registrars and Receiving Agent:</b>	Share Registrars Limited Suite E, First Floor 9 Lion & Lamb Yard Farnham Surrey GU9 7LL

## PART I

### LETTER FROM THE CHAIRMAN OF BWA GROUP BWA GROUP PLC

*(Incorporated in England and Wales under the Companies Act 1929 with registered number 0255647)*

11 August 2011

*Directors:*

Richard Battersby BA, FCA, JDipMA (Non-executive Chairman)  
James Butterfield BSc (Econ), MBA (Non-executive Director)  
Alex Borelli BA (Econ), FCA (Non-executive Director)

*Registered Office:*

50 Broadway  
London  
SW1H 0BL

*To the holders of Ordinary Shares*

Dear Shareholder

**Open Offer of up to 26,666,667 New Ordinary Shares of 0.5p each at 0.75 p per Ordinary Share**

#### 1. INTRODUCTION

As stated in my Chairman's Statement to the Report and Financial Statements for the year ended 30 April 2011, the Company made good progress in that year and further investments have been made since the year end as mentioned in paragraph 2 below. The Directors have continued to review a number of potential acquisitions to achieve the stated objective of a major investment, but, although in depth negotiations have taken place with several vendors, no satisfactory opportunity has yet been realised.

The Directors are pleased with progress achieved to date and believe that they could do more if the Company had access to additional capital. Accordingly, while the Company has, in the opinion of the Directors, sufficient working capital for its present purposes without any additional capital being raised, the Directors have decided to utilise the power given to them at last year's AGM to make the Open Offer, further details of which are given below.

The purpose of this Document is to set out the terms of the Open Offer and to explain why the Directors consider the Proposals to be in the best interests of the Company.

#### 2. COMPANY UPDATE

The Directors continue to seek appropriate opportunities for a major investment by the Company in line with the investing strategy set out in the Company's PLUS Admission Document, namely the acquisition of a business which is profitable, is not a start up and which is not heavily borrowed. Since the year end, the Company has announced an investment of £75,000 by way of a convertible loan stock in Bridge Hall plc, the private holding company of a financial services group which includes Bridge Hall Stockbrokers Limited. As at the date of this statement, the Company's principal investments are the holding in Bridge Hall plc and a holding of 90,000,000 shares in an unquoted company, Zyzygy plc, acquired at a cost of £90,000.

#### 3. TERMS OF THE OPEN OFFER

The Company is seeking to raise up to £200,000 (before expenses) by the issue of up to 26,666,667 New Ordinary Shares at the Open Offer Price, payable in full on application. Qualifying Shareholders

are hereby invited, subject to the terms and conditions set out in this Document and in the Application Form, to apply for Open Offer Shares.

The Open Offer is not being made on a preemptive basis and accordingly Qualifying Shareholders may apply for whatever number of New Ordinary Shares they wish by following the procedure indicated on the Application Form. In the event of applications being received for more than 26,666,667 New Ordinary Shares priority will be given to applications received before 3.00 p.m. on 30 September 2011 (the **First Closing Date**). The Board will also scale back applications if, to the knowledge of the Directors, allotting and issuing the number of Open Offer Shares applied for would trigger an obligation by the applicant and/or any person(s) known by the Directors to be acting in concert with him to make a general offer for the Company pursuant to Rule 9 of the City Code. Subject to that, the Board may scale back applications made for New Ordinary Shares on such basis as it considers appropriate.

There is no minimum amount which has to be raised in order for the Open Offer to proceed. To the extent that Qualifying Shareholders do not apply to take up the new Ordinary Shares available under the Open Offer, the Directors intend to seek applications for new Ordinary Shares at the Open Offer Price from eligible persons, such as market professionals, high net worth bodies and individuals and certified sophisticated investors or to place them via one or more firms of stockbrokers with the clients of such firm(s).

The New Ordinary Shares must be paid for in full on application. The first closing time and date for receipt of completed Application Forms and payment in respect of the Open Offer is 3.00 p.m. on 30 September 2011. The Open Offer is not being made to Overseas Shareholders.

