

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you have sold or transferred all of your Existing Ordinary Shares, please send this document to the purchaser or transferee or to the stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. If you have sold or transferred part of your holding, please consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

If you are in any doubt about the contents of this document, or the action you should take, you are recommended immediately to seek your own financial advice from an independent financial adviser, such as a stockbroker, solicitor, accountant or other adviser who specialises in advising on the acquisition of shares and securities and is authorised under the Financial Services and Markets Act 2000 ("FSMA") (or, if you are a person outside the UK, a person otherwise similarly qualified in your jurisdiction).

This document is an admission document drawn up in accordance with the NEX Exchange Growth Market – Rules for Issuers and has been prepared in connection with the proposed application for admission of the issued and to be issued share capital of the Company to trading on the NEX Exchange Growth Market, a market operated by NEX Exchange Limited. This document does not constitute a prospectus within the meaning of section 85 of FSMA and has not been drawn up in accordance with the Prospectus Rules published by the Financial Conduct Authority ("FCA") and a copy has not been, and will not be, approved or filed with the FCA. This document does not constitute, and the Company is not making, an offer of transferable securities to the public within the meaning of section 102B of FSMA or otherwise.

Application will be made for the whole of the Company's issued and to be issued ordinary share capital to be admitted to trading on the NEX Exchange Growth Market. The NEX Exchange Growth Market, which is operated by NEX Exchange Limited ("NEX Exchange"), a Recognised Investment Exchange, is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. It is not classified as a Regulated Market under EU financial services law and NEX Exchange Growth Market securities are not admitted to the Official List of the United Kingdom Listing Authority. Investment in an unlisted company is speculative and involves a higher degree of risk than an investment in a listed company. The value of investments can go down as well as up and investors may not get back the full amount originally invested. An investment should therefore only be considered by those persons who are prepared to sustain a loss on their investment. A prospective investor should be aware of the risks of investing in NEX Exchange Growth Market securities and should make the decision to invest only after careful consideration and, if appropriate, consultation with 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.

Sovereign Mines of Africa PLC is required by NEX Exchange Limited to appoint a NEX Exchange Corporate Adviser to apply on its behalf for admission to the NEX Exchange Growth Market and must retain a NEX Exchange Corporate Adviser at all times. The requirements for a NEX Exchange Corporate Adviser are set out in the NEX Exchange Corporate Adviser Handbook and the NEX Exchange Corporate Adviser is required to make a declaration to NEX Exchange in the form prescribed by Appendix B to the NEX Exchange Corporate Adviser Handbook.

This admission document has not been examined or approved by NEX Exchange or the Financial Conduct Authority.

Prospective investors should read the whole of this document. An investment in the Company is speculative and involves a high degree of risk. The attention of prospective investors is drawn in particular to Part II of this document which sets out certain risk factors relating to any investment in Ordinary Shares. All statements regarding the Company's business, financial position and prospects should be viewed in light of these risk factors.

It is expected that Admission (as defined on page 5 of this document) will become effective and dealings on the NEX Exchange Growth Market will commence in the Ordinary Shares at 8.00 a.m. on 26 June 2018. The Existing Ordinary Shares are not traded on any recognised investment exchange and no such applications have been made.

SOVEREIGN MINES OF AFRICA PLC

(incorporated and registered in England and Wales with registered number 07139678)

Proposed acquisition of the business and assets of Turf to Table Ltd

Proposed placing of 6,083,335 New Ordinary Shares at a price of 9p per share

Share Consolidation

Proposed change of name to The Barkby Group PLC

Admission of the Enlarged Share Capital to trading on the NEX Exchange Growth Market

Notice of General Meeting

NEX Exchange Corporate Adviser & Broker



A Notice convening a General Meeting of the Company to be held at Lakeside, Fountain Lane, St Mellons, Cardiff CF3 0FB at 10.00 a.m. on 25 June 2018 is set out at the end of this document. The enclosed Form of Proxy for use at the meeting should be completed and returned to the Company's registrars, Share Registrars Limited at The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR as soon as possible and to be valid must arrive not less than 48 hours before the time appointed for the meeting (excluding non-working days). Completion and return of a Form of Proxy will not preclude Shareholders from attending and voting in person at the meeting should they so wish.

Allenby Capital Limited, which is authorised and regulated in the UK by the FCA, is acting as corporate adviser and broker to the Company. Allenby Capital Limited will not be responsible to any person other than the Company for providing the protections afforded to its customers or for advising any other person on the contents of any part of this document. The responsibilities of Allenby Capital Limited as the Company's corporate adviser under the NEX Exchange Corporate Adviser Handbook are owed solely to NEX Exchange Limited and are not owed to the Company or any Director, Proposed Director or Shareholder or to any other person. In respect of any decision to acquire Ordinary Shares in reliance on any part of this document or otherwise, Allenby Capital Limited is not making any representation or warranty, express or implied, as to the contents of this document.

This document contains forward-looking statements, including, without limitation, statements containing the words "believes", "expects", "estimates", "intends", "may", "plan", "will" and similar expressions (including the negative of those expressions). Forward-looking statements involve unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by those forward-looking statements. Factors that might cause such a difference include, but are not limited to, those discussed in Part II of this document, entitled "Risk Factors". Given these uncertainties, prospective investors are cautioned not to place any undue reliance on those forward-looking statements. The forward-looking statements contained in this document are made on the date of this document, and, except as otherwise required by law or the NEX Exchange Growth Market – Rules for Issuers, the Company, the Directors and the Proposed Directors are not under any obligation to update those forward-looking statements in this document to reflect actual future events or developments.

No legal, business, tax or other advice is provided in this document. Prospective investors should consult their professional advisers as needed on the potential consequences of subscribing for, purchasing, holding or selling Ordinary Shares under the laws of their country and/or state of citizenship, domicile or residence. This document does not constitute an offer to sell, or the solicitation of an offer to buy or subscribe for, Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful and, in particular, this document is not for distribution in or into the United States of America, Canada, Australia, the Republic of South Africa or Japan. The distribution of this document in other jurisdictions may be restricted by law. The Ordinary Shares have not been and will not be registered under the applicable securities laws of the United States of America, Canada, Australia, the Republic of South Africa or Japan and, subject to certain exceptions, may not be offered, sold, re-sold, renounced, taken up or delivered, directly or indirectly, in, into or from the United States of America, Canada, Australia, the Republic of South Africa or Japan or to any national of the United States of America, Canada, Australia, the Republic of South Africa or Japan. This document should not be distributed, published, reproduced or otherwise made available in whole or in part, or disclosed by recipients to any other person, in, and in particular, should not be distributed to persons with addresses in, the United States of America, Canada, Australia, the Republic of South Africa or Japan. No action has been taken by the Company or Allenby Capital Limited that would permit an offer of Ordinary Shares or possession or distribution of this document where action for that purpose is required. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities law or other laws of any such jurisdictions.

In making any investment decision in respect of Admission and/or the Placing, no information or representation should be relied upon in relation to Admission or in relation to the Ordinary Shares other than as contained in this document. No person has been authorised to give any information or make any representation other than that contained in this document and, if given or made, such information or representation must not be relied upon as having been authorised.

It should be remembered that the price of securities and the income from them can go down as well as up and this document contains references to past performance of the Company and its historic subsidiaries. Past performance is not a reliable indicator of future results.

There is information given in this document which relates to tax treatment. Tax treatment depends on the individual circumstances of each investor and is subject to change in the future.

CONTENTS

	<i>Page</i>
DIRECTORS, SECRETARY AND ADVISERS	3
DEFINITIONS	5
EXPECTED TIMETABLE OF PRINCIPAL EVENTS	9
ADMISSION AND FUNDRAISING STATISTICS	10
PART I: LETTER FROM THE CHAIRMAN OF SOVEREIGN MINES OF AFRICA PLC	11
PART II: RISK FACTORS	23
PART III: HISTORICAL FINANCIAL INFORMATION OF THE COMPANY	34
PART IV: HISTORICAL FINANCIAL INFORMATION OF T2T	35
PART V: UNAUDITED PRO FORMA FINANCIAL INFORMATION	53
PART VI: PROPERTY VALUATION REPORT	57
PART VII: ADDITIONAL INFORMATION	75
NOTICE OF GENERAL MEETING	97

DIRECTORS, SECRETARY AND ADVISERS

Directors	Charles Giles Clarke Jeremy Anthony Simon Sparrow	<i>Chairman</i> <i>Non-Executive Director</i>
	all of: Lakeside Fountain Lane St Mellons Cardiff United Kingdom CF3 0FB	
Proposed Director(s)	Rupert Michael Fraser Emma Jane Dark Sebastian Luigi Andrew Snow Duncan George Harvey	<i>Proposed Chief Executive</i> <i>Proposed Finance Director</i> <i>Proposed Creative Director</i> <i>Proposed Non-Executive Director</i>
	all of: The Five Alls Filkins Lechlade Gloucestershire GL7 3JQ	
Company Secretary	Brian William James	
Registered Office and Principal Place of Business	Lakeside Fountain Lane St Mellons Cardiff United Kingdom CF3 0FB	
Proposed Principal Place of Business	The Five Alls Filkins Lechlade Gloucestershire GL7 3JQ	
NEX Exchange Corporate Adviser & Broker	Allenby Capital Limited 5 St. Helen's Place London EC3A 6AB	
Reporting Accountant and Auditor to the Company	Crowe Clark Whitehill LLP St Bride's House 10 Salisbury Square London EC4Y 8EH	
Legal Advisers to the Company	Kuit Steinart Levy LLP 3 St Mary's Parsonage Manchester M3 2RD	
Legal Advisers to the NEX Exchange Corporate Adviser and Broker	Fieldfisher LLP Riverbank House 2 Swan Lane London EC4R 3TT	

Property Consultants

Fleurets Limited
Reflections House
26 Oakfield Road
Clifton
BS8 2AT

Financial Public Relations
Advisers to the Company

Camarco
107 Cheapside
London
EC2V 6DN

Registrars

Share Registrars Limited
The Courtyard
17 West Street
Farnham
Surrey
GU9 7DR

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this document:

“Acquisition”	the proposed acquisition by the Company of the Business and Assets pursuant to the terms of the Acquisition Agreement;
“Acquisition Agreement”	the conditional agreement dated 6 June 2018 made between (i) the Company; (ii) the Vendor and (iii) Allenby Capital relating to the Acquisition, details of which are set out in paragraph 3 of Part I and paragraph 13.1.2 Part VII of this document;
“Act” or the “Companies Act”	the Companies Act 2006 of the United Kingdom, as amended;
“Admission”	the admission of the Enlarged Share Capital to trading on the NEX Exchange Growth Market becoming effective in accordance with the NEX Exchange Rules;
“AIM Rules for Companies”	the AIM Rules for Companies as published by London Stock Exchange plc from time to time;
“Allenby Capital”	Allenby Capital Limited, the Company’s NEX Exchange Corporate Adviser and broker;
“Assets”	the property, rights and assets of the Vendor that comprise the Business and certain of its liabilities;
“Board”	the board of directors of the Company from time to time;
“Business”	the business of owning and managing gastro public houses carried on by the Vendor, at the properties in Gloucestershire known as The Five Alls, The Plough and The Bull;
“certificated” or “in certificated form”	a share or other security not recorded on the relevant register of the relevant company as being in uncertificated form in CREST;
“Company”	Sovereign Mines of Africa plc, a company incorporated and registered in England and Wales on 28 January 2010 as a public company limited by shares with the registration number 07139678;
“Completion”	completion of the Placing Agreement and Acquisition Agreement on Admission;
“Consideration Shares”	the 5,777,778 New Ordinary Shares to be issued to satisfy £520,000 of the consideration payable on Completion in respect of the Acquisition;
“Corporate Adviser and Broker Agreement”	the agreement dated 6 June 2018 between (1) the Company, (2) Allenby Capital and (3) the New Directors relating to the appointment of Allenby Capital as the Company’s NEX Exchange Corporate Adviser and broker, further details of which are set out in paragraph 13.1.4 of Part VII of this document;
“Corporate Governance Code”	the UK Corporate Governance Code published by the Financial Reporting Council;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) as amended from time to time, and any applicable rules made under those regulations;

“CREST”	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear which facilitates the transfer of title to shares;
“Deferred Consideration”	up to £560,000 payable to the Vendor as additional consideration in respect of the Acquisition subject to certain financial targets for the Business having been achieved, further details of which are set out in paragraph 3 of Part I of this document
“Deferred Consideration Shares”	up to 6,222,222 New Ordinary Shares to be issued to satisfy the Deferred Consideration to be issued and allotted at the discretion of the Company in lieu of cash payment;
“Directors”	the current directors of the Company, whose names are set out on page 3 of this document;
“Enlarged Group”	the Company as enlarged by the Acquisition;
“Enlarged Share Capital”	the issued share capital of the Company as upon Admission comprising (i) 26,086,638 New Ordinary Shares arising pursuant to the Share Consolidation of the Existing Ordinary Shares; (ii) the Placing Shares; and (iii) the Consideration Shares;
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST;
“Existing Ordinary Shares”	the 860,859,054 ordinary shares of £0.0001 (0.01p) in issue at the date of this document;
“Facility Agreement”	the loan facility agreement between (i) the Company and (ii) the Vendor dated 2 February 2018 under which the Company made a loan facility of the principal amount of £125,000 available to the Vendor, further details of which are set out in paragraph 13.1.1 of Part VII of this document;
“FCA”	the United Kingdom Financial Conduct Authority, the statutory regulator under FSMA responsible for the regulation of the United Kingdom financial services industry;
“Form of Proxy”	the form of proxy accompanying this document for use by Shareholders at the General Meeting;
“FSMA”	the UK Financial Services and Markets Act 2000, as amended, including any regulations made pursuant thereto;
“GBP” or “£” or “pence” or “p”	pounds sterling and pence, the lawful currency from time to time of the United Kingdom;
“General Meeting” or “GM”	the general meeting of the Company to be held at Lakeside, Fountain Lane, St Mellons, Cardiff CF3 0FB on 25 June 2018 at 10.00 a.m. and any adjournments thereof to be held for the purpose of considering and, if thought fit, passing the Resolutions;
“HMRC”	Her Majesty’s Revenue and Customs;
“ISIN”	international security identification number;
“Issue Price”	£0.09 per New Ordinary Share;
“Listing Rules”	the Listing Rules made by the FCA under FSMA,

“Lock-in Agreements”	the agreements between (1) the Company, (2) Allenby Capital and (3) each of the Locked-in and Orderly Market Parties, further details of which are contained in paragraph 13.1.6 of Part VII of this document;
“Locked-in and Orderly Market Parties”	together, the Directors, the Proposed Directors and Jasmin Harvey;
“Market Abuse Regulation”	the EU Market Abuse Regulation (No. 596/2014);
“New Board” or “New Directors”	the Proposed Directors, Giles Clarke and Jeremy Sparrow;
“New Ordinary Shares”	the ordinary shares of £0.0033 (0.33p) each in the capital of the Company following the Share Consolidation;
“NEX Exchange Growth Market”	the NEX Exchange Growth Market operated by NEX Exchange Limited;
“NEX Exchange Rules”	the NEX Exchange Growth Market – Rules for Issuers published by NEX Exchange Limited from time to time;
“Notice of General Meeting”	the notice convening the General Meeting set out on pages 97 to 100 of this document;
“Official List”	the Official List of the FCA;
“Ordinary Shares”	ordinary shares in the capital of the Company, being, prior to the Share Consolidation, Existing Ordinary Shares and, after the Share Consolidation, New Ordinary Shares;
“Placees”	proposed subscribers for Placing Shares at the Issue Price in the Placing;
“Placing”	the proposed conditional placing of the Placing Shares at the Issue Price with Placees pursuant to the Placing Agreement;
“Placing Agreement”	the conditional agreement dated 6 June 2018 between (1) the Company, (2) the Directors and the Proposed Directors and (3) Allenby Capital relating to the Placing, further details of which are set out in paragraph 13.1.5 of Part VII of this document;
“Placing Shares”	the 6,083,335 New Ordinary Shares to be issued by the Company and subscribed for by Placees pursuant to the Placing, conditional on Admission;
“Properties”	the properties from which the Business currently operates, known as The Five Alls, Filkins, Lechlade; The Plough Inn Public House, Filkins; and The Bull, Fairford, further details of which are set out in paragraph 4 of Part I of this document;
“Proposals”	the Acquisition, the Placing, the Share Consolidation and the proposed change of the name of the Company;
“Proposed Directors”	Rupert Fraser, Emma Dark, Sebastian Snow and Duncan Harvey;
“Prospectus Rules”	the Prospectus Rules made by FCA pursuant to Part VI of FSMA;
“Registrar”	Share Registrars Limited;
“Resolutions”	the resolutions to be proposed at the General Meeting, details of which are set out in the Notice of General Meeting;

“Shareholders”	holders of Ordinary Shares in the Company from time to time;
“Share Consolidation”	the proposed consolidation of the ordinary share capital of the Company, details of which are set out in paragraph 13 of Part I of this document;
“Takeover Code”	the City Code on Takeovers and Mergers as published by the Panel on Takeovers and Mergers;
“uncertificated” or “in uncertificated form”	a share or other security recorded on the relevant register of the relevant company concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland;
“VAT”	value added tax;
“Vendor”, “Turf to Table” or “T2T”	the vendor of the Business and Assets, being Turf to Table Ltd, incorporated and registered in England and Wales under company number 06659193 with its registered office at The Five Aills, Filkins, Lechlade, Gloucestershire GL7 3JQ; and
“Warrants”	the warrants and options granted by the Company over an aggregate of 278,000,000 Ordinary Shares which will be over an aggregate of 8,424,240 New Ordinary Shares following the Share Consolidation, further details of which are set out in paragraph 4 of Part VII of this document.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	6 June 2018
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 21 June 2018
Time and date of General Meeting	10.00 a.m. on 25 June 2018
Record date for the Share Consolidation	25 June 2018
Admission effective and commencement of dealings in the Enlarged Share Capital on the NEX Exchange Growth Market	8.00 a.m. on 26 June 2018
Expected date for CREST accounts to be credited (where applicable)	8.00 a.m. on 26 June 2018
Despatch of definitive share certificates	by 10 July 2018

Events listed in the above timetable following the General Meeting are conditional on the passing at the General Meeting of the Resolutions.

