
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the contents of this document, or the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your Ordinary Shares, please send this document, together with the accompanying documents, as soon as possible 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 or otherwise transferred part of your registered holding of Ordinary Shares, please retain these documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions.

Davenham Group plc

(Incorporated and registered in England and Wales with registered number 3976032)

Proposed Cancellation of admission to trading on AIM

Notice of General Meeting

A letter from the Chairman of the Company is set out on pages 3 and 4 of this document. The letter contains the recommendation of the Directors that you vote in favour of the resolution to be proposed at the General Meeting referred to below.

Notice of a General Meeting of the Company to be held at the offices of Pinsent Masons LLP, CityPoint, One Ropemaker Street, London EC2Y 9AH at 2pm on 13 August 2010 is set out at the end of this document. A Form of Proxy is enclosed with this document and you are asked to complete and sign the Form of Proxy in accordance with the instructions printed thereon and return it by post to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6ZX so as to be received by the Registrars by no later than 2pm on 11 August 2010. Completion and return of a Form of Proxy will not prevent you from attending and voting in person at the General Meeting convened by the above mentioned Notice, should you so wish.

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EXPECTED TIMETABLE OF KEY EVENTS

Publication date of this document	23 July 2010
Latest time for receipt of Form of Proxy	2pm on 11 August 2010
General Meeting	2pm on 13 August 2010
Last day of dealings	20 August 2010
Cancellation of admission of Ordinary Shares to trading on AIM	7.30am on 23 August 2010

DEFINITIONS

Admission	admission of shares to trading on AIM in accordance with the AIM Rules
AIM	the Alternative Investment Market operated by the London Stock Exchange
AIM Rules	the rules published by the London Stock Exchange from time to time governing admission to and the operation of AIM
Board or Directors	the board of directors of Davenham whose names appear on page 3 of this document
Company or Davenham	Davenham Group plc
CREST	the relevant system, as defined in the CREST Regulations, and the holding of shares in uncertificated form in respect of which Euroclear is the operator (as defined in the CREST Regulations)
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended
Euroclear	Euroclear UK & Ireland Limited
Form of Proxy	the form of proxy accompanying this document for use by Shareholders at the General Meeting
General Meeting	the general meeting of the Company to be held on 13 August 2010, notice of which is set out at the end of this document, or any adjournment thereof
London Stock Exchange	London Stock Exchange plc
Notice	the notice set out at the end of this document convening the General Meeting
Ordinary Shares	fully paid ordinary shares of £0.01 in the share capital of the Company, and "Ordinary Share" shall be construed accordingly
Registrars	Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA
Resolution	the resolution to be proposed at the General Meeting, as set out in the Notice
Shareholders	holders of Ordinary Shares

LETTER FROM THE CHAIRMAN OF DAVENHAM GROUP PLC

Davenham Group plc

(Incorporated and registered in England and Wales with registered number 3976032)

Directors

James Rodier Kerr-Muir (*Chairman*)
Paul Edward Burke (*Group Managing Director*)
Graham Lawrence Footitt (*Non-executive director*)

Registered Office:

274 Deansgate
Camp Street
Manchester
M3 4JB

23 July 2010

Dear Shareholder,

PROPOSED CANCELLATION OF ADMISSION TO TRADING ON AIM

1. Introduction

The Company noted in its announcement to the London Stock Exchange on 30 June 2010 that it intended to seek Shareholder approval for the cancellation of admission of the Ordinary Shares to trading on AIM.

The purpose of this document is to provide you with further information on the proposed cancellation of admission, to explain why the Board considers the Resolution to be in the best interests of the Company and its Shareholders, and to recommend that you vote in favour of the Resolution at the General Meeting, notice of which is set out on page 5 of this document.

2. Background to and reasons for the cancellation of admission

The Company confirmed in its announcement on 30 June 2010 that the strategic review of the Company's business had concluded, with the outcome that the Company will cease to write new business and, with the support of its banking syndicate, will collect in its loan books in a prudent and orderly manner. In view of this outcome, the Board (having consulted with Hawkpoint Partners Limited, the Company's Nominated Adviser) has concluded that there is likely to be no value for Shareholders in the Company and that it is no longer in the best interests of the Company (or its Shareholders as a whole) to continue to incur the costs of maintaining the admission of the Ordinary Shares to trading on AIM. In reaching this conclusion, the Directors considered the following factors:-

- the significant professional fees (currently estimated at £0.2m per annum) associated with the admission, including legal, accounting, broking and nominated adviser fees;
- the costs related to AIM regulatory requirements, including reporting, disclosure and corporate governance requirements (estimated at £0.2m per annum); and
- the disproportionate amount of senior management time spent in meeting the requirements of the AIM Rules.