**Shareholders should be aware that the Open Offer is not a rights issue and that the Application Form is not a negotiable document and cannot be traded. The Open Offer does not give rise to any entitlements which will be tradeable or sold in the market for the benefit of Qualifying Shareholders who do not apply for them in the Open Offer. Instead, any Ordinary Shares not taken up by Qualifying Shareholders pursuant to the Open Offer may be issued to persons who may become Shareholders after the Record Date and eligible non Shareholders, such as market professionals, high net worth bodies and individuals and certified sophisticated investors or placed via one or more firms of stockbrokers with the clients of such firm(s).**

The New Ordinary Shares will be issued credited as fully paid and free of all liens, charges and encumbrances and will, when issued, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of their issue.

**If you are a Qualifying Shareholder and wish to apply for New Ordinary Shares you should complete and sign the Application Form in accordance with the instructions printed on it and return it, either by post or by hand (during normal business hours only), together with a pounds sterling cheque or banker's draft to the value of the New Ordinary Shares applied for on the Application Form, to Share Registrars, Corporate Actions, Suite E, 1st Floor, 9 Lion & Lamb Yard, Farnham, Surrey GU9 7LL as soon as practicable and, in any event, so as to be received not later than the First Closing Date 3.00 p.m. on 30 September 2011. After that time Application Forms will only be accepted (and may be subject to scaling back) if the Open Offer is not fully subscribed. Your cheque or banker's draft should be crossed "account payee" and made payable to "Share Registrars Limited re: BWA Group Open Offer A/C". Cheques must be drawn on an account of the applicant and on a United Kingdom branch of a qualifying bank or building society. If you are paying by way of a banker's draft or building society cheque, the bank or building society should endorse the reverse with details of the account debited. OTHER THIRD PARTY CHEQUES (OTHER THAN FROM AN FSA REGULATED FIRM) WILL BE REJECTED. Your Application Form will not be valid unless you sign it. If you post your Application Form by first class post in the UK, or in the reply-paid envelope provided for use by Qualifying Shareholders, you are advised to allow at least four business days for delivery.**

The Company reserves the right (but shall not be obliged) to accept applications in respect of which remittances are received from an authorised person (as defined in the FSMA) specifying the New Ordinary Shares concerned and undertaking to lodge the relevant Application Form in due course.

Share Registrars Limited may require evidence of identity to comply with the Money Laundering Regulations. If such evidence is not supplied or does not satisfy the requirements of the Money-Laundering Regulations 2007, then your application may be deemed invalid. In any event, Share Registrars Limited may use electronic means to identify applicants.

The Open Offer is not conditional on any minimum amount being raised.

Further information on the procedure for application and payment, is set out in the Application Form.

#### **4. TAXATION**

The Ordinary Shares and New Ordinary Shares do not rank as a qualifying investment for the purposes of the Enterprise Investment Scheme nor as a "qualifying holding" for the purposes of investment by Venture Capital Trusts.

**If you are in any doubt as to your tax position, you should consult your own independent financial adviser immediately.**

#### **5. RISK FACTORS**

**Your attention is drawn to the risk factors set out in Part II of this Document. Potential investors should carefully consider the risks described in Part II before making a decision to participate in the Open Offer.**

#### **6. ACTION TO BE TAKEN IN RESPECT OF THE OPEN OFFER**

For details of the action to be taken in relation to the Open Offer, please refer to paragraph 3 of Part I of this Document. The First Closing Date for receipt of completed Application Forms and accompanying payment under the Open Offer is 3.00 p.m. on 30 September 2011.

If you have any questions relating to the procedure for acceptance, please telephone Share Registrars Limited between 9.00 a.m. and 5.00 p.m. (London time) Monday to Friday (except UK public holidays) on 01252 821 390 from within the UK or +44 1252 821 390 if calling from outside the UK. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice.

**Before making any decision to acquire New Ordinary Shares, you are asked to read and carefully consider all the information in this Document, including in particular the important information set out in the letter from the Chairman of the Company in Part I of this Document, as well as this paragraph 2 of this Part III and the Risk Factors set out in Part II of this Document. Shareholders who do not participate in the Open Offer will be subject to dilution of their existing BWA Group shareholdings. The terms of the Open Offer are contained in paragraph 3 of Part I of this Document and in the Application Form. If you are in any doubt as to the action you should take, you should immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other professional adviser authorised under FSMA.**

#### **7. INTENTIONS OF THE DIRECTORS IN RELATION TO THE OPEN OFFER**

Richard Battersby intends to apply for shares in the Open Offer to maintain his current percentage shareholding of approximately 12.79 per cent. James Butterfield intends to subscribe between

£5,000 and £7,500. Alex Borelli has not yet decided what action he will take in response to the Open Offer.