All of the above timings refer to London time unless otherwise stated. All future times and/or dates referred to in this document are subject to change at the discretion of the Company and Allenby Capital and if any of the above times or dates should change, the revised times and/or dates will be notified by an announcement on regulatory information service. All times are UK times unless otherwise specified.

ADMISSION AND FUNDRAISING STATISTICS

Number of Existing Ordinary Shares	860,859,054
Number of New Ordinary Shares arising pursuant to the Share Consolidation of Existing Ordinary Shares	26,086,638
Number of Consideration Shares	5,777,778
Number of Placing Shares	6,083,335
Total number of New Ordinary Shares in issue on Admission	37,947,751
Maximum number of Deferred Consideration Shares that could be issued	6,222,222
Number of Warrants in issue on Admission	8,424,240
Issue Price	£0.09
Market capitalisation of the Company at the Issue Price on Admission	£3.42 million
Consideration Shares as a percentage of the Enlarged Share Capital	15.23%
Placing Shares as a percentage of the Enlarged Share Capital	16.03%
Gross proceeds of the Placing	£547,500.15
Estimated net proceeds of the Placing	£115,000
NEX Exchange Growth Market symbol	BARK
ISIN of Existing Ordinary Shares	GB00B3P3XP06
ISIN of New Ordinary Shares	GB00BDZ7FJ04

PART I

LETTER FROM THE CHAIRMAN OF SOVEREIGN MINES OF AFRICA PLC

SOVEREIGN MINES OF AFRICA PLC

(incorporated and registered in England and Wales under the Companies Act 2006 with registered number 07139678)

Directors:

Charles Giles Clarke, Chairman

Jeremy Anthony Simon Sparrow, Non-Executive Director

Registered Office:

Lakeside

Fountain Lane

St Mellons

Cardiff

United Kingdom

CF3 0FB

Dear Shareholders,

Proposed acquisition of the business and assets of Turf to Table Ltd
Proposed placing of 6,083,335 New Ordinary Shares at a price of 9p per share
Share Consolidation
Proposed change of name to The Barkby Group PLC
Admission of the Enlarged Share Capital to trading on the NEX Exchange Growth Market
Notice of General Meeting

1. INTRODUCTION

The Board is pleased to inform Shareholders that terms have been agreed for the proposed acquisition of the Business and Assets, being a boutique hospitality group focused on premium gastropubs, inns and function spaces in Gloucestershire and Oxfordshire, comprising three gastropubs with 38 hotel rooms.

The total consideration for the Acquisition is up to £1,205,000, payable as an initial consideration of £645,000 which will be satisfied as to £125,000 in cash (to be immediately used by the Vendor to repay the loan advanced by the Company to it pursuant to the Facility Agreement) and £520,000 by the issue of the Consideration Shares at completion of the Acquisition on Admission, with the remaining consideration of up to £560,000 being subject to the satisfaction of certain profit targets over the next three years ending 31 May 2021. In addition, the Company is assuming certain liabilities of the Business.

The Directors believe that the Acquisition represents a transformational step in respect of the Company's future and an opportunity to benefit from an established business which the Directors and Proposed Directors believe provides a platform for significant growth through expansion to other properties. Further information on the Business and Assets can be found in paragraph 4 below.

In conjunction with the Acquisition, the Company is proposing to apply for admission to the NEX Exchange Growth Market and raise £547,500.15, before expenses, through the issue of the Placing Shares at the Issue Price. The Placing Shares will represent approximately 16.03 per cent. of the Enlarged Share Capital on Admission. On Admission, the Company will have a market capitalisation of approximately £3.42 million based on the Issue Price. Further details about the Placing are set out in paragraph 9 of this Part I.

The Company is also proposing the Share Consolidation, further details of which are set out in paragraph 13 of this Part I, and to change the Company's name to The Barkby Group PLC.

The Acquisition and the Placing are conditional, *inter alia*, on the approval by Shareholders of the Resolutions to be proposed at the General Meeting which is being convened for 10.00 a.m. on 25 June 2018, notice of which is set out at the end of this document, and on Admission.

If the Resolutions are passed at the General Meeting and the other conditions set out in the Acquisition Agreement and the Placing Agreement are met, it is expected that the Enlarged Share Capital will be admitted to trading on the NEX Exchange Growth Market with effect from 8.00 a.m. on 26 June 2018.

The Directors consider the Acquisition to be an excellent opportunity for the Company and in the best interests of the Company and Shareholders as a whole. Accordingly, the Directors recommend that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting as they have irrevocably undertaken to do so in respect of their beneficial holdings of Ordinary Shares.

Shareholders should note that the Resolutions are inter-conditional and consequently if any of the Resolutions are not passed, the Acquisition, the Placing and Admission will not occur.

The purpose of this document, which comprises a document prepared under the NEX Exchange Rules, is to provide you with information on the Proposals. You should read the whole of this document and your attention is drawn in particular to the risk factors set out in Part II of this document.

2. BACKGROUND TO AND REASONS FOR THE ACQUISITION

The Company completed the farm-out of its 75 per cent. interest in the Mandiana Gold Project in January 2017, leaving the Company with no business or operations and a remit to make an acquisition which would constitute a reverse takeover under the AIM Rules for Companies.

It was announced on 15 January 2018 that the Company had signed non-binding Heads of Terms with the Vendor, a boutique hospitality group focused on premium gastropubs, inns and function spaces in Gloucestershire and Oxfordshire, for the acquisition of its three gastropubs and their 38 hotel rooms. The New Directors believe that the proposed Acquisition will provide a platform for the development of a large portfolio of premium hospitality properties in partnership with breweries across the UK.

The Company's shares were cancelled from trading on the AIM market on 22 January 2018, having not made an acquisition constituting a reverse takeover within a year of becoming an investing company under the AIM Rules for Companies.

The Board is now in a position to write to you with the details of the Acquisition and to seek your approval of the associated Resolutions at the General Meeting. The Directors consider the Acquisition to be an excellent opportunity for the Company and in the best interests of the Company and Shareholders as a whole. Further details of the Business are set out below in paragraph 4 of this Part I.

The Company is applying for the admission of the New Ordinary Shares to trading on the NEX Exchange Growth Market in conjunction with the Acquisition and Placing, further details of which are set out below.

3. PRINCIPAL TERMS OF THE ACQUISITION

Under the Acquisition Agreement, the Company has conditionally agreed to purchase the Business and Assets and assume certain specified liabilities from the Vendor (including up to a maximum of £270,000 to redeem the mortgage granted by the Vendor in favour of the Royal Bank of Scotland plc and repay the associated overdraft facility and VAT and PAYE amounting in aggregate to £108,393 on 28 February 2018 and otherwise as incurred in the ordinary course of business). The purchase price for the Business is a completion payment of £645,000, to be satisfied as to £520,000 by the issue and allotment of 5,777,778 New Ordinary Shares (being the Consideration Shares) to the Vendor on Admission and as to £125,000 in cash to be immediately used by the Vendor to repay the loan of that amount advanced by the Company to it pursuant to the Loan Facility.

In addition, the Company is to pay the Vendor additional deferred consideration, dependant on the operating profit of the Business during the three years from Completion. These payments amount in aggregate to £560,000, payable as up to £180,000 if the operating profits (as defined in paragraph 13.1.2 (a) of Part VII) in respect of the year ending on 31 May 2019 are between £100,000 to at least £150,000; up to £180,000 if the operating profits in respect of the 12 month period ending on 31 May 2020 are between £200,000 to at least £250,000; and up to £200,000 if the operating profit in respect of the 12 months ending on 31 May 2021 are between £300,000 to at least £375,000. At the discretion of the Company, and subject to compliance with the Act, the Deferred Consideration can be satisfied by the issue and allotment of additional New Ordinary Shares at the Issue Price (being the Deferred Consideration Shares).

Completion of the Acquisition Agreement is conditional, *inter-alia*, on Admission and completion of the Placing Agreement.

Further details of the Acquisition Agreement are set out in paragraph 13.1.2 of Part VII of this document.

A report on valuation of the Properties is set out in Part VI of this document.

4. INFORMATION ON THE BUSINESS

Background

The Business and Assets are currently owned by Turf to Table, a boutique hospitality group focused on premium gastropubs, inns and function spaces in Oxfordshire and Gloucestershire. Turf to Table was founded by Sebastian Snow in 2008. Sebastian is an acclaimed executive chef who worked under leading chefs including Antony Worrall Thompson and went on to run highly regarded restaurants with his wife, including Snows on the Green in West London.

The Business currently operates three highly acclaimed premises with a total of 38 hotel rooms, offering a wide range of high quality drinks and food tailored to the local market. Turf to Table's proposition is led by excellence in food and service, showcasing the best of English produce with a convivial atmosphere and modern style. Turf to Table seeks to create premium individual gastropubs with accommodation to address what the New Board believes is a trend away from branded pubs and large hotels and the demand for quality food and local produce.

Turf to Table acquired the lease for its first gastropub, The Five Alls, in August 2012 and then bought the freehold of The Plough in March 2015. The tenancy lease for The Bull Hotel was entered into in August 2016 and, following a major refurbishment with a substantial amount invested by the freeholder brewery, Arkell's Brewery Limited, it reopened for trading in July 2017.

The Properties

The premises being acquired by the Company pursuant to the Acquisition consist of a freehold and two leasehold gastropubs with accommodation as listed below. New leases have been agreed in respect of the two leasehold gastropubs with the relevant brewery landlords. An independent valuation report by Fleurets has valued the Properties (excluding the The Bull Hotel because it is a tenancy lease) at £920,000 as at 26 March 2018. A copy of the summary valuation report on the Properties is set out in Part VI of this document.

The Five Alls, Filkins, Gloucestershire

Turf to Table acquired an operating lease to The Five Alls in August 2012 and was then refurbished and a new strategy implemented, led by Sebastian Snow and his wife, Iliriana (Lana). The Five Alls is located within a small Cotswold village and has two bar areas, a spacious garden, two restaurant areas with 110 covers and 9 hotel rooms (4 of which were recently built in a new building in the grounds). The Five Alls achieved revenue of over £1.1 million in the year ended 31 August 2017.

The Five Alls has received numerous accolades, including:

- Best Pub in the Southwest region and Best Pub in Gloucestershire by the National Pub & Bar Awards 2016;
- 38th out of the best 50 pubs in the UK in the 'Good Food Guide' 2016; and
- Luxury Traditional Hotel of the Year (Luxury Travel Guide Awards) 2016.

The Company has negotiated and agreed a new lease for The Five Alls for 21 years, further details of which are set out in paragraph 11.2.2 of Part VII of this document.

The Plough, Kelmscott, Oxfordshire

The freehold to The Plough was acquired by Turf to Table in March 2015. It is located on the edge of a small Cotswold village near a river and a stately home tourist attraction. The property has a bar and

restaurant with 73 covers, a private bar function room, 8 hotel rooms and a picturesque surrounding garden, as well a separate staff accommodation cottage.

Although operating, the property was in disrepair when it was acquired by Turf to Table and has been extensively remodelled and refurbished. The Plough recorded annual revenue of over £720,000 in the last financial year to 31 August 2017.

The Plough has received good reviews, including:

- Recommended by the Good Pub Guide and highly rated on travel sites such as Tripadvisor (4.5/5); and
- Reviewed in The Telegraph as: “the quintessential charming country pub. A sensitive update has retained its authentic appeal, and the food is a complete treat”.

The Bull Hotel, Fairford, Gloucestershire

Turf to Table acquired an operating lease to The Bull Hotel in August 2016 which was due to expire in early October 2019. The Company has accordingly negotiated and agreed a new lease, on the same commercial terms for a further ten years, further details of which are set out in paragraph 11.2.3 of Part VII of this document.

The Bull Hotel is a prominent building located on the market square of a picturesque Cotswold village. The Bull Hotel has a large bar area, two restaurant areas with 147 covers, a private dining room, 21 hotel rooms and an outside area including a permitted fishing ground, as well as a separate staff accommodation cottage.

The property was extensively remodelled and refurbished in the first half of 2017, with Arkell's Brewery Limited, the freeholder, contributing a substantial amount to renovations. The Bull Hotel reopened in July 2017. Revenues are expected to improve significantly as a result and this is already being demonstrated in its first eight months since reopening.

The Bull Hotel is recommended by the Good Pub Guide, which states: “Lovely renovation of old coaching inn, character bars and dining rooms... A visit is strongly recommended”.

Under the terms of the Licensing Act 2003, licences are required in relation to any premises from which “licensable activity” is carried out. Licensable activities include the sale by retail of alcohol, the provision of regulated entertainment (including any playing of recorded music) and the provision of late night refreshment (such as warm food after 11.00 p.m.). All the Properties have in place valid premises licences under the Licensing Act 2003 to carry out the businesses as currently operated from each site.

Product offering and strategy

Turf to Table's aim is to offer customers local market-leading gastropub food and exemplary service. With Head Chef Sebastian Snow responsible for menus, the Vendor aims to provide classic and sophisticated modern British cuisine with seasonal and artisan ingredients, as well as local produce.

Turf to Table has developed a high quality food offering for each gastropub which is freshly prepared and cooked to order, and includes highly creative vegetarian food. Menus are developed individually for each gastropub, as well as for special events and occasions and the New Directors believe they offer good value across a wide range of choice. The gastropubs offer a varied choice of craft and traditional beers and lagers, together with a wide selection of wines and other drinks.

Turf to Table designs the interior of each gastropub to create an appropriate ambience suited to its target customers and local characteristics and values. Front of house is the responsibility of Iliriana Snow, where the aim is to provide a convivial atmosphere and contemporary style.

Each gastropub provides accommodation which aims to be modern and comfortable, providing a boutique hotel experience. Each room is individually designed and decorated to a high-end, with en suite bathroom facilities and premium complementary products.

Each gastropub has its own website to take bookings, display menus, advertise upcoming events and give an impression of the atmosphere. Marketing is managed at head office level with regular newsletters and local media being a focus, as well as social media.

The New Directors believe that all this helps to attract a broad range of customers and believe it results in each of the Properties generating higher turnover than an average pub. Turf to Table's customers vary and include local residents, those living within a reasonable driving distance looking for a high-end dining experience and, being located in the Cotswolds, day tourists and weekenders, who may also make use of the accommodation provided by each gastropub.

For the local breweries that are the freeholders of The Five Alls and The Bull Hotel, the Vendor has demonstrated a proven method for updating and rejuvenating run-down or underperforming sites, that have resulted in an increased throughput of own products (ales, ciders etc.) and improved brand position in the local market.

Market and competition

In the New Directors' opinion, Turf to Table has in recent years established a reputation in the local market for quality of food served and a high-end gastropub experience and atmosphere. The estimated average spend per head places its restaurants with many other high-end gastropub restaurants in the sector. There is a range of varied and sizeable gastropub offerings in the UK. The New Directors believe that the competition, including boutique accommodation offerings, is plentiful and diverse at similar price points, although geographically spread. Turf to Table seeks to differentiate itself by quality of food and service and an overall better experience than is offered by competitors. The New Directors believe that Turf to Table offers destination venues in unique settings with limited immediate local competition. The New Directors believe that the outlook for high end gastropub offerings is positive as consumers seek a better quality offering and move away from high street chains.