If the cancellation of the admission is approved, the Company would benefit from cost savings of approximately £0.4m per annum.

3. Dealings, transfers and cancellation of admission

Pursuant to Rule 41 of the AIM Rules, the Board has today notified the London Stock Exchange of its intention to cancel the admission of the Ordinary Shares to trading on AIM. This cancellation is conditional upon the consent of not less than 75 per cent of the votes cast by Shareholders at the General Meeting. If the Resolution is passed, the cancellation is expected to become effective on or around 23 August 2010, at which point no further trading in the Ordinary Shares on AIM will be possible.

4. Transactions in Ordinary Shares following the cancellation of admission

Shareholders who wish to acquire or dispose of Ordinary Shares following the cancellation may do so on a private treaty basis with the relevant counterparty and should contact the Company in relation to the procedure for registering that acquisition or disposal in the statutory books of the Company. The Ordinary Shares would not be capable of being settled within CREST (and any Shareholder who currently holds Ordinary Shares in CREST will, following the delisting becoming effective, be sent a share certificate for those Ordinary Shares held in uncertificated form).

5. General Meeting

Set out at the end of this document is a notice convening a General Meeting of the Company to be held at 2pm on 13 August 2010 at which a resolution to approve the cancellation of the admission of the Ordinary Shares to trading on AIM will be proposed as a special resolution.

6. Action to be taken

Enclosed with this circular is a Form of Proxy for use in relation to the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete and return the Form of Proxy, in accordance with the instructions printed thereon, to the Registrars as soon as possible and in any event to arrive not later than 2pm on 11 August 2010. You can return your Form of Proxy by post to the Company's registrars, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6ZX. The completion and return of the Form of Proxy will not prevent you from attending and voting at the General Meeting in person, if you so wish.

7. Recommendation

The Directors consider the cancellation of the listing of the Ordinary Shares on AIM to be in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolution to be proposed at the General Meeting, as they intend to do in respect of the 222,325 Ordinary Shares in which they are beneficially interested (representing approximately 0.85% of the issued voting share capital of the Company).

Yours faithfully

James Rodier Kerr-Muir
Chairman

Dated 23 July 2010

NOTICE OF GENERAL MEETING

Davenham Group plc

(Incorporated and registered in England and Wales with registered number 3976032)

NOTICE IS HEREBY GIVEN that a **GENERAL MEETING** of Davenham Group plc (the “**Company**”) will be held at the offices of Pinsent Masons LLP, CityPoint, One Ropemaker Street, London EC2Y 9AH at 2pm on 13 August 2010 for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed as a special resolution:-

THAT the admission to trading on AIM (a market operated by London Stock Exchange plc) of the issued ordinary shares of £0.01 each in the capital of the Company be cancelled and that the directors of the Company be authorised to take all steps which are necessary or desirable in order to effect such cancellation.

By Order of the Board

QConsult Limited
Secretary

Registered Office:
274 Deansgate
Camp Street
Manchester
M3 4JB

23 July 2010

The attention of members is drawn to the following notes, which form part of this Notice.

NOTES

1. A member entitled to attend and vote at the General Meeting is also entitled to appoint a proxy or proxies to attend, speak and vote instead of him. A member may appoint more than one proxy in relation to the General Meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy need not be a member of the Company. Appointment of a proxy will not preclude a member from attending and voting in person at the General Meeting.
2. To be effective, the Form of Proxy and, if relevant, the power of attorney or other authority under which it is executed (or a notarially certified copy of such power or authority) must be received by the Company's registrars, Equiniti at the address stated on the Form of Proxy, Aspect House, Spencer Road, Lancing, West Sussex BN99 6ZX by 2pm on 11 August 2010. A Form of Proxy is enclosed with this notice.
3. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (available at www.euroclear.com/CREST). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.
4. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “CREST Proxy Instruction”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (“Euroclear UK & Ireland”) specifications and must contain the information required for such instructions, as described in the CREST manual.

5. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by the latest time for the receipt of proxy appointments specified in note 2 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
6. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK and Ireland does not make available special procedures in CREST for any particular message. Normal system timing and limitations will, therefore, apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST systems and timing.
7. The Company may treat as invalid a CREST proxy instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertified Securities Regulations 2001.
8. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member, provided that they do not do so in relation to the same Ordinary Shares.
9. In the case of joint holders of an Ordinary Share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose seniority is determined by the order in which the names of the holders stand in the register of members in respect of the joint holding.
10. To be entitled to attend and vote at the General Meeting (and for the purposes of determination by the Company of the votes they may cast), a person must be entered on the Register of Members of the Company at 6pm on 11 August 2010 or, if the General Meeting is adjourned, 6pm on the date two days before the date for the adjourned Meeting. Changes to entries on the Register of Members after that time will be disregarded in determining the right of any person to attend or vote at the General Meeting.
11. As at 22 July 2010 (being the latest business day prior to the publication of this notice) the Company's issued share capital consisted of 26,060,565 ordinary shares of 1p each. The total number of voting Ordinary Shares in the Company as at that date was 26,060,565.
12. You may not use any electronic address provided within this notice or any related documents (including the Form of Proxy) to communicate with the Company other than as expressly stated.

Davenham Group plc

(Registered in England and Wales with number 3976032)

FORM OF PROXY

(for use by Shareholders for the General Meeting to be held at the offices of Pinsent Masons LLP, CityPoint,
One Ropemaker Street, London EC2Y 9AH at 2pm on 13 August 2010)

I/We _____ of _____
(BLOCK CAPITALS)

being (a) holder(s) of ordinary shares in the Company, hereby appoint the Chairman of the meeting or (Note 1)

to vote _____ number of shares (Note 1)

as my/our proxy to vote for me/us and on my/our behalf at the General Meeting of the Company to be held at 2pm on 13 August 2010 and at any adjournment thereof.

I/We direct my/our proxy to vote as indicated by an **X** in the appropriate column. (Note 1)

If you wish to appoint multiple proxies please see Note 1.

Please mark this box to indicate that this proxy appointment is one of multiple appointments being made (Notes 1 and 5).

RESOLUTION	FOR <input type="checkbox"/>	AGAINST <input type="checkbox"/>	VOTE WITHHELD <input type="checkbox"/>
THAT the admission to trading on AIM (a market operated by London Stock Exchange plc) of the issued ordinary shares of £0.01 each in the capital of the Company be cancelled and that the directors of the Company be authorised to take all steps which are necessary or desirable in order to effect such cancellation.			

Name: (BLOCK CAPITALS) _____

Address: _____

Signature(s): _____ Date: _____ 2010

Notes

1. A member of the Company entitled to attend and vote at the General Meeting (the "Meeting") is also entitled to appoint a proxy or proxies to attend, speak and vote instead of him. A member may appoint more than one proxy in relation to the Meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy need not be a member of the Company. If a member wishes to appoint a proxy other than the Chairman, delete the words "the Chairman of the Meeting or," initial the alteration and insert the name of the person you wish to appoint as your proxy. The Chairman of the Meeting shall act as a proxy unless another proxy is indicated. A proxy will act in his/her discretion in relation to any other business at the meeting (including any resolution to amend a resolution or to adjourn the meeting). Appointment of a proxy will not preclude a member from attending and voting in person at the Meeting.
2. All members are entitled to attend and vote at the meeting, whether or not they have returned a form of proxy.
3. If a member is a corporation, this form of proxy must be executed under its common seal or by the signature of an officer or attorney duly authorised in writing. A copy of the authorisation of such officer or attorney must be lodged with the form of proxy.
4. In the case of joint holders, the signature of any one holder will be sufficient, but the names of all joint holders should be stated, and the vote of the senior holder who tenders a vote will be accepted to the exclusion of the vote(s) of other joint holder(s), seniority being determined by the order in which the names stand in the register of members of the Company.
5. To appoint more than one proxy, (an) additional proxy form(s) may be obtained by contacting the Company's registrars Equiniti on 0871 384 2748; from overseas call +44 121 415 7047 (Calls are charged at 8p per minute from a BT landline. Calls from other networks may vary. Lines are open 8:30am to 5:30pm, Monday to Friday) or you may photocopy this form. Please indicate next to the name of the proxy you are appointing the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the separate box provided above if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
6. In order to be valid, this form of proxy, duly executed together with any power of attorney or other authority under which it is signed, or a notarially certified or office copy of such power or authority, must be lodged at the Company's Registrars by 2pm on 11 August 2010 or not less than 48 hours before any adjournment of the meeting.
7. CREST participants may lodge their proxy appointments via CREST. Please refer to note 3 in the notice of meeting.
8. Any alterations made to this form of proxy should be initialled.

SECOND FOLD

BUSINESS REPLY SERVICE
Licence No. SEA 10855



Equiniti
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6ZX

THIRD FOLD AND TUCK IN

FIRST FOLD