**8. RECOMMENDATION**

**The Directors consider the Proposals to be in the best interests of the Company and its Shareholders as a whole.**

Yours faithfully

**Richard Battersby**  
**Chairman**



## PART II

### RISK FACTORS

**In addition to all other information set out in this Document, the following specific factors should be considered carefully in evaluating whether to make an investment in the company. If you are in any doubt about the action you should take, you should consult a personal adviser authorised under the FSMA who specialises in advising on the acquisition of shares and other securities prior to making any investment.**

**The Directors believe the following risks to be the most significant for potential investors. However, the risks listed do not necessarily comprise all those associated with an investment in the Company. In particular, the Company's performance may be affected by changes in market or economic conditions and in legal, regulatory and tax requirements.**

**If any of the following risks were to materialise, the Company's business, financial conditions, results or future operations could be materially adversely affected. Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial may also have an adverse effect upon the Company.**

**The list below is not exhaustive, nor is it an explanation of all the risk factors involved in investing in the Company and nor are the risks set out in any order of priority.**

- (i) The Company's success will depend on the retention of the Directors and any future management team, and on its ability to continue to attract and retain highly skilled and qualified personnel. The loss of the services of any of the Directors or other key employees could have a material adverse effect on the Company's business.
- (ii) The value of an investment in the Company is largely dependent upon the expertise of the Directors and their ability to identify and acquire or invest in suitable companies or businesses. There can be no certainty that the Company will be able to identify suitable acquisition targets or complete the purchase of any identified targets at a price the Directors consider acceptable. In the event of an aborted acquisition it is likely that resources may have been expended on investigative work and due diligence, which cannot be recovered. The acquisition of other businesses can involve significant commercial and financial risks and there can be no certainty that any acquired business will not have a material adverse effect on the operations, results or financial position of the Company;
- (iii) An investment in shares traded on PLUS is perceived to involve a higher degree of risk and to be less liquid than investment in companies whose shares are traded on AIM or listed on the Official List. An investment in Ordinary Shares may be difficult to realise. Prospective investors should be aware that the value of an investment in the Company may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may therefore realise less than, or lose all of, their investment;
- (iv) The share price of PLUS-quoted companies can be highly volatile and shareholdings illiquid. The price at which the Ordinary Shares are quoted and the price which investors may realise for their Ordinary Shares will be influenced by a large number of factors, some of which are specific to the Company and its operations and some of which may affect quoted companies generally. These factors could include the performance of the Company, large purchases or sales of Ordinary Shares, legislative changes and general economic, political or regulatory conditions;
- (v) It is likely that the Company will need to raise further funds in the future, either to fund preliminary investigation and due diligence, to complete a proposed acquisition or to raise further working or development capital for such an acquisition. There is no guarantee that the then prevailing market conditions will allow for such a fundraising or that new investors will be prepared to subscribe for Ordinary Shares at the same price as the price paid by an investor, or higher. Shareholders may be materially diluted by any further issue of Ordinary Shares by the Company;
- (vi) The Ordinary Shares are intended for capital growth and therefore may not be suitable as a short-term investment. Investors may therefore not realise their original investment at all, or within the time-frame they had originally anticipated;
- (vii) Any changes to the regulatory environment, in particular the PLUS Rules regarding companies such as BWA Group, could affect the ability of the Company to maintain a trading facility on PLUS; and
- (viii) It is the Company's intention to issue New Ordinary Shares to satisfy all or part of any consideration payable on an acquisition, but vendors of suitable companies or businesses may not be prepared to

accept shares traded on PLUS or may not be prepared to accept New Ordinary Shares at the quoted market price.

**The investment opportunity offered in this Document may not be suitable for all recipients of this Document. Investors are therefore strongly recommended to consult an adviser authorised under the Financial Services and Markets Act 2000, who specialises in investments of this nature, before making their decision to invest.**

Investors should consider carefully whether an investment in the Company is suitable in the light of their personal circumstances and the financial resources available to them.