5. STRATEGY OF THE ENLARGED GROUP

The New Board believes that the proposed Acquisition will provide the Company with an established platform for the development of a large portfolio of premium hospitality properties in partnership with breweries across the UK. Members of the New Board have a track record of establishing and growing businesses, particularly in the retail and hospitality sectors.

Leasehold acquisitions

The New Board has a business growth strategy to capitalise on the foundations of Turf to Table and has identified a significant opportunity to scale up over the next 3 to 5 years with a target operation of 8 to 12 properties.

The Enlarged Group will look to acquire properties that are either underperforming or have been closed down and which provide the opportunity for the Enlarged Group to substantially refurbish, usually in conjunction with a brewery partner, and improve the product offering and service to better serve the target customers.

The New Board sees an opportunity to offer regional brewers with pub estates a strategy to redevelop and rejuvenate underperforming properties. The Vendor has existing relationships with Arkell's and Brakspear breweries and the Enlarged Group will seek to expand on these and develop new relationships with other local breweries. The New Board is already in discussions for the acquisition of an additional pub, tied with Marston's Brewery, in line with its expansion strategy.

The New Board intends to leverage its sector contacts and experience to ensure it is well placed to acquire, and to have opportunities to consider the acquisition of, leasehold pubs.

The Enlarged Group will focus on the following criteria for future leasehold property acquisitions:

- affluent areas across the UK (average household income >£800 per week);
- village locations with local population >3,000 (within 5 miles) and proximity to tourist areas (e.g. Cotswolds, Yorkshire Dales, Norfolk Broads);
- limited local competition; not overserved tourist destinations;

- ideally underperforming brewery-tied or brewery-JV operated properties (pubs, inns, small hotels) with at least 8 rooms (preferably 10-20) and space for at least 300 covers per week; and
- on a preferred partnership model via operating leases.

Operational strategy

The New Board intends to immediately set about increasing revenue and streamlining systems and processes across the Business and Assets to scale economies in procurement, in order to improve margins and enable capacity for the acquisition of further properties in the future. In the medium term, and having reorganised and stabilised the Assets, the New Board will seek to improve margins through, *inter alia*, growth in accommodation revenue with cross-sales to food and drink.

The Enlarged Group intends to centralise the food purchasing function and significantly reduce the number of suppliers. This should result in an improvement in its purchasing terms and will enable greater economies of scale to be achieved as the Enlarged Group's estate grows. The new supply arrangements are also expected to improve the Enlarged Group's gross profit margins, as well as giving stability and visibility on its future input prices. However, the Enlarged Group intends to retain the flexibility for each individual property to source the local produce needed to create individuality in its drink and food menus.

Recruitment and retention of high quality staff is key to the Enlarged Group's strategy. The Enlarged Group will ensure staff are well trained and appropriately incentivised, given their respective roles, with the focus on attracting the most suitable employees to support the growth of the Enlarged Group and maintain high levels of consumer satisfaction.

The Enlarged Group will focus on appropriate branding and marketing to establish The Barkby Group PLC in the sector. This will include local community engagement, encouraging repeat business with loyalty rewards and targeted social media activity.

6. HISTORICAL FINANCIAL INFORMATION

Part III of this document sets out details of the Company's financial information for the years ended 31 December 2015, 2016 and 2017. The Company posted to Shareholders its annual report and accounts for the year to 31 December 2017 with this document.

The financial information on T2T set out below has been extracted without material adjustment from T2T's audited historical financial information for the year ended 31 August 2017 and unaudited historical financial information for each of the years ended 31 August 2015 and 31 August 2016, as set out in Part IV of this document:

	<i>2015</i> <i>Unaudited</i> £'000	<i>2016</i> <i>Unaudited</i> £'000	<i>2017</i> <i>Audited</i> £'000
Revenue	1,351	2,218	2,367
Cost of sales	(918)	(1,554)	(1,649)
Gross profit	<u>433</u>	<u>664</u>	<u>718</u>
Operating profit	<u>54</u>	<u>(37)</u>	<u>(172)</u>
Profit before tax	54	(79)	(211)

This information refers to past performance. Past performance is not a reliable indication of future results.

Risk regarding unaudited financial information on T2T

T2T has not historically been required to prepare financial information which meets the standards required for statutory accounts in the UK nor been subject to the disciplines of an external audit and it has not been possible to undertake an audit retrospectively, primarily because adequate records are not available. Accordingly, the financial information on T2T presented above and in Part IV of this document for the years ended 31 August 2015 and 31 August 2016 has been extracted from unaudited management accounts. It should be borne in mind when reviewing this information and in making any investment decision on the

Company that such information is unaudited and, whilst the New Directors have sought to ensure accuracy and proper compilation of those unaudited management accounts, there is a risk that were it subject to an external audit that the information may be adjusted materially.

7. CURRENT TRADING AND PROSPECTS

Since 31 August 2017 the Assets have continued to trade in line with management expectations, with an increase in revenues compared to the same period in the prior financial year. The Board expects this trend to continue through the rest of the current financial year having seen a notable increase in revenue in 2018.

The Directors and Proposed Directors believe that the Company's prospects will be enhanced by any potential premises acquisitions that it may make as well as the strategy of the Enlarged Group as set out in paragraph 5 above.

A further update on the Company's results for the six-month period ended 30 June 2018 will be provided in the Company's interim accounts which will be published not later than 30 September 2018.

8. DIRECTORS, PROPOSED DIRECTORS

Brief biographical details of the Directors and Proposed Directors are set out below.

Directors

Charles Giles Clarke, *Chairman*, aged 64

Giles is a former investment banker and serial entrepreneur who has built numerous successful businesses. He founded Majestic Wine in 1981 and built it into a national chain of wine warehouses. He also co-founded Pet City in 1990, which he expanded nationwide before it was listed and subsequently sold in 1996 for £150 million. Giles is a director and one of the two principal shareholders of Fosters Events, the leading event caterer in the Bristol area with 65 staff. He is also one of the two principal shareholders and Chairman of Boston Tea Party, a West Country based chain of 22 cafes.

Jeremy Anthony Simon Sparrow, *Non-Executive Director*, aged 50

Jeremy is an advisor to LJ Group and possesses over 25 years of extensive deal-making experience across multiple geographies leading equity teams that have raised a combined total of over \$23bn. He was most recently Head of Investec Resource Investment Banking for Asia and Australia, after serving as CEO of Renaissance Capital Asia, where he established the company's first Asian offices. Previously, he spent 12 years with Renaissance Capital, as a Managing Director heading up Equity Products in New York and the UK and has also served as a Vice President at Morgan Stanley.

Proposed Directors

Rupert Michael Fraser, *Proposed Chief Executive Officer*, aged 49

Rupert has over 25 years of experience in the investment banking industry involving exposure to leading UK, US and international institutions. He was head of Equities at Evolution Securities from 2009 to 2011, prior to which he spent 16 years at Dresdner Kleinwort where in 2005 he was appointed Managing Director, Global Head of Equity Distribution. Rupert was a founding partner of Kildare Partners, an opportunistic private equity house which had £2 billion funds under management and a focus on distressed assets. At Kildare Partners, Rupert was responsible for investment origination across Europe and the United Kingdom. Rupert is currently non-executive director of Woodforde Brewery, which was voted Brewery of the Year in 2015.

Emma Jane Dark, *Proposed Finance Director*, aged 38

Emma is a chartered accountant with 18 years' experience across varied industries including hospitality, manufacturing and asset management. Her previous roles have required leadership across general ledger, cost and variance analysis, cash management, compliance and forecasting. She has also spent 11 years as a specialist in streamlining processes and implementing best practices across organisations. Emma has strong internal auditing skills and experience in implementation of numerous financial IT systems.

Emma was appointed as a director of Turf to Table on 2 February 2018.

Sebastian Luigi Andrew Snow, *Proposed Creative Director*, aged 55

Sebastian is an acclaimed executive chef who worked under leading chefs including Antony Worrall Thompson and went on to run highly regarded restaurants with his wife, Iliriana, including Snows on the Green in west London. He relocated to the Cotswolds in 2007 where he ran the Swan at Southrop which won the Good Food Guide Restaurant of the Year in 2010 (ahead of Gordon Ramsey and Heston Blumenthal).

Sebastian started Turf to Table in 2012 when he took over The Five Alls in Filkins.

Duncan George Harvey, *Proposed Non-Executive Director*, aged 39

Duncan is an independent management consultant with 15 years experience across strategy, operating model design and business development. Formerly a strategy consultant with Accenture, he has worked across numerous industries including financial services, manufacturing, resources, technology, FMCG and hospitality. As an independent advisor Duncan is focused on helping management teams to increase shareholder value.

9. DETAILS OF THE PLACING AND USE OF PROCEEDS

The Company is proposing to raise £547,500.15 (approximately £115,000 net of expenses) by the conditional placing of 6,083,335 New Ordinary Shares pursuant to the Placing at the Issue Price.

The net proceeds of the Placing are intended to be applied to satisfy some professional fees and expenses of the Acquisition and Admission and the liabilities assumed with the Acquisition as set out in paragraph 13.1.2(c) of Part VII of this document, as well as the general working capital needs of the Company and to implement the Company's strategy as set out in paragraph 5 of this Part I. This will include capital expenditure for new properties and lease acquisition and contributions to property refurbishment (alongside freeholders).

The Placing Shares will represent approximately 16.03 per cent. of the Enlarged Share Capital on Admission.

The Placing Shares will, on Admission, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive dividends and other distributions declared, made or paid in respect of the Ordinary Shares.

The Placing, which is not underwritten or guaranteed, is conditional, *inter alia*, upon the passing of the Resolutions and Admission. The Placing is being made on a non pre-emptive basis as the time delay and costs associated with a pre-emptive offer are considered by the Directors to be excessive for the Company's requirements.

Certain of the New Directors have subscribed for Placing Shares. Further details of these subscriptions and the New Directors' shareholdings are set out in paragraph 6.2.1 of Part VII of this document.

10. ADMISSION AND CREST

An application will be made for the Company's Enlarged Share Capital to be admitted to trading on the NEX Exchange Growth Market. It is expected that Admission will become effective and dealings in the Company's Ordinary Shares will commence on 26 June 2018.

The Company is seeking admission to the NEX Exchange Growth Market in order to raise new equity via the Placing to help its acquisition strategy and to help raise the Company's public profile, which will assist its expansion plans and could help in the recruitment and retention of key staff.

The Company's Ordinary Shares are eligible for CREST settlement and settlement of transactions in the Ordinary Shares may take place within the CREST system if a Shareholder so wishes. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates are able to do so. CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument in accordance with the CREST Regulations. For more information concerning CREST, Shareholders should contact their brokers or Euroclear at 33 Canon Street, London EC4M 5SB, United Kingdom or by telephone on +44 (0)207 849 0000.

The New Ordinary Shares will have the ISIN number GB00BDZ7FJ04. The Ordinary Shares are not dealt on any other recognised investment exchange and no application has been or is being made for the Ordinary Shares to be admitted to any other such exchange.

11. SHARE LOCK-INS AND ORDERLY MARKET ARRANGEMENTS

At Admission, the Locked-in and Orderly Market Parties and the Vendor will hold, or be interested in, directly and indirectly, an aggregate of 14,959,596 Ordinary Shares, representing approximately 39.42 per cent. of the Enlarged Share Capital.

The Vendor (via the Acquisition Agreement) and the Locked-in and Orderly Market Parties (via the Lock-In Agreements) have undertaken not to dispose of any interest in the Ordinary Shares which they may have on Admission (or subsequently acquire) for the period of one year following Admission, save for in certain limited circumstances. In addition, they have each further agreed that for an additional 12-month period following the first anniversary of Admission they shall only dispose of any interest in Ordinary Shares through Allenby Capital in accordance with certain orderly market principles.

Details of these lock-in and orderly market arrangements are set out in paragraph 13.1.6 of Part VII of this document.

12. THE TAKEOVER CODE AND THE CONCERT PARTY

The Takeover Code is issued and administered by the Panel on Takeovers and Mergers (the “**Panel**”). The Panel supervises and regulates takeovers and other matters to which the Takeover Code applies. The Company is a company to which the Takeover Code applies and as such its shareholders are therefore entitled to the protections afforded by the Takeover Code.

Rule 9 of the Takeover Code requires any person who acquires, whether by a series of transactions over a period of time or not, an interest in shares (as defined in the Takeover Code) which, taken together with shares in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company to make a general offer to all of the remaining shareholders to acquire their shares.

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

An offer under Rule 9 of the Takeover Code 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 acquired during the 12 months prior to the announcement of the offer.

Concert party

Giles Clarke, Rupert Fraser and Jasmin Harvey are considered to be acting in concert with each other in relation to the Company for the purposes of the Takeover Code (the “**Concert Party**”). Their shareholdings as at the date of this document and as they will be on Admission (taking account of the Share Consolidation) are set out below:

	<i>As at the date of this document</i>			<i>On Admission</i>	
	<i>Number of Existing Ordinary Shares</i>	<i>Percentage of issued ordinary share capital</i>	<i>Placing Shares</i>	<i>Number of New Ordinary Shares</i>	<i>Percentage of Enlarged Share Capital</i>
Giles Clarke	100,000,000	11.62	555,556	3,585,859	9.45
Rupert Fraser	93,000,004	10.80	0	2,818,181	7.43
Jasmin Harvey	0	0	2,777,778	2,777,778	7.32
Total	<u>193,000,004</u>	<u>22.42</u>	<u>3,333,334</u>	<u>9,181,818</u>	<u>24.20</u>

In addition to the above, Giles Clarke and Rupert Fraser will hold Warrants over, in aggregate, 7,575,756 New Ordinary Shares on Admission, as set out in paragraph 4.14 of Part VII of this document. Whilst the exercise in full of these Warrants would ordinarily result in the issue of New Ordinary shares representing approximately 16.64 per cent. of the Enlarged Share Capital as enlarged by such share issue, the terms of the Warrants provide that they may not be exercised, either in full or in part, to the extent that it would trigger an offer pursuant to Rule 9 of the Takeover Code. Therefore, the Concert Party's maximum potential shareholding

in the Company as a result of the exercise of any Warrants will be 29.99 per cent. of the prevailing issued ordinary share capital.

13. DIVIDEND POLICY

The New Board believes that the Company will be cash generative in the future and recognises the importance of dividend income to Shareholders. Having regard to the requirement for capital expenditure to achieve the strategic objectives of the Company, including the retention of funds required to finance future growth of the Company, both organically and by acquisition, the New Board intends to pursue a progressive dividend policy that will take account of the Company's profitability, underlying growth and availability of cash and distributable reserves, while maintaining an appropriate level of dividend cover.

The objective of the Company's dividend policy is to eventually provide sustainable dividends to Shareholders, consistent with the Company's earnings growth, to attract long-term investors and to enable Shareholders to enjoy returns on their investment in tandem with the Company's growth. The payment and amount of any dividends or distributions to Shareholders will be at the discretion of the Board and will depend, among other things, on the factors stated above. There is no assurance as to whether any dividend distributions will occur as intended, the amount of any dividend payments or timing of such payments.

All Ordinary Shares, including the New Ordinary Shares, carry equal dividend rights.

The Directors may amend the dividend policy of the Company from time to time and the above statement regarding the dividend policy should not be construed as any form of profit or dividend forecast.

14. SHARE CONSOLIDATION

The Share Consolidation will take effect on the passing of the Resolutions at the General Meeting. The Share Consolidation will comprise the consolidation of every 33 Existing Ordinary Shares into one New Ordinary Share.

Any fractional entitlements to New Ordinary Shares arising upon the consolidation of Existing Ordinary Shares will be aggregated and sold in the market following Admission and the proceeds of sale applied for the benefit of the Company or as it may direct.

Immediately following the Share Consolidation and before Admission, Shareholders will own the same proportion of ordinary shares in the capital of the Company as they did prior to the Share Consolidation (subject to fractional entitlements) but will hold fewer New Ordinary Shares than the number of Existing Ordinary Shares currently held.

The rights attaching to the New Ordinary Shares will be the same as the rights attaching to the Existing Ordinary Shares.

The Company will issue new share certificates to those Shareholders holding shares in certificated form to take account of the Share Consolidation. The share certificates will be despatched by first class post at the risk of the shareholder entitled thereto. Following the issue of new certificates, share certificates in respect of Existing Ordinary Shares will no longer be valid. Shareholders will still be able to trade in New Ordinary Shares using certificates for the Existing Ordinary Shares during the period between the passing of the Resolutions and the date on which Shareholders receive new certificates.

Shareholders whose shareholdings are in uncertificated form through CREST will have their CREST accounts adjusted to reflect their entitlements to New Ordinary Shares.

15. CORPORATE GOVERNANCE

The Corporate Governance Code does not apply to companies admitted to trading on the NEX Exchange Growth Market and therefore the Company is not required to comply with the Corporate Governance Code. However, the New Board recognises the importance of sound corporate governance and intends to follow the principles laid down by the Corporate Governance Code insofar as appropriate given the nature and size of the Company.

The Board is responsible for formulating, reviewing and approving the Company's strategy, budgets and corporate actions. Following Admission, the Company intends to hold Board meetings at least six times each financial year and at other times as and when required.

The Company has established properly constituted audit and remuneration committees of the Board with formally delegated duties and responsibilities, a summary of which are set out below.

Audit Committee

The Audit Committee has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Company is properly measured and reported on. It will receive and review reports from the Company's management and external auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Company. The Audit Committee will meet not less than twice in each financial year and will have unrestricted access to the Group's external auditors. On Admission, the members of the Audit Committee will be Duncan Harvey, who will act as chairman of the committee, Jeremy Sparrow and Giles Clarke.

Remuneration Committee

The Remuneration Committee will review the performance of the executive directors and make recommendations to the Board on matters relating to their remuneration and terms of employment. The committee will also make recommendations to the Board on proposals for the granting of share awards and other equity incentives pursuant to any share award scheme or equity incentive scheme in operation from time to time. The Remuneration Committee will meet at least twice a year. On Admission, the members of the Remuneration Committee are Giles Clarke, who will act as chairman of the committee, Jeremy Sparrow and Duncan Harvey.

15. SHARE DEALING CODE

The Company has adopted a share dealing code for dealings in securities of the Company by directors and certain employees which is appropriate for a company whose shares are traded on the NEX Exchange Growth Market. This will constitute the Company's share dealing policy for the purpose of compliance with UK Legislation including the Market Abuse Regulation and the relevant part of the NEX Exchange Rules.

It should be noted that MAR and the insider dealing legislation set out in the UK Criminal Justice Act 1993 will apply to the Company and dealings in Ordinary Shares.

16. WARRANTS AND OPTIONS

Warrants and options over a total of 278,000,000 Ordinary Shares have been granted to certain Directors and previous directors of the Company (including Rupert Fraser), as set out in paragraph 4.13 of Part VII of this document. Following the Share Consolidation these warrants and options will be over a total of 8,424,240 New Ordinary Shares. Further details of these warrants and options are set out in paragraphs 4.14 to 4.18 of Part VII of this document.

The Company has no other outstanding warrants or options.

18. TAXATION

Information regarding United Kingdom taxation is set out in paragraph 9 of Part VII of this document. These details are, however, intended only as a general guide to the current tax position under UK taxation law. Shareholders who are in doubt as to their tax position or who are subject to tax in jurisdictions other than the UK are strongly advised to consult their own independent financial adviser immediately.

19. GENERAL MEETING

A notice convening a general meeting of the Company, to be held at 10.00 a.m. on 25 June 2018 at Lakeside, Fountain Lane, St Mellons, Cardiff CF3 0FB is set out at the end of this document. At the General Meeting, the following resolutions will be proposed:

- (a) to consolidate every 33 Existing Ordinary Shares into one New Ordinary Share;
- (b) to authorise the Directors' to: (i) allot Ordinary Shares in connection with the Acquisition and Placing and (ii) allot Ordinary Shares up to a maximum nominal value of £125,227.58;
- (c) to authorise the Directors to allot Ordinary Shares for cash otherwise than on a *pro rata* basis to shareholders: (i) in connection with the Placing; and (ii) up to a maximum nominal value of £62,613.79; and
- (d) to change the name of the Company to The Barkby Group PLC.

The resolutions in (a) and (b) will be proposed as ordinary resolutions and the resolutions in (c) and (d) will be proposed as special resolutions. To be passed, the resolutions in (a) and (b) require a majority of more than 50 per cent. of the votes cast at the General Meeting, in person or by proxy, and the resolutions referred to in (c) and (d) will require a majority of not less than 75 per cent. of the votes cast at the General Meeting, in person or by proxy. The Resolutions are inter-conditional and so, if one of them is not passed at the General Meeting, none of them will be deemed to have been passed.

The Directors recommend that Shareholders vote in favour of the Resolutions, as the Directors intend to do so that the Placing, the Acquisition and Admission can proceed.

20. FURTHER INFORMATION

Your attention is drawn to Parts II to VII of this document, which provide additional information on the Enlarged Group, and, in particular, to the Risk Factors set out in Part II.

21. ACTION TO BE TAKEN BY SHAREHOLDERS

A Form of Proxy is enclosed for use by Existing Shareholders at the General Meeting. Whether or not Shareholders intend to be present at the General Meeting, they are requested to complete, sign and return the Form of Proxy to the Company's registrar, Share Registrars Limited at The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR as soon as possible but in any event so as to arrive not less than 48 hours before the time appointed for the General Meeting (excluding non-working days). The completion and return of a Form of Proxy will not preclude a Shareholder from attending the General Meeting and voting in person should they subsequently wish to do so.

22. RECOMMENDATION

The Directors consider that the Proposals are in the best interests of the Company and its Shareholders as a whole and accordingly, recommend that Shareholders vote in favour of the Resolutions, as they have irrevocably undertaken to do in respect of their own beneficial holdings of 100,000,000 Ordinary Shares, representing 11.62 per cent. of the Company's issued share capital.

Yours faithfully,

Giles Clarke
Chairman

PART II

RISK FACTORS

The attention of prospective investors is drawn to the fact that an investment in Ordinary Shares may not be suitable for all such investors and will involve a variety of risks which, if they occur, may have a materially adverse effect on the Company's business or financial condition, results or future operations. In such case, the market price of the Ordinary Shares could decline and an investor might lose all or part of his or her investment.

In addition to the information set out in this document, the following risk factors should be considered carefully in evaluating whether to make an investment in the Company. The following factors do not purport to be an exhaustive list or explanation of all the risk factors involved in investing in the Company and they are not set out in any particular order of priority.

Additionally, there may be further risks of which the Directors and the Proposed Directors are not aware or believe to be immaterial which may, in the future, adversely affect the Company's business and the market price of the Ordinary Shares. In particular, the Company's performance might be affected by changes in market and economic conditions and in legal, regulatory and tax requirements.

Before making a final investment decision, 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. Any prospective investor who is in any doubt as to any action he should take, should consult with an independent financial adviser authorised under the FSMA, if the investor is in the United Kingdom or, if not, another appropriately authorised independent financial adviser, who specialises in advising on the acquisition of shares and other securities.

RISK FACTORS RELATING TO THE ACQUISITION

Failure to complete the Acquisition

The Acquisition is conditional upon, among other things:

- (i) the approval of the Resolutions;
- (ii) the Placing Agreement becoming unconditional in all respects, save for any condition relating to completion of the Acquisition and Admission; and
- (iii) Admission occurring.

There can be no guarantee that all of these conditions will be satisfied and therefore no guarantee that the Acquisition will complete. If the Acquisition does not complete, the Company would nonetheless incur expenses, including advisory fees, in connection with the Acquisition.

The remedies under the Acquisition Agreement are limited

Under the terms of the Acquisition Agreement, the Company has agreed to acquire the Assets for a completion payment of £645,000, to be satisfied as to £520,000 by the issue and allotment of New Ordinary Shares to the Vendor and as to the balance of £125,000 in cash (which the Vendor will use to repay the Company all monies owed pursuant to the Facility Agreement.)

Whilst due diligence has been conducted on the Assets and the Company has received warranties from the Vendor, there can be no guarantee that such arrangements will provide adequate compensation for the Company for any loss or liability arising from any undisclosed liabilities, issues or defects that may arise in relation to the Assets. This could have a material adverse effect on the financial position, operations and/or prospects of the Company.

The costs related to the Acquisition may exceed the Board's expectations.

The Company expects to incur a number of costs in relation to the Acquisition, including integration and post completion costs in order to successfully combine the operations of the Company and the Business. The actual costs of the integration process may exceed those estimated and there may be further additional and unforeseen expenses incurred in connection with the Acquisition. In addition, the Company will incur legal, accounting, transaction fees and other costs relating to the Acquisition, some of which are payable regardless of whether or not the Acquisition completes. Although the Directors and Proposed Directors believe that the integration and Acquisition costs will be more than offset by the benefits of the Acquisition, this net benefit may not be achieved in the short-term or at all, particularly if the Acquisition is delayed or does not complete. In addition, the costs incurred by the Company in complying with the ongoing UK regulatory regimes are likely to exceed the costs currently incurred by the Company. These factors could adversely affect the Company's operations and/or financial condition.

Risk regarding unaudited financial information on T2T

T2T has not historically been required to prepare financial information which meets the standards required for statutory accounts in the UK nor been subject to the disciplines of an external audit and it has not been possible to undertake an audit retrospectively, primarily because adequate records are not available. Accordingly, the financial information on T2T presented in this document for the years ended 31 August 2015 and 31 August 2016 has been extracted from unaudited management accounts. It should be borne in mind when reviewing this information and in making any investment decision on the Company that such information is unaudited and, whilst the New Directors have sought to ensure accuracy and proper compilation of those unaudited management accounts, there is a risk that were it subject to an external audit that the information may be adjusted materially. The Company's due diligence review on the Business and Assets has relied on such unaudited information and the limited records available for those two financial years.

RISK FACTORS RELATING TO THE GROWTH STRATEGY AND FUTURE ACQUISITIONS

Potential future acquisitions

The continuing growth of the Company is largely dependent on its ability to identify and execute leasehold acquisitions of premium hospitality properties in partnerships with breweries across the UK. If the Company is unable to find suitable acquisition targets at an acceptable price, this may have a material and adverse effect on the Company's future success. The price of such properties may be affected by factors outside of the Company's control.

In addition to the limited number of properties that will meet the Company's acquisition criteria, as detailed in paragraph 5 of Part I, the Company may face competition from other organisations, which may be larger or better funded than the Company, either within or outside of the premium hospitality sector, when seeking to acquire new properties.

Financial effects of further acquisitions

Acquisitions by the Company may require the use of significant amounts of cash, dilutive issues of equity securities and the incurring of debt, each of which could materially and adversely affect the Company's business, results of operations, financial condition or the market price of the Ordinary Shares. In addition, acquisitions involve numerous risks, including difficulties in assimilating the operations of any acquired business or company and the diversion of management's attention from existing business.

Often the acquired properties will require significant investment in order to bring them up to the standard required by the Company. This may also require substantial management time and resources.

In addition, there is no guarantee that the Company will continue to be able to find appropriate acquisition targets at suitable prices or that it will be able to renovate them on schedule and within budget or that the acquired property or business will be sufficiently profitable to repay the cost of acquisition and renovation. Any such failure could have an adverse impact on the Company's operating results, financial condition and prospects.

In identifying and acquiring further businesses, the Company will incur certain third-party costs, including in connection with financing, valuations and professional services associated with the sourcing and analysis of suitable assets. This may affect the Company's financial position as there can be no guarantee that the Company will be successful in its negotiations to acquire any given property.

Growth strategy

The Company intends to expand its portfolio and acquire further properties within the next 3 to 5 years. Fast business growth could put significant strain on the Company's managerial, operational and financial resources. The Company's ability to manage future growth will depend on its ability to effectively implement and improve management, operational and financial information systems on a timely basis. The failure to manage expansion effectively may lead to increased costs, a decline in sales and reduced profitability, which in turn may affect its business, financial condition, results of operations and prospects.

The Company's expansion plan is subject to, among other things, the following factors:

- the ability to identify and secure available and suitable sites that meet its criteria, on an acceptable legal and financial basis.
- the ability to secure all necessary approvals and licences to begin operating on such new sites in a timely manner and on acceptable terms;
- the ability to locate and then negotiate favourable co-operation terms or partnerships with local breweries, distributors and suppliers; and
- the ability to hire, train and retain skilled personnel for each new property or business.

Accordingly, the Company cannot give assurance that it will be able to achieve its expansion strategy or effectively integrate any new properties into its business. If the Company encounters difficulties in executing its growth strategy, its prospects may be limited and financial results and prospects negatively impacted.

RISK FACTORS RELATING TO THE BUSINESS AND OPERATIONS OF THE COMPANY

Reliance on key personnel

The Company believes that the growth of the Business is largely attributable to the efforts and abilities of its key senior personnel including members of the Board and of its senior management team, who have played and continue to play an important role in the business. Loss of key management or other key personnel, particularly to competitors, could have adverse consequences for the Company. Whilst the Company has entered into service agreements and/or letters of appointment with each of its Directors and certain senior employees, the retention of their services cannot be guaranteed. Furthermore, as the Company expands it will need to recruit and integrate additional personnel in a competitive market for suitably qualified candidates. The Company may not be successful in identifying and engaging suitably qualified people or integrating them into the Company which may impact the performance of its business.

Insurance

There can be no certainty that the Company's insurance cover is adequate to protect it against every eventuality. The Company's position, financial performance, prospects and business could be materially adversely affected if an event occurred for which the Company did not have adequate insurance cover.

Material litigation, claims or arbitration or legal uncertainties

The Company is not engaged in any material litigation, claim and arbitration, either as claimant or defendant, that has or could have a material effect on its financial position, and the Directors and Proposed Directors do not know of any proceedings pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect the Company's position or business. However, there can be no assurance that there will be no such proceedings in the future that could affect the reputation, business or performance of the Company.

Ability to generate revenues and profits

At this stage, there is no certainty that the Company will expand its share of its current markets to the extent that it intends to. Failure to do so and slower demand for the Company's services may result in revenues growing more slowly than anticipated and a negative impact on profitability.

Past performance

The past performance of the Company is not a guide to future performance of the Company and no representation is made or warranty given regarding future performance of the Company.

Financial resources

In the opinion of the Directors and Proposed Directors, having made due and careful enquiry, taking into account the existing facilities available to the Company and the net proceeds of the Placing, the working capital available to the Company will be sufficient for its present requirements, that is for at least the next 12 months from the date of Admission. The Company's future capital requirements will, however, depend on many factors, including economic and market conditions and the Company's ability to grow sales, control costs and execute its expansion programme. In the future, the Company may require additional funds and may attempt to raise additional funds through equity or debt financings or from other sources. Any additional equity financing may be dilutive to Shareholders and any debt financing, if available, may require restrictions to be placed on the Company's future financing and operating activities. The Company may be unable to obtain additional financing on acceptable terms or at all if, for example, market and economic conditions, the financial condition or operating performance of the Company or investor sentiment (whether towards the Company in particular or towards the market sector in which the Company operates) are unfavourable. The Company's inability to raise additional funding may hinder its ability to grow in the future or to maintain its existing levels of operation.

Future uncertainty

This document contains certain forward-looking statements that are subject to certain risks and uncertainties, in particular statements regarding the Company's plans, goals and prospects. These statements and the assumptions that underlie them are based on the current expectations of the Directors and Proposed Directors are subject to a number of factors, many of which are beyond their control. As a result, there can be no assurance that actual performance of the Company will not differ materially from matters described in this document.

Key Pubs

The Enlarged Group will on Admission operate three gastropubs. Until more properties are operated, in the event that for any reason, there was a deterioration in the operating performance of any property, particularly if it is generating a significantly higher than average level of EBITDA for the Enlarged Group, this could have an adverse impact on the Company's overall operating results, financial condition and prospects.

Suppliers

The Company relies on certain suppliers, without whom the Company's revenue generation, efficiency of operations and cash flow may not be optimised. The Company cannot guarantee that service and products delivered from third parties will remain of a high quality in the future and be provided without interruption. In the event of a major disruption to the timely supply of third party products and services, alternative suppliers may only be available at higher prices or at the cost of some delay in supplying customers, which could negatively affect the Company's operations, financial results and performance.

Disruption or failure of networks and information systems, the internet or other technology

The Company's business is dependent on the availability of network and information systems, the internet and other technologies, including reservation and point-of-sale systems and software. Shutdowns or service disruptions caused by events such as criminal activity, sabotage or espionage, computer viruses, hacking and other cyber-security attacks, router disruption, automated attacks such as denial of service attacks, power outages, natural disasters, accidents, terrorism, equipment failure or other events within or outside the Company's control could adversely affect the Company and its customers. Furthermore, such issues cannot always be immediately detected, which means that the Company may not be in a position to

promptly address the problems or to implement adequate preventative measures. Such events could result in large expenditures necessary to recover data, or repair or replace such networks or information systems or to protect them from similar events in the future. Significant incidents could result in a disruption of parts of the Company's business, customer dissatisfaction, damage to the Company's brands, legal costs or liability, and a loss of customers or revenues and affect the Company's financial performance and prospects.

Taxation

The attention of potential investors is drawn to paragraph 9 of Part VII of this document headed "Taxation". The tax rules, including stamp duty provisions and their interpretation relating to an investment in the Company may change during the life of the Company.

The levels of, and reliefs from, taxation may change. The tax reliefs referred to in this document are those currently available and their value depends upon the individual circumstances of investors. Any change in the Company's tax status or the tax applicable to holding New Ordinary Shares, or in taxation legislation or its interpretation, could affect the value of investments held by the Company, affect the Company's ability to provide returns to Shareholders and/or alter the post-tax returns to Shareholders. Statements in this document concerning the taxation of the Company and its investors are based upon current tax law and practice which is subject to change.

Macroeconomic risk

Any economic downturn either globally or locally in any area in which the Company operates may have an adverse effect on the demand for the Company's products and services. A more prolonged economic downturn may lead to an overall decline in the volume of the Company's sales, restricting the Company's ability to realise a profit and negatively impact its financial position and prospects. The markets in which the Company offers its products and services are directly affected by many national and international factors that are beyond the Company's control.

Impact of Law and Governmental Regulation

Government authorities at all levels are actively involved in the promulgation and enforcement of regulations relating to taxation, land use and zoning and planning restrictions, building regulations, environmental protection, health and safety and other matters. The Company must comply with such current regulations and future UK regulations. The institution and enforcement of such regulations could have the effect of increasing the expense and lowering the income or rate of return from, as well as adversely affecting the value of, the Company's assets and therefore impacting the Company's financial position and prospects.

EU membership and potential constitutional change

The Enlarged Group faces potential risks associated with the proposed exit by the UK from its membership of the European Union, and the potential uncertainty preceding that exit. The UK exiting the European Union could materially change both the fiscal and legal framework in which the Enlarged Group operates, and it could have a material impact on the UK's economy and its future economic growth. In addition, prolonged uncertainty regarding aspects of the UK economy due to the uncertainty around the proposed EU exit could damage customers' and investors' confidence. The proposed EU exit and these aspects could have a material adverse effect on the Enlarged Group's business, results of operations, financial condition and growth prospects.

RISKS RELATING TO COMPANIES OPERATING IN THE HOSPITALITY AND LEISURE SECTOR

General economic climate

The Enlarged Group's gastropubs are located in England and all of its sales occur in the United Kingdom and therefore, the Business is subject to general economic conditions in the United Kingdom. In particular, the revenue and results of the Enlarged Group will be affected by the level of consumer confidence and expenditure on leisure activities and discretionary spend. Economic factors such as rising interest rates, declining wages, higher unemployment, tax increases, lack of consumer credit and falling house prices could, amongst other things, all adversely affect the level of consumer confidence and expenditure which could adversely affect the Enlarged Group's operating results, financial condition and prospects.

In addition, the Company's operations and the results of its operations are subject to a number of factors that could adversely affect the Company's business, many of which are common to the leisure and hospitality industry and beyond the Company's control, including the following:

- changes in travel patterns or in the structure of the travel industry, including any increase in, or the imposition of new taxes on travel may reduce the volume of visitors to the geographic locations in which the Enlarged Group operates;
- seasonal variations in demand, as the Business may experience changes in the levels of customers and room occupancy during different seasons;
- changes in consumer demands for accommodation (i.e. a preference for rented flats or hotels) may adversely affect room rates and occupancy levels in the Company's hospitality properties, or otherwise cause a reduction in the Company's income.

Such factors (or a combination of them) may adversely affect room rates and occupancy levels and general levels of custom at the Company's gastropubs and hotel rooms, and in either such case could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Events affecting domestic and international travel

The Company's business and operations (including room rates and occupancy levels) could be adversely affected by events such as actual or threatened acts of terrorism or war, epidemics, travel-related accidents, travel related industrial action, increased transportation and fuel costs, increased transport related taxes and natural or other local factors impacting individual hospitality properties. Incidents and uncertainties of this type may have an adverse impact on the Enlarged Group's operations, prospects and financial results.

Declining sales of beer

A material portion of the Asset's revenue is currently derived from the sale of beer to its customers. Sales of beer (by volume) in England and Wales have decreased over the years, and have decreased more rapidly in recent years, principally as a result of the changing preferences and demographics of consumers such as increased demand for non-beer products such as wine and other alcoholic beverages and increased customer expenditure on food.

Growing health and drink-driving concerns, the smoking ban and the availability of canned or bottled beer at lower prices in many off-licences and supermarkets have also contributed to the decline of beer sales at pubs in excess of the general negative market trend in beer sales. Whilst the Enlarged Group's pubs will continue to offer a broad selection of drinks other than beer, both alcoholic and non-alcoholic, as well as a wide range of food to continue to attract customers, continued decline in the UK beer market could have an adverse effect on the Enlarged Group's revenues.

Attitudes towards alcohol consumption

In the United Kingdom, consumption of alcoholic beverages has become the subject of considerable social and political attention in recent years due to increasing public concern over adverse health consequences associated with the misuse of alcohol (including alcoholism) and alcohol-related social problems (including drink-driving, binge drinking and under-age drinking). Changes in consumer tastes in both food and drink may adversely affect the appeal of the Enlarged Group's pubs to consumers, especially if the Enlarged Group does not anticipate, identify and respond to such changes by evolving its brands, formats, offerings and premises. This, in turn, would have an adverse effect on the Enlarged Group's operating results, financial condition and prospects.

Changing consumer habits

Aside from general economic climate conditions, attitudes to alcohol and declining sales of beer, as noted above, the Enlarged Group's financial results can be materially impacted by a material change in other consumer habits. Examples of other changes in consumer habits that may impact the Enlarged Group's financial performance include increasing emphasis on healthier lifestyles (and the corresponding reduction in alcohol consumption) and the increasing breadth of choice of leisure amenities in the United Kingdom. Changes in consumer tastes, increased demand for gluten free, allergen free and other specialist foods or methods of preparation, impact of any 'sugar tax' and demographic trends may also affect the appeal of the Enlarged Group's pubs to consumers, especially if the Enlarged Group does not anticipate, identify and

respond to such changes by evolving its food and drink offering adequately and sufficiently promptly, which could have a negative impact on the Enlarged Group's financial performance and prospects.

Alcohol legislation

The government is considering initiatives to deal with so-called "binge drinking", such as the introduction of a mandatory code that would impose a series of mandatory conditions on all alcohol retailers. If such a mandatory code, or similar measures, were to be implemented by the UK government, then, notwithstanding that the Enlarged Group supports measures for the responsible retailing of alcohol, the additional conditions imposed on pubs might impact the manner in which all pubs operate and could take effect regardless of the past record of individual pubs. One measure which is debated from time to time by the UK government and in the media is the raising of the legal drinking age to 21, while another measure which is being contemplated would involve the introduction of minimum prices for alcoholic drinks. Such measures may reduce the flexibility of the Enlarged Group to implement the business strategies that they consider to be most likely to maximise profitability, and accordingly could have an adverse impact on the Enlarged Group's operating results, financial condition and prospects.

Car drivers and passengers account for a significant proportion of pub customers in the United Kingdom and any future legislation to reduce further the legal blood alcohol limit for drivers in the United Kingdom could affect trading in the Enlarged Group's pubs and may result in customers drinking less or frequenting pubs less often. This could lead to a reduction in revenues for certain pubs in the Enlarged Group and lead to a decline in the Enlarged Group's overall income from alcoholic drink sales.

An increased focus on the potentially harmful effects of alcohol may reduce sales of alcoholic beverages and thus adversely impact the Enlarged Group's operating results, financial condition and prospects.

Food related health concerns and liability

The food and beverage industries can be adversely affected by litigation and complaints from customers or regulatory authorities resulting from quality, illness, injury or other health concerns or other issues stemming from one product or a number of products including products and services provided by the Enlarged Group. The Enlarged Group cannot guarantee that its internal controls and training will be fully effective in preventing all food borne illnesses. Furthermore, some food borne illness incidents could be caused by third party food suppliers and transporters outside of the Enlarged Group's control. One or more instances of food borne illness at one of the Enlarged Group's sites could result in increased costs and/or reduced turnover, and negatively affect the Enlarged Group's profitability and prospects. Furthermore, if any person becomes ill, or alleges becoming ill, as a result of food or drink at one of the Enlarged Group's premises, the Enlarged Group may be liable for damages, or be subject to regulatory action or adverse publicity. Such litigation, concerns and complaints and any adverse publicity surrounding such issues may have a material adverse effect on the Enlarged Group or on the leisure sector generally and therefore on the Enlarged Group.

The Enlarged Group is susceptible to major local, national or international food or beverage contamination or other health scares (for example, salmonella and E. coli, "swine flu" or "H1N1" and other airborne diseases) affecting the type of food and beverages sold in, and customer levels at, the Enlarged Group's premises. Such contamination or scares could affect consumer confidence and preferences, resulting in reduced customer footfall or expenditure at the Enlarged Group's premises, or could lead to increased costs for the Enlarged Group (including in relation to sourcing alternative suppliers or products). In addition, a serious contamination or scare at one of the Enlarged Group's premises could negatively affect the reputation of that gastropub.

A serious food or beverage contamination or other health and safety incident could therefore negatively impact the Enlarged Group's operating results, financial condition and prospects.

Complaints or litigation from customers, landlords, local authorities and/or third parties

The Enlarged Group could be the subject of complaints or litigation from individuals or groups of customers and/or class actions alleging illness or injury (e.g. passive smoking or alcohol abuse) or raising other health or operational concerns, and from other third parties in relation to nuisance and negligence. It may also incur additional liabilities as a freehold and/or leasehold property owner (including environmental liability). If the Enlarged Group were to be found liable in respect of any complaint or litigation, this could adversely

affect the Enlarged Group's results or operations and could also adversely affect the Enlarged Group's reputation and prospects.

Licences, permits and approvals

The Enlarged Group's pubs are subject to laws and regulations that affect their operations, including in relation to employment, minimum wages, premises and personal licenses, alcoholic drinks control, entertainment licences, competition, health and safety, sanitation and data protection. These laws and regulations impose a significant administrative burden on the Enlarged Group, as managers have to devote significant time to compliance with these requirements and therefore have less time to dedicate to the business. If additional or more stringent requirements were to be imposed in the future, it would increase this burden, which could adversely affect the Enlarged Group's operating results (as a result of increased costs or lower revenues) and, in turn, adversely affect the Enlarged Group's financial condition and prospects.

The pub and hospitality industry in the UK is highly regulated at both national and local levels and pub operators require licences, permits and approvals. Delays and failures to obtain or maintain the required licences or permits could adversely affect the operations of the Enlarged Group. These laws and regulations impose a significant administrative burden on each gastropub of the Enlarged Group and additional or more stringent requirements could be imposed in future. To the extent that this increases costs or reduces the Enlarged Group's operations or ability to sell food or alcoholic beverages, it could have an adverse impact on the Enlarged Group's operating results, financial conditions and prospects.

Should any of the Enlarged Group's licences be withdrawn or amended, the ability of the Enlarged Group's properties to operate or sell alcoholic drinks may be reduced and the profitability of any such property could be adversely impacted and this in turn, may have an adverse effect on the Enlarged Group's operating results, financial condition and prospects.

Health and Safety regulation

The Enlarged Group is subject to regulation in areas such as health and safety and fire safety. Whilst the Enlarged Group believes it has appropriate policies and procedures in place, these may need to adapt which may require additional expenditure. Furthermore, in order to ensure the Enlarged Group's sites remain fully compliant with legislative requirements there will always be the need to maintain premises, not only generally but if an ad hoc issue arises, which again will require capital expenditure.

Competitive Risk

The Enlarged Group's premises compete for customers with a wide variety of other pubs, restaurants and hotels as well as off-licences, supermarkets and takeaways, some of which may offer higher amenity levels or lower prices and be backed by greater financial and operational resources. The Enlarged Group also faces competition from other leisure activity providers, home entertainment providers and hotel operators or other providers of accommodation. Continuing and increased competition from other operators, off-licences, restaurants, retailers, alternative leisure activity providers, home entertainment providers and hotel operators could adversely affect the Enlarged Group's operating results, financial condition and prospects.

The pub industry in the UK has undergone periods of consolidation through joint ventures, mergers and acquisitions. Further consolidation in the pub industry in the UK could lead to the emergence of larger competitors, who may have greater financial and operational resources than the Enlarged Group. The Enlarged Group may not be able to respond to the pricing and other competitive pressures that may result from further consolidation of the pub industry in the UK and may not be able to compete successfully for the acquisition of pubs with larger competitors.

Increasing food, drink, labour and other costs

An increase in any of the Enlarged Group's operating costs may negatively affect the Enlarged Group's profitability. Factors such as increased labour and employee benefit costs and goods costs and inflation may adversely affect the Enlarged Group's operating costs. Many of the factors affecting costs are beyond the Enlarged Group's control, such as increases in food and drink prices, and increases in distribution cost due to fuel price increases. Certain ingredients are subject to price fluctuations as a result of seasonality, weather, demand and other factors. The Enlarged Group has no control over fluctuations in price and the availability of products caused by these factors.

In addition, the Enlarged Group is dependent upon a pool of employees being available, many of whom are hourly employees whose pay is subject to the UK national minimum wage.

National Living Wage

In July 2015, it was announced that the existing national minimum wage in the UK would be replaced from April 2016 by a new national living wage for over 25s. The national living wage will initially be £7.20 per hour and rise to £9 per hour by 2020, an increase on the current minimum wage of £6.50 per hour.

While it is possible that a proportion of any increased costs could be passed on to the Enlarged Group's customers, any increases in food, labour or other costs could have a material adverse effect on the Enlarged Group's business, profitability and results of operations.

Supplier Risks

The Enlarged Group has agreements, formal and informal, with all of its key suppliers. Termination of these agreements, variation of their terms or the failure of a key supplier to comply with its obligations under these agreements (including if a key supplier were to become insolvent or experience other significant financial difficulties) could have a negative impact on the Enlarged Group's ability to ensure that its properties are properly supplied with food and beverage and other products and could increase costs if it becomes necessary to find alternative suppliers.

The food side of the Enlarged Group's operations depend on timely deliveries of, and the quality of fresh ingredients, including fresh produce and dairy products. The Enlarged Group depends substantially on third party distributors and suppliers for such deliveries. Delivery delays and/or a reduction in the quality or volume of produce received from suppliers could adversely impact the Enlarged Group's business and ability to service its customers to the required standard if the Enlarged Group is unable to obtain replacement quality ingredients on commercially agreeable terms in the open market. In the event of a major disruption to the timely supply of quality, fresh ingredients, alternative suppliers of good and/or distribution services (as the case may be) may not be available or may be available only on unacceptable commercial terms and could have an adverse impact on the Enlarged Groups operating results, financial conditions and prospects.

Negative Publicity

Negative publicity relating to one of the Enlarged Group's sites, food quality, food contamination, health inspection scores, accommodation quality, or employee relationships may have a negative impact on the trading performance of the relevant property and potentially the Enlarged Group's other sites, regardless of whether the allegations are valid or whether the Enlarged Group is at fault.

Customer Behaviour

Incidents involving the abuse of alcohol, use of illegal drugs and violence on the Enlarged Group's premises may occur. Such activity may directly interrupt the operations of the Enlarged Group and could result in litigation or regulatory action, either of which could adversely affect the Enlarged Group's operating results, financial condition and prospects.

Leasehold properties

The Enlarged Group is subject to rent reviews and increases in the rents, rates and other costs associated with leasehold premises (including the obligation to purchase all beers and non-beer drinks from the landlord) and termination of leasehold interests, all of which may be out of the Enlarged Group's control and could adversely affect its operating results, financial condition and prospects.

Each lease agreement provides that the lessor may terminate the lease for a number of reasons, or the lease may not be renewed at the end of its term. Termination or non-renewal of any of the Enlarged Group's leases could harm the results of the Enlarged Group's operations. The Enlarged Group can offer no assurances that it will succeed in obtaining lease extensions in the future, or that any such extensions will be at rental rates that the Enlarged Group believes to be reasonable. In addition, the Company cannot guarantee that it will be able to secure new leases in desired locations at rents that it believes to be reasonable, in accordance with its growth strategy.

At the expiry or termination of its leases, the Enlarged Group may have to pay sums of money to its landlords for dilapidations as required under the leases. In addition, in accordance with its terms, The Bull Hotel lease can be terminated at one month's notice if certain personnel cease to be actively involved with the business at The Bull Hotel. If the lease agreements were to be terminated, the financial position and operations of the Company could be materially affected.

Dependence on third parties for equipment

The Vendor has entered into hire purchase and lease agreements in relation to certain equipment and assets, required to continue to be able to offer the services and products it provides. Each hire purchase agreement and lease agreement provides that the lessor may terminate the lease for a number of reasons, including a change of control of the Vendor, or the lease may not be renewed at the end of its term. Whilst the Company will be seeking the relevant consents of the various lessors to the transfer of the relevant lease agreements being transferred by the Vendor to the Company, there is no guarantee that they will be obtained which could adversely impact on the Enlarged Group's business. In accordance with its growth strategy, the Company may seek to enter into further hire purchase agreements and lease agreements for further equipment. Any inability to enter into such agreements or fulfil the requirements of any existing agreements, or any disagreements between the Company and the third parties in question, could adversely affect the business and/or financial condition of the Company.

Value of the property portfolio

The value of the Company's property portfolio may fluctuate as a result of factors outside the Company's control. Values are affected (among other things) by changing demand, changes in general economic conditions, changing supply within a particular area of competing space and attractiveness of real estate relative to other investment choices. The value of the Company's property portfolio may also fluctuate as a result of other factors outside the Company's control, such as changes in regulatory requirements and applicable laws (including in relation to taxation and planning), political conditions, the condition of financial markets, potentially adverse tax consequences, interest and inflation rate fluctuations and higher accounting and control expenses. The Company's operating performance could be adversely affected by a downturn in the property market in terms of capital values.

Capital expenditure requirements

Operating hospitality properties may give rise to the following risks:

- possible structural and environmental problems;
- construction cost over-runs and delays;
- disruption in service and room availability causing reduced demand, occupancy and rates;
- possible shortage of available cash to fund construction and capital improvements and the related possibility that financing for these capital improvements may not be available to the Company on affordable terms; and
- uncertainties as to market demand or a loss of market demand after construction capital improvements have begun.

The cost of capital improvements could have a material adverse effect on the Company's business, financial condition and results of operations.

RISKS RELATING TO THE ORDINARY SHARES

Investment in NEX Exchange Growth Market securities and liquidity of the Company's Shares

An investment in companies whose shares are traded on the NEX Exchange Growth Market is perceived to involve a higher degree of risk and to be less liquid than an investment in companies whose shares are listed on the Official List. NEX Exchange Growth Market is a market designed primarily for emerging or smaller companies. The rules of this market are less demanding than the Official List. The future success of the NEX Exchange Growth Market and liquidity in the market for Ordinary Shares cannot be guaranteed. In particular, the market for New Ordinary Shares may become or may be relatively illiquid and therefore, such New Ordinary Shares may be or may become difficult to sell.

The market for the New Ordinary Shares following Admission may be highly volatile and subject to wide fluctuations in response to a variety of factors that could lead to losses for Shareholders. These potential factors include amongst others: any additions or departures of key personnel, litigation and press, newspaper and/or other media reports.

Prospective investors should be aware that the value of the New Ordinary Shares may go down as well as up, that the market price of the New Ordinary Shares may go down as well as up and that the market price of the New Ordinary Shares may not reflect the underlying value of the Company. Investors may, therefore, realise less than or lose all of their investment.

Market in the New Ordinary Shares

The share price of publicly quoted companies can be highly volatile and shareholdings illiquid. The market price of the New Ordinary Shares may be subject to wide fluctuations in response to many factors, some specific to the Company and its operations and others to the NEX Exchange Growth Market in general including, but not limited to, variations in the operating results of the Company, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, general economic conditions or legislative changes in the Company's sector. In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for the New Ordinary Shares. The trading of the New Ordinary Shares on the NEX Exchange Growth Market should not be taken as implying that there will be a liquid market for the New Ordinary Shares and there is no guarantee that an active market will develop or be sustained after Admission. It may be more difficult for an investor to realise his investment in the Company than in a company whose shares are quoted on the Official List.

Dilution of Shareholders' interest as a result of additional equity fundraising

The Company may need to raise additional funds in the future to finance, amongst other things, working capital, expansion of the business, new developments relating to existing operations or new acquisitions. If additional funds are raised through the issuance of new equity or equity-linked securities of the Company other than on a *pro rata* basis to existing Shareholders, the percentage ownership of the existing Shareholders may be reduced. Shareholders may also experience subsequent dilution and/or such securities may have preferred rights, options and pre-emption rights senior to the Ordinary Shares.

Dividends

There can be no assurance as to the level of future dividends. The declaration, payment and amount of any future dividends of the Company are subject in the case of a final dividend to the approval of the Shareholders and, in the case of an interim dividend to the decision of the Directors, and will depend upon, among other things, the Company's earnings, financial position, cash requirements, availability of profits, as well as provisions for relevant laws or generally accepted accounting principles from time to time.

The investment detailed in this document may not be suitable for all of its recipients and involves a high degree of risk. Before making an investment decision, prospective investors are advised to consult a professional adviser authorised under the FSMA if they are in the United Kingdom or, if not, to consult another appropriately authorised and independent financial adviser who specialises in advising on investments of the kind described in 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.

PART III

HISTORICAL FINANCIAL INFORMATION OF THE COMPANY

The following financial information of the Company is incorporated into this document by reference and is available free of charge from the Company's website at www.sovmines.com/annual-interim-reports:

The Company's annual reports and results for the three financial years ended:

- i. 31 December 2015;
- ii. 31 December 2016; and
- iii. 31 December 2017.

The Company posted to Shareholders its annual report and accounts for the year to 31 December 2017 with this document.

PART IV

HISTORICAL FINANCIAL INFORMATION OF T2T

(A) ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF T2T



The Directors
Sovereign Mines of Africa Plc
Lakeside
Fountain Lane
St Mellons
Cardiff
United Kingdom
CF3 0FB

The Directors
Allenby Capital Limited
5 St. Helen's Place
London
EC3A 6AB

6 June 2018

Dear Sirs

Crowe Clark Whitehill LLP
Chartered Accountants
Member of Crowe Horwath International
St Bride's House
10 Salisbury Square
London EC4Y 8EH, UK
Tel +44 (0)20 7842 7100
Fax +44 (0)20 7583 1720
DX: 0014 London Chancery Lane
www.croweclarkwhitehill.co.uk

Introduction

We report on the financial information of Turf to Table Limited ("T2T") for the year ended 31 August 2017 (the "T2T Financial Information"). The T2T Financial Information, along with the unaudited comparative information of T2T for the two years ended 31 August 2016, has been prepared for inclusion in Part IV "Historical Financial Information of T2T" of the Company's NEX Exchange Growth Market admission document dated 6 June 2018 (the "Admission Document"), on the basis of the accounting policies set out in note 2 of the T2T Financial Information. This report is required by paragraphs 30 to 34 of Appendix 1 to the NEX Exchange Growth Market – Rules for Issuers (the "NEX Rules") and is given for the purpose of complying with that requirement and for no other purpose.

We have neither audited nor reviewed the financial information on T2T for either of the two years ended 31 August 2016 which has been included for comparative purposes only and accordingly do not express an opinion thereon.

Responsibilities

The directors of the Company (the "Directors") are responsible for preparing the T2T Financial Information in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

It is our responsibility to form an opinion on the T2T Financial Information as to whether the T2T Financial Information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Save for any responsibility arising under paragraphs 30 to 34 of Appendix 1 of the NEX Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any person other than the addressees of this letter for any loss suffered by any such person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with paragraphs 30 to 34 of Appendix 1 of the NEX Rules, consenting to its inclusion in the Admission Document.

Basis of Opinion

We conducted our work on the T2T Financial Information in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the T2T Financial Information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the T2T Financial Information and whether the accounting policies are appropriate to T2T's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the T2T Financial Information is free from material misstatement, whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards or practices.

Opinion

In our opinion, the T2T Financial Information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of T2T as at the date stated and of its results, cash flows and changes in equity for the period stated in accordance with IFRS and has been prepared in a form that is consistent with the accounting policies adopted by the Company.

Declaration

For the purposes of paragraphs 30 and 31 of Appendix 1 of the NEX Rules, we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Yours faithfully

Crowe Clark Whitehill LLP
Chartered Accountants

(B) HISTORICAL FINANCIAL INFORMATION OF T2T

Statements of profit or loss and other comprehensive income

The statements of comprehensive income of T2T for each of the three years ended 31 August 2015, 2016 and 2017 are set out below:

	Note	Years ended 31 August		
		2015 Unaudited £	2016 Unaudited £	2017 Audited £
Revenue		1,350,636	2,218,236	2,366,930
Cost of sales		(918,002)	(1,554,268)	(1,649,364)
Gross profit		432,634	663,968	717,566
Administrative expenses		(378,369)	(702,145)	(903,734)
Other operating income		–	1,040	14,134
Operating profit/(loss)		54,265	(37,137)	(172,034)
Exceptional items	18	–	(31,683)	(26,874)
Finance income		122	13	–
Finance costs		(216)	(10,110)	(12,107)
Profit/(loss) before taxation	5	54,171	(78,917)	(211,015)
Income tax (expense)/credit	6	–	(3,028)	2,820
PROFIT/(LOSS) FOR THE YEAR		54,171	(81,945)	(208,195)
Other comprehensive income for the year, net of tax		–	–	–
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		54,171	(81,945)	(208,195)
Earnings/(loss) per share:				
Basic and diluted	13	0.15	(0.13)	(0.31)

Statements of financial position

The statements of financial position of T2T as at 31 August 2015, 2016 and 2017 are set out below:

	Note	2015 Unaudited £	As at 31 August 2016 Unaudited £	2017 Audited £
<i>Non-current assets</i>				
Property, plant and equipment	7	80,905	825,765	980,662
Total non-current assets		<u>80,905</u>	<u>825,765</u>	<u>980,662</u>
<i>Current assets</i>				
Inventories	8	7,263	16,742	20,749
Trade and other receivables	9	169,001	67,653	58,434
Cash and bank balances		61,886	158,143	94,381
Total current assets		<u>238,150</u>	<u>242,538</u>	<u>173,564</u>
Total assets		<u>319,055</u>	<u>1,068,303</u>	<u>1,154,226</u>
<i>Equity</i>				
Issued capital and share premium	10	187,480	629,498	811,481
Retained losses		(17,542)	(99,487)	(307,682)
Total equity		<u>169,938</u>	<u>530,011</u>	<u>503,799</u>
<i>Non-current liabilities</i>				
Finance lease obligation		–	–	42,267
Bank borrowings	12	–	276,318	257,418
Other creditors		7,443	–	–
Total non-current liabilities		<u>7,443</u>	<u>276,318</u>	<u>299,685</u>
<i>Current liabilities</i>				
Trade and other payables	11	88,287	162,732	163,697
Current tax liabilities		39,311	74,794	127,343
Accruals		11,154	2,827	40,802
Deferred tax		–	2,820	–
Bank borrowings	12	–	18,801	18,900
Director's loan account		2,922	–	–
Total current liabilities		<u>141,674</u>	<u>261,974</u>	<u>350,742</u>
Total liabilities		<u>149,117</u>	<u>538,292</u>	<u>650,427</u>
Total equity and liabilities		<u>319,055</u>	<u>1,068,303</u>	<u>1,154,226</u>

Statements of changes in equity

The statements of changes in equity of T2T for each of the three years ended 31 August 2015, 2016 and 2017 are set out below:

	<i>Share capital</i> £	<i>Share premium</i> £	<i>Retained profits</i> £	<i>Total</i> £
Balance at 1 September 2014	187,480	–	(71,713)	115,767
Total comprehensive income for the year	–	–	54,171	54,171
Balance at 31 August 2015	187,480	–	(17,542)	169,938
Shares issued	205,683	236,335	–	442,018
Total comprehensive loss for the year	–	–	(81,945)	(81,945)
Balance at 31 August 2016	393,163	236,335	(99,487)	530,011
Shares issued	81,982	100,001	–	181,983
Total comprehensive loss for the year	–	–	(208,195)	(208,195)
Balance at 31 August 2017	<u>475,145</u>	<u>336,336</u>	<u>(307,682)</u>	<u>503,799</u>

Statements of cash flows

The statements of cash flow statements of T2T for each of the three years ended 31 August 2015, 2016 and 2017, are set out below:

Note	Years ended 31 December		
	2015 Unaudited £	2016 Unaudited £	2017 Audited £
Cash flows from operating activities			
Profit for the year	54,171	(81,945)	(208,195)
<i>Adjustment for:</i>			
Income tax expense recognised in profit or loss	–	3,028	(2,820)
Finance costs recognised in profit or loss	216	10,110	12,107
Finance income recognised in profit or loss	(122)	(13)	–
Depreciation and amortisation of non-current assets	37,626	76,400	77,385
Operating cash flows before movements in working capital	91,891	7,580	(121,523)
(Increase)/decrease in inventories	281	(9,479)	(4,007)
(Increase)/decrease in trade and other receivables	(121,333)	101,348	27,535
Increase/(decrease) in trade and other payables	(53,848)	93,395	112,620
Increase/(decrease) in deferred taxation	–	(2,820)	2,820
Cash generated from operating activities	(83,009)	190,024	17,445
Interest paid	(216)	(10,110)	(12,107)
Finance income received	122	13	–
Net cash (used in)/generated from operating activities	(83,103)	179,927	5,338
Cash flows from investing activities			
Acquisition of property, plant and equipment	(37,814)	(820,807)	(232,282)
Net cash used in investing activities	(37,814)	(820,807)	(232,282)
Cash flows from financing activities			
Proceeds from bank borrowings	–	295,119	–
Repayment of bank borrowings	–	–	(18,801)
Issue of share capital	–	442,018	181,983
Net cash from financing activities	–	737,137	163,182
Net increase/(decrease) in cash & cash equivalents	(120,917)	96,257	(63,762)
Cash and equivalent at beginning of period	182,803	61,886	158,143
Cash and equivalent at end of period	61,886	158,143	94,381

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

T2T is a private company limited by shares and was incorporated on 29 July 2008 in England, UK.

The registered office and principal place of business is The Five Aills, Filkins, Lechlade, Gloucestershire, GL7 3JQ.

The principal activity of T2T is the operation of three licenced restaurants.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSS)

2.1 Amendments to IFRSs that are mandatorily effective for the current year

In the current year, T2T has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2016 as follows:

Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to IAS 1 Disclosure Initiative	1 January 2016
Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to IAS 7 Disclosure Initiative	1 January 2017
Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017

The above accounting standards and interpretations (including the consequential amendments) are not relevant to T2T's operations. The application of these amendments has had no impact on T2T's financial information.

2.2 New and revised IFRSs in issue but not yet effective

T2T has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the International Accounting Standards Board (IASB) but are not yet effective for the current financial period:

<i>IFRSs and IC Interpretations (Including The Consequential Amendments)</i>	<i>Effective Date</i>
IFRS 9 Financial Instruments	1 January 2018
IFRS 15 Revenue from Contracts with Customers	1 January 2018
IFRS 16 Leases	1 January 2019
Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

Based on an analysis of T2T's financial position as at 31 August 2017 on the basis of the facts and circumstances that exist at that date, the directors of T2T have performed a preliminary assessment of the impact of the above amendments to T2T's financial information and concluded that apart from IFRS 15 discussed below, the above accounting standards and interpretations (including the consequential amendments) are not relevant to T2T's operations. The application of these amendments is expected to have no impact on T2T's future financial information.

As regards the provision of T2T's services, the Directors have preliminarily assessed that these performance obligations are satisfied over time and that the method currently used to measure the progress towards complete satisfaction of these performance obligations will continue to be appropriate under IFRS 15. However, the Directors are still in the process of assessing the full impact of the application of IFRS 15 on T2T's financial information and it is not practicable to provide a reasonable financial estimate of the effect until the Directors complete such detailed review. As a result, the above preliminary assessment is subject to change. The Directors do not intend to apply the standard early and intend to use the full retrospective method upon adoption should any adjustments arise.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of compliance

The financial Information have been prepared in accordance with International Financial Reporting Standards as adopted by the EU.

3.2 Basis of preparation

The historical financial information on T2T for the two years ended 31 August 2016 has been extracted from unaudited management information of T2T as adjusted by the Directors and is included for comparative purposes only.

The historical financial information has been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, T2T takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the historical financial information is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3.3 Revenue recognition

Revenue represents external sales (excluding taxes) of goods and services net of discounts measured at the fair value of the consideration receivable net of trade discounts and VAT.

Revenue principally consists of drink, food and accommodation sales, which are recognised at the point at which goods and services are provided. Revenue for bedroom accommodation is recognised at the point the services are rendered.

3.4 Functional currency

Functional and Presentation Currency

The financial information is presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The financial information is presented in British Sterling ("£"), which is T2T's functional currency and the presentation currency.

3.5 Employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of T2T.

3.6 Income taxes

Income tax for the year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the reporting period and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the historical financial information.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity.

3.7 Property, plant and equipment

(a) Owned Assets

Items of property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses, if any. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to the location and condition for its intended use.

(b) **Depreciation**

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, with effect from the first full year of ownership, as follows:

Freehold property	2% straight line
Plant and Machinery	25% straight line
Fixtures and Fittings	25% straight line
Computer Equipment	25% straight line

(c) **Cost**

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to T2T and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is recognised in profit or loss. The revaluation reserve included in equity is transferred directly to retained profits on retirement or disposal of the asset.

3.8 Impairment of tangible assets

At the end of each reporting period, T2T reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, T2T estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

3.9 Inventories

Inventories are counted independently and stated at the lower of cost and net realisable value. Cost is calculated using the First In First Out method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs to sell.

3.10 Financial instruments

(a) **Recognition, initial measurement and derecognition**

Financial assets and financial liabilities are recognised when T2T becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

(b) **Classification and subsequent measurement of financial assets**

For the purpose of subsequent measurement financial assets are classified into the following categories upon initial recognition:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. T2T's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Trade and other receivables

Trade and other receivables do not carry any interest and are recognised at their original invoiced amounts, less an allowance for any amounts that are not considered collectible. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the profit or loss within 'cost of sales'. When a trade or other receivable is uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited against 'cost of sales' in the profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and other short term highly liquid deposits with original maturities of three months or less.

(c) **Classification and subsequent measurement of financial liabilities**

T2T's financial liabilities include trade and certain other payables. Financial liabilities are measured subsequently at amortised cost using the effective interest rate.

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. These amounts represent liabilities for goods and services provided to T2T prior to the end of the financial period, which are unpaid.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Classification of Shares as Debt or Equity

When shares are issued, any component that creates a financial liability of T2T is presented as a liability in the Statement of financial position; measured initially at fair value net of transaction costs and thereafter at amortised cost until extinguished on conversion or redemption. The corresponding dividends relating to the liability component are charged as interest expense in profit or loss. The initial fair value of the liability component is determined using a market rate for an equivalent liability without a conversion feature.

The remainder of the proceeds on issue is allocated to the equity component and included in shareholders' equity, net of transaction costs.

The carrying amount of the equity component is not remeasured in subsequent years. T2T's ordinary shares are classified as equity instruments. For the purposes of the disclosures given in note 10, T2T considers its capital to comprise its ordinary share capital, share premium and accumulated retained earnings plus its preference shares which are classified as a financial liability in the statement of financial position. There have been no changes to what T2T considers to be capital since the prior year.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of T2T's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

5. PROFIT BEFORE TAXATION

	Years ended 31 August		
	2015	2016	2017
	Unaudited £	Unaudited £	Audited £
Profit before taxation is arrived at after charging:			
Directors' remuneration	40,698	53,632	54,309
Depreciation and amortisation	37,626	76,400	77,385
Interest expense	216	10,110	12,107
<i>Staff costs:</i>			
Key management personnel (including directors)	81,396	107,264	108,618
Defined contribution pension scheme	–	169	7,317
Other personnel staff costs	401,075	737,892	927,264
Inventory recognised as an expense	507,567	801,909	805,032

The average number of employees, including directors, during the year was 87 (2016: 76, 2015: 36).

6. Income Tax Expense

	Years ended 31 August		
	2015	2016	2017
	Unaudited £	Unaudited £	Audited £
Income tax (expense)/credit	–	(3,028)	2,820

A reconciliation of the income tax expense is as follows:-

	Years ended 31 August		
	2015 <i>Unaudited</i> £	2016 <i>Unaudited</i> £	2017 <i>Audited</i> £
Profit/(loss) before taxation	54,171	(78,917)	(211,015)
UK Corporation tax charge at 20%/20%/19%	10,834	(15,783)	(40,093)
Tax effects of:-			
Prior period adjustment	(10,834)	208	-
Tax losses not recognised	-	15,783	40,093
Short term timing differences	-	2,820	(2,820)
Income tax expense/(credit)	-	3,028	(2,820)

7. PROPERTY, PLANT AND EQUIPMENT

	<i>Freehold Land and Property</i> £	<i>Plant and Machinery</i> £	<i>Fixtures and Fittings</i> £	<i>Computer Equipment</i> £	<i>Total</i> £
Cost					
As at 1 September 2014	-	-	146,808	-	146,808
Additions	-	-	37,814	-	37,814
As at 31 August 2015	-	-	184,622	-	184,622
Additions	671,866	53,833	95,108	-	820,807
As at 31 August 2016	671,866	53,833	279,730	-	1,005,429
Additions	-	111,573	114,015	6,694	232,282
As at 31 August 2017	671,866	165,406	393,745	6,694	1,237,711
Accumulated Depreciation					
As at 1 September 2014	-	-	66,091	-	66,091
Depreciation	-	-	37,626	-	37,626
As at 31 August 2015	-	-	103,717	-	103,717
Depreciation	4,000	10,767	61,180	-	75,947
As at 31 August 2016	4,000	10,767	164,897	-	179,664
Depreciation	6,000	23,514	47,296	575	77,385
As at 31 August 2017	10,000	34,281	212,193	575	257,049
Net Book Value					
As at 31 August 2015	-	-	80,905	-	80,905
As at 31 August 2016	667,866	43,066	114,833	-	825,765
As at 31 August 2017	661,866	131,125	181,552	6,119	980,662

(a) All property, plant and equipment held by T2T is located in the UK.

(b) The following property, plant and equipment have been pledged to licensed banks as security for banking facilities granted to T2T as disclosed in Note 12 to the financial information:

	As at 31 August		
	2015 <i>Unaudited</i> £	2016 <i>Unaudited</i> £	2017 <i>Audited</i> £
At carrying amount:-			
Freehold Land and Buildings	-	667,866	661,866

8. INVENTORIES

	As at 31 August		
	2015 Unaudited £	2016 Unaudited £	2017 Audited £
Finished goods	7,263	16,742	20,749

9. TRADE AND OTHER RECEIVABLES

T2T's normal trade credit terms range from 0 to 30 days. Other credit terms are assessed and approved on a case-by-case basis.

	As at 31 August		
	2015 Unaudited £	2016 Unaudited £	2017 Audited £
Trade receivables	64,990	130	–
Other receivables	98,808	23,125	37,861
Prepayment	5,203	40,902	10,000
Directors loan account	–	3,496	10,573
	<u>169,001</u>	<u>67,653</u>	<u>58,434</u>

10. SHARE CAPITAL AND SHARE PREMIUM

	As at 31 August		
	2015 Unaudited £	2016 Unaudited £	2017 Audited £
Share capital	187,480	393,163	475,145
Share premium	–	236,335	336,336
	<u>187,480</u>	<u>629,498</u>	<u>811,481</u>

Issued share capital comprises:

	As at 31 August		
	2015 Unaudited £	2016 Unaudited £	2017 Audited £
fully paid Ordinary Shares A	180,000	383,665	383,665
fully paid Ordinary Shares B	7,480	9,498	11,480
fully paid Ordinary Shares C	–	–	80,000
	<u>187,480</u>	<u>393,163</u>	<u>475,145</u>

The movements in the registered capital of T2T are as follows:

Ordinary Shares A of £1 per share

	<i>As at 31 August</i>			
	<i>Number of Shares</i>	<i>Par Value (£)</i>	<i>Share premium (£)</i>	<i>Total share capital and premium</i>
Ordinary shares				
At 1 September 2014	180,000	180,000	–	180,000
Issued during the year	–	–	–	–
At 31 August 2015	<u>180,000</u>	<u>180,000</u>	<u>–</u>	<u>180,000</u>
Issued during the year	203,665	203,665	236,335	440,000
At 31 August 2016	<u>383,665</u>	<u>383,665</u>	<u>236,335</u>	<u>620,000</u>
Issued during the year	–	–	–	–
At 31 August 2017	<u><u>383,665</u></u>	<u><u>383,665</u></u>	<u><u>236,335</u></u>	<u><u>620,000</u></u>

Ordinary Shares B of 4 pence per share

	<i>As at 31 August</i>			
	<i>Number of Shares</i>	<i>Par Value (£)</i>	<i>Share premium (£)</i>	<i>Total share capital and premium</i>
Ordinary shares				
At 1 September 2014	187,000	7,480	–	7,480
Issued during the year	–	–	–	–
At 31 August 2015	<u>187,000</u>	<u>7,480</u>	<u>–</u>	<u>7,480</u>
Issued during the year	50,453	2,018	–	2,018
At 31 August 2016	<u>237,453</u>	<u>9,498</u>	<u>–</u>	<u>9,498</u>
Issued during the year	49,547	1,982	–	1,982
At 31 August 2017	<u><u>287,000</u></u>	<u><u>11,480</u></u>	<u><u>–</u></u>	<u><u>11,480</u></u>

Ordinary Shares C of £1 per share

	<i>As at 31 August</i>			
	<i>Number of Shares</i>	<i>Par Value (£)</i>	<i>Share premium (£)</i>	<i>Total share capital and premium</i>
Ordinary shares				
At 1 September 2014	–	–	–	–
Issued during the year	–	–	–	–
At 31 August 2015	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
At 1 September 2015	–	–	–	–
Issued during the year	–	–	–	–
At 31 August 2016	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
At 1 September 2016	–	–	–	–
Issued during the year	80,000	80,000	100,000	180,000
At 31 August 2017	<u><u>80,000</u></u>	<u><u>80,000</u></u>	<u><u>100,000</u></u>	<u><u>180,000</u></u>

11. TRADE AND OTHER PAYABLES

The normal trade credit terms granted to T2T range from 30 to 60 days.

	<i>As at 31 August</i>		
	<i>2015</i>	<i>2016</i>	<i>2017</i>
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
	£	£	£
Trade creditors	63,216	108,118	130,492
Other creditors	–	–	8,580
Net wages	25,071	54,614	2,454
Finance lease obligation	–	–	22,171
	<u>88,287</u>	<u>162,732</u>	<u>163,697</u>

12. BANK LOANS AND OVERDRAFT

T2T Limited's interest-bearing bank borrowings were secured over T2T's assets, guaranteed by a Director and a related party.

13. EARNING PER SHARE

	<i>Years ended 31 August</i>		
	<i>2015</i>	<i>2016</i>	<i>2017</i>
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
Profit after taxation (£)	54,171	(81,945)	(208,195)
Weighted average number of ordinary shares	367,000	614,969	681,524
Basic earnings/(loss) per share (£)	<u>0.15</u>	<u>(0.13)</u>	<u>(0.31)</u>

The diluted loss per share was not applicable as there were no dilutive potential ordinary shares outstanding at the end of the reporting period.

14. SIGNIFICANT RELATED PARTY DISCLOSURE

(a) Identities of related parties

T2T has related party relationships with its directors and key management personnel.

(b) Related party transactions

During the year ended 31 August 2017 T2T entered into loans with its directors. During the year ended 31 August 2017 an amount of £7,077 (2016: £3,496) was advanced to the directors. As at 31 August 2017 the balance of £10,573 was due from the directors. The loan is unsecured, interest free and repayable on demand.

(c) Key management personnel

The directors consider that key management personnel comprise the directors and Sebastian Snow. Details of directors and key management remuneration are set out in note 5.

15. FINANCIAL INSTRUMENTS

Financial instruments comprise:

	As at 31 August		
	2015	2016	2017
	Unaudited	Unaudited	Audited
	£	£	£
Financial assets			
Trade and other receivables	169,001	67,653	58,434
	<u>169,001</u>	<u>67,653</u>	<u>58,434</u>
Financial liabilities			
Trade and other payables	88,287	162,734	163,697
Director's loan account	2,922	–	–
Bank borrowings	–	295,119	276,318
	<u>91,209</u>	<u>457,853</u>	<u>440,015</u>

T2T activities are exposed to a variety of market risk (including interest rate risk and equity price risk), credit risk and liquidity risk. T2T's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on T2T's financial performance.

16. FINANCIAL RISK MANAGEMENT POLICIES

T2T's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. T2T's exposure to interest rate risk arises mainly from interest-bearing financial liabilities. T2T's policy is to obtain the most favourable interest rates available.

(b) Credit Risk

T2T's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. T2T manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), T2T minimises credit risk by taking payments for the delivery of the majority of goods and services provided at the point of delivery or in advance as is usual in the hospitality industry.

T2T establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for T2T's of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

Credit risk concentration profile

T2T does not have any major concentration of credit risk related to any individual customer or counterparty.

Exposure to credit risk

As T2T does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets at the end of the reporting periods.

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. T2T's practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

16.1 Capital Risk Management

T2T manages its capital to ensure that entities within T2T will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, T2T may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

T2T manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as total borrowings from financial institutions divided by total equity.

There was no change in T2T's approach to capital management during the financial period under review.

16.2 Fair Values Measurements

At 31 August 2015, 2016 and, 2017 the fair values of the financial assets and financial liabilities approximated their carrying amounts due to the relatively short-term maturity of the financial instruments (maturity within the next 12 months).

17. COMMITMENTS

T2T operates a defined contribution pension scheme for all employees. The assets of the scheme are held separately from those of T2T in an independently administered fund. At the balance sheet date, unpaid contributions of £836 were due to the fund and included in other creditors.

18. EXCEPTIONAL ITEMS

Exceptional items totaling £26,874 (2016: £31,683) related to a settlement with HMRC and an employment tribunal.

19. ULTIMATE CONTROLLING PARTY

No individual party has control of T2T. The largest shareholder is Iriana Snow with 38 per cent. of the issued share capital.

20. SUBSEQUENT EVENT

On 2 February 2018, the Company entered into a letter facility agreement with the Vendor under which the Company agreed to make available to the Vendor a loan in the principal sum of £125,000. Such loan does not accrue interest and is repayable within 5 working days of written demand by the Company ending on or after 3 April 2018 or, earlier, on the occurrence of certain default events. Repayment of the loan is secured by way of a charge over shares in the Vendor held by Alexander Snow, Sebastian Snow and Iliriana Snow amounting in aggregate to 386,004 shares representing approximately 51.42 per cent. of the Vendor's issued share capital.

21. NATURE OF FINANCIAL INFORMATION

The historical financial information presented above does not constitute statutory financial statements for the period under review.

PART V

UNAUDITED PRO FORMA FINANCIAL INFORMATION

(A) ACCOUNTANT'S REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION



The Directors
Sovereign Mines of Africa Plc
Lakeside
Fountain Lane
St Mellons
Cardiff
United Kingdom
CF3 0FB

Crowe Clark Whitehill LLP
Chartered Accountants
Member of Crowe Horwath International
St Bride's House
10 Salisbury Square
London EC4Y 8EH, UK
Tel +44 (0)20 7842 7100
Fax +44 (0)20 7583 1720
DX: 0014 London Chancery Lane
www.croweclarkwhitehill.co.uk

The Directors
Allenby Capital Limited
5 St. Helen's Place
London
EC3A 6AB

6 June 2018

Dear Sirs,

Introduction

We report on the unaudited pro forma statement of financial position of the Company as at 31 December 2017 and the pro forma statement of comprehensive income for the year then ended (together, the "Pro Forma Financial Information") set out in Part V(B) "*Unaudited Pro Forma Financial Information*" of the Company's NEX Exchange admission document dated 6 June 2018 (the "Document"). The Pro Forma Financial Information has been prepared on the basis of the notes thereto, for illustrative purposes only, to provide information about the acquisition of the business and effects of:

- the acquisition of certain T2T assets and liabilities;
- the net proceeds from the issue of the placing shares on the Company's admission to NEX Exchange on 26 June 2018; and
- the repayment of T2T's borrowings

might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing the audited financial information as at 31 December 2017 and the year then ended. Because of its nature, the Pro Forma Financial Information addresses a hypothetical situation and, therefore, does not represent the Company's actual financial position.

Responsibilities

It is the responsibility of the directors of the Company (the "Directors") to prepare the Pro Forma Financial Information. It is our responsibility to form an opinion on the Pro Forma Financial Information as to the proper compilation of the Pro Forma Financial Information and to report our opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting 4000 as issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial information with the Directors. We planned and performed our work so as to obtain all the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Opinion

In our opinion:

- the Pro Forma Financial Information has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of the Company.

Declaration

We are responsible for this report as part of the Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Yours faithfully,

Crowe Clark Whitehill LLP
Chartered Accountants

(B) UNAUDITED PRO FORMA FINANCIAL INFORMATION

Unaudited pro forma statement of financial position

	<i>Company as at 31 December 2017 (Note 1) £'000</i>	<i>T2T as at 31 August 2017 (Note 2) £'000</i>	<i>Adjustment Acquisition of trade and assets from T2T (Note 3) £'000</i>	<i>Adjustment Placing (Note 4) £'000</i>	<i>Adjustment Borrowings (Note 5) £'000</i>	<i>Unaudited Pro forma balances £'000</i>
Intangible assets	–	–	141	–	–	141
Property, plant and equipment	–	981	–	–	–	981
Non-current assets	–	981	141	–	–	1,122
Trade and other receivables	4	58	–	–	–	62
Inventory	–	21	–	–	–	21
Other current assets	10	–	–	–	–	10
Cash and cash equivalents	615	94	(125)	115	(276)	423
Current assets	629	173	(125)	115	(276)	516
TOTAL ASSETS	629	1,154	16	115	(276)	1,638
Share capital	3,164	475	(456)	1	–	3,184
Share premium	5,564	336	165	547	–	6,612
Share-based payment reserve	702	–	–	–	–	702
Retained earnings	(8,852)	(307)	307	(433)	–	(9,285)
Equity	578	504	16	115	–	1,213
Borrowings	–	257	–	–	(257)	–
Other liabilities	–	42	–	–	–	42
Non-current liabilities	–	299	–	–	(257)	42
Trade and other payables	51	164	–	–	–	215
Current tax liabilities	–	127	–	–	–	127
Accruals	–	41	–	–	–	41
Borrowings	–	19	–	–	(19)	–
Current liabilities	51	351	–	–	(19)	383
Total liabilities	51	650	–	–	(276)	425
TOTAL EQUITY AND LIABILITIES	629	1,154	16	115	(276)	1,638

Unaudited pro forma statement of comprehensive income

	Company as at 31 December 2017 (Note 1) £'000	Adjustment Acquisition of trade and assets from T2T (Note 6) £'000	Adjustment Remove T2T results from September 2016 to December 2016 (Note 7) £'000	Adjustment Include T2T results from September 2017 to December 2017 (Note 8) £'000	Adjustment Placing (Note 4) £'000	Unaudited Pro forma balances £'000
Revenue	–	2,367	(591)	1,035	–	2,825
Cost of sales	–	(1,649)	233	(318)	–	(1,734)
Gross profit	–	718	(358)	717	–	1,091
Administrative expenses	(371)	(904)	422	(678)	(433)	(1,964)
Other income	–	14	–	–	–	14
Operating (loss)/profit	(371)	(172)	64	39	(433)	(873)
Exceptional items	–	(27)	–	–	–	(27)
Loss on disposal of available for sale asset	(71)	–	–	–	–	(71)
Profit on disposal of investment	656	–	–	–	–	656
Finance costs	–	(12)	30	(28)	–	(10)
Profit/(loss) on ordinary activities before taxation	214	(211)	94	11	(433)	(325)
Income tax credit	–	3	–	–	–	3
Profit/(loss) for the financial period from continuing operations and total comprehensive income	<u>214</u>	<u>(208)</u>	<u>94</u>	<u>11</u>	<u>(433)</u>	<u>(322)</u>

Notes:

- The financial information relating to the Company has been extracted without adjustment from the Company Financial Information set out in Part III "Historical Financial Information of the Company" of this Document.
- The financial information relating to T2T has been extracted without adjustment from the T2T Financial Information set out in Part IV "Historical Financial Information of T2T" of this Document.
- The Directors expect that the acquisition of the business and assets of T2T will be accounted for as the acquisition of a group of assets which together meet the definition of a business in IFRS 3 *Business Combinations*. The adjustment to intangible assets and equity of £16,000 represents estimated goodwill arising on the acquisition of the business and assets of T2T as follows:

	£'000
Consideration Shares	520
Consideration cash	125
T2T Share capital	(475)
T2T Share premium	(336)
T2T Retained earnings	307
Goodwill arising on acquisition	<u>141</u>

- The adjustment of £115,000 represents the issue of 6,083,335 Ordinary Shares at £0.09 each, less associated costs of £433,000. The adjustment of £433,000 represents the element of associated costs of the Admission and Placing allocated to administrative expenses in the pro forma statement of comprehensive income, as required by IFRS.
- The adjustment of £276,000 represents the repayment of T2T's borrowings.
- The financial information relating to T2T has been extracted without adjustment from the T2T Financial Information set out in Part IV "Historical Financial Information of T2T" of this Document.
- The adjustment of £94,000 represents the removal of the pro forma results for the four-month period ended 31 December 2016 attributable to T2T, as provided by T2T and amended by the Directors to align the period end to that of the Company.
- The adjustment of £11,000 represents the inclusion of the pro forma results for the four-month period ended 31 December 2017 attributable to T2T, as provided by T2T and amended by the Directors to align the period end to that of the Company.
- The Pro Forma Financial Information does not reflect any changes in the trading position of the Company, additional or subsequent acquisitions, or any other changes arising from other transactions since 31 December 2017.

PART VI
PROPERTY VALUATION REPORT

Summary Valuation Report

On the instructions of
Sovereign Mines of Africa Plc
Allenby Capital Limited

Summary Valuation Report of:

Portfolio of 3 Public House Properties
Occupied by
Turf to Table Limited

Valuation Date: 26th March 2018

Summary Valuation Report



Portfolio of 3 Public House Properties Occupied by Turf to Table Limited



Plough Inn, Kelmscott



Five Alls PH, Lechlade



Bull Hotel, Fairford

Instructing Party	<ul style="list-style-type: none"> Sovereign Mines of Africa plc, Lakeside, Fountain Lane, St Mellons, Cardiff CF3 0FB. Allenby Capital Limited, 5 St Helen's Place, London EC3A 6AB.
Purpose of Valuation	<ul style="list-style-type: none"> In connection with the proposed acquisition of the properties, trade and assets of Turf to Table Limited by Sovereign Mines of Africa plc ("SMA") and admission of SMA's ordinary shares to trading on the NEX Exchange Growth Market.
Relying Party (ies)/ Beneficiaries	<ul style="list-style-type: none"> Sovereign Mines of Africa plc.
Date of Inspection	<ul style="list-style-type: none"> The properties were inspected on Friday 5th and Monday 8th January 2018.
Valuation Date	<ul style="list-style-type: none"> 26th March 2018.
Primary Valuer	<ul style="list-style-type: none"> Stuart Parsons BSc MRICS FAVLP.
Counter Signatory	<ul style="list-style-type: none"> Paul C Hardwick BSc (Hons) MRICS.
Fleurets Office	<ul style="list-style-type: none"> Reflections House, 26 Oakfield Road, Clifton, BS8 2AT.

Property	Market Value
Plough Inn, Fairford	£770,000
Five Alls PH, Lechlade	£150,000 (*See below)
Bull Hotel, Fairford	**See below
Aggregate Value	£920,000

Summary Valuation Report



*The Five Alls lease includes a non assignment provision which prohibits the lease being assigned within the first three years of the term, the non assignment period expires during August 2018. We have assumed that as part of a proposed 'company' transaction the transfer could proceed.

**The Bull Hotel is occupied under the terms of a short term, non assignable 'brewers' tenancy; such interests are not transferable assets. Any value in the interest is limited to the trade inventory that is owned by the occupier, and this can only be released on terminating the tenancy and vacating the property. Industry practice is that the trade inventory would be valued on the day of a tenancy change, either being purchased by the Landlord or an incoming tenant. In light of the scale of the Bull Hotel and the extensive on site trade inventory we would expect this sum to be significant.

Valuation Comments

- We are advised that an element of the trade fixtures, fittings, furnishings and equipment are leased whilst part is owned outright and would be transferred as part of any sale. We have made this explicit assumption for the purpose of the valuation.
- Wet and dry stock in trade, returnable containers, bar glassware, fuel and sundries are excluded from our valuation(s).
- It is incumbent upon us to point out to you that hotels, restaurants, public houses and most other licensed and leisure premises are valued as fully equipped and operational entities. The valuation is assessed having regard to trade and profit potential and, to a degree, to actual profit achieved.
- If the trading potential and/or actual profits are diminished, there could be a reduction in the value, which may be disproportional to the diminution in the forecast level of profit.
- We would draw your attention to the fact that values change over time and that, consequently, the figures reported herein may not apply at an earlier or later date.
- Operational properties such as the subject property are susceptible to competitive pressures. This includes new competition or the refurbishment or repositioning of existing competition in the immediate catchment area.
- Hospitality businesses such as the subject property are reliant on consumer spending. Any sudden retraction in consumer spending might have an impact on trading performance and in turn the value of the asset.
- Changes in economic conditions, for example any sudden and significant changes in interest rates or funding conditions, are likely to have a detrimental impact on value.

This Executive Summary forms a part of, and should not be used or read independently from, the complete report. Particular attention is drawn to the Qualifications, Valuation Notices and Disclaimers included in this report



Qualifications	1
1 Introduction	3
1.1 Instructions	3
1.2 Information	4
2 Location	5
3 Description	6
3.1 Building Construction	6
3.2 Floor Areas	6
3.3 Condition	6
3.4 Services	7
3.5 Site and Ground Conditions	7
4 Statutory Enquiries	8
4.1 Planning	8
4.2 Rating	8
4.3 Licensing	8
4.4 General Matters	9
5 Environmental Issues	10
6 Tenure	11
7 Valuation Methodology	12
8 Valuation Certification	13



Qualifications

1. This report is prepared for the use of the Relying Party(ies)/Beneficiaries named in Section 1.1 of this report, and only for the purpose outlined in Section 1.1.
2. Fleurets specialises solely in the sale and valuation of hotels, restaurants, public houses, and other forms of licensed and leisure property. Such properties are generally valued as fully-equipped operational entities, having regard to trading potential. Fleurets is only able to provide valuations on the basis that the property is, or will be, used for the foreseeable future only for such use. If it is considered a higher value might prevail if the property was in alternative use, Fleurets will draw attention to the issue as further valuation advice may need to be sourced.
3. Neither the whole nor any part of this Report, or any reference thereto, may be included in any published document, circular or statement, or published in any way without Fleurets' written approval of the form and context in which it may appear.
4. Fleurets has a standard complaints procedure in the event of a client not being satisfied with the service provided. Details can be obtained from the Company Secretary.
5. Any valuation report or advice issued may be subject to monitoring under the conduct and disciplinary regulations of the Royal Institution of Chartered Surveyors (RICS).
6. This report and valuation(s) may not be relied upon by any party other than the Relying Party(ies)/Beneficiaries without express written approval/assignment of Fleurets.
7. Unless otherwise stated, all valuation figures herein are stated on a net of VAT basis.
8. No allowance is made for expenses of acquisition or realisation or any taxation liability upon a sale whether actual or notional, e.g. Value Added Tax and Capital Gains Tax. Where appropriate, usually in the case of investment properties, the valuer may make an allowance in respect of Stamp Duty Land Tax and purchaser's costs, in which case this will be clearly identified within the report.
9. The property will be assumed to be free and clear of all mortgages or other charges which may be secured thereon.
10. Reliance on this report should only be taken upon sighting an original document that has been signed by the Primary Valuer and Counter Signatory, both being suitably qualified members of Fleurets.
11. This valuation is current at the date of valuation only. The timing and extent of market movements is impossible to predict and we do not attempt to do so. The value assessed herein may change significantly and unexpectedly over a relatively short period as a result of market movements, or factors specific to the particular property. Losses resulting from such movement in value subsequent to the date of valuation are not foreseeable and we do not accept any liability to the Instructing Party/Parties or Relying Party/Parties for any such losses.
12. Our valuation(s) assume there have been no material change of circumstances (including as a result of general market movements, or factors specific to the particular property) between the date of inspection and the date of valuation (should they differ) that would impact on the value of the subject property. Should such an event occur, the valuer should be contacted for comment prior to placing reliance upon the valuation.
13. This report and valuation including the Executive Summary must be read in its entirety.



1 Introduction

1.1 Instructions

Instructing Party	<ul style="list-style-type: none"> Sovereign Mines of Africa PLC, Lakeside, Fountain Lane, St Mellons, Cardiff CF3 0FB. Allenby Capital Limited, 5 St Helen's Place, London EC3A 6AB.
Properties	<ul style="list-style-type: none"> Plough Inn, Kelmscott, GL7 3HG. Five Alls PH, Filkins, Nr Lechlade, GL7 3JQ. Bull Hotel, Market Place, Fairford, GL7 4AA.
Relying Party (ies)/ Beneficiaries	<ul style="list-style-type: none"> Sovereign Mines of Africa plc.

We refer to instructions received from Sovereign Mines of Africa plc and Allenby Capital Limited to value the individual properties on the following basis:

Market Value 1	Market Value as a fully equipped operational entity having regard to trading potential.
-----------------------	---

Market Value is defined by the RICS as "*The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.*"

We are required by the RICS and your instructions to make the following declarations:

RICS Compliance	<ul style="list-style-type: none"> This Report and Valuation complies with the global edition of the RICS Valuation - Professional Standards (incorporating the International Valuation Standards), published in July 2017 by the Royal Institution of Chartered Surveyors (RICS).
Valuation Date	<ul style="list-style-type: none"> 26th March 2018. We have assumed that between the date of inspection and the date of the report, there has been no material change of circumstances, which might have an adverse effect on our valuations.
Inspection Date	<ul style="list-style-type: none"> We inspected the properties on Friday 5th and Monday 8th January 2018. All inspections were undertaken by the Primary Valuer.
Inspection Limitations	<ul style="list-style-type: none"> We conducted formal inspections of each property; however, we did not have access to all letting bedrooms. It is not unusual not to be able to gain access to all letting bedrooms when undertaking valuations of properties of this type. In each case we were advised accessed had been gained to a representative sample of rooms and that the remaining rooms were presented in a similar condition, which we have assumed to be the case.
Primary Valuer	<ul style="list-style-type: none"> Stuart Parsons BSc MRICS FAVLP.
Counter Signatory	<ul style="list-style-type: none"> Paul C Hardwick BSc (Hons) MRICS.



Expertise	<ul style="list-style-type: none"> We confirm that both the Primary Valuer and Counter Signatory are RICS Registered Valuers and have the knowledge, skills and understanding to undertake a valuation of this type of property competently. We confirm that Fleurets, the Primary Valuer and the Counter Signatory are specialists in the public house, restaurant, hotel and leisure property sector. Both valuers are external valuers, as defined by the RICS.
Purpose of Valuation	<ul style="list-style-type: none"> In connection with the proposed acquisition of the properties, trade and assets of Turf to Table Limited by Sovereign Mines of Africa plc ("SMA") and admission of SMA's ordinary shares to trading on the NEX Exchange Growth Market.
Conflict of Interest	<ul style="list-style-type: none"> We confirm that, as far as we are aware, we have no conflict of interest in accepting these instructions.
Professional Indemnity	<ul style="list-style-type: none"> We confirm that we have Professional Indemnity Insurance cover in the sum of £20,000,000, subject to an excess of £20,000.

1.2 Information

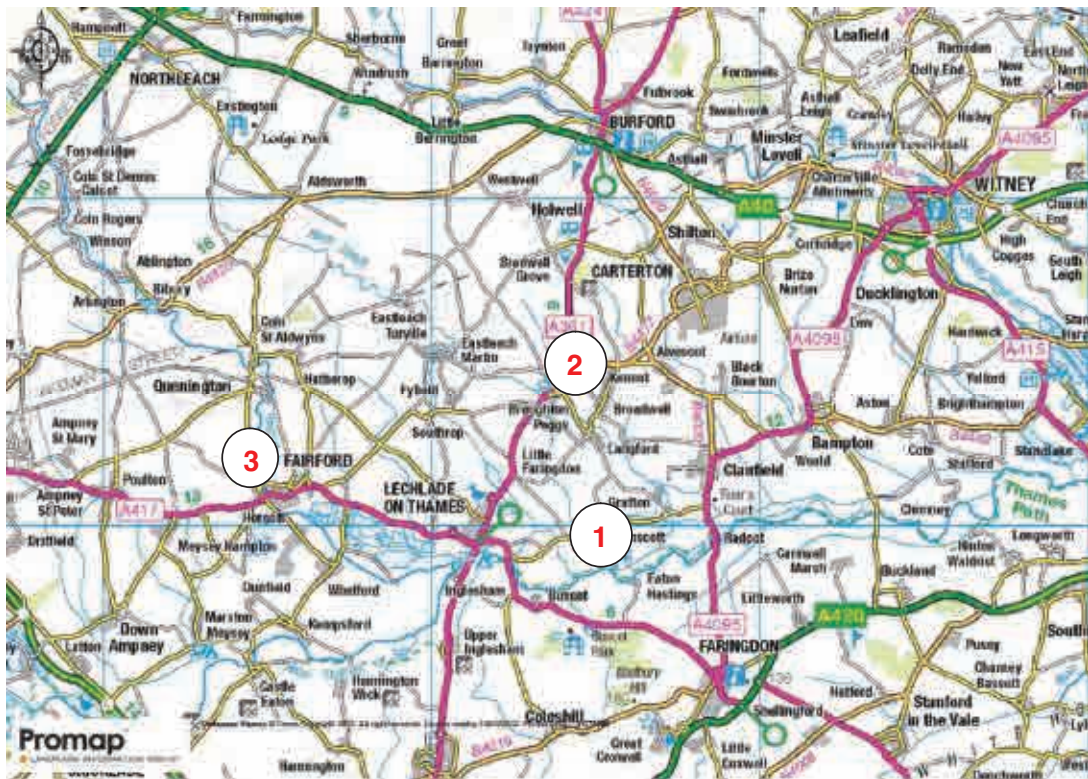
In preparing this report and valuation, and unless otherwise expressly stated, we have relied upon information provided by Sovereign Mines of Africa PLC. We have assumed that any information provided would stand professional audit and accurately represents the matters concerned and the property being valued.

Source of Information	<ul style="list-style-type: none"> Sovereign Mines of Africa PLC. Kuit Steinhart Levy LLP.
Tenure	<ul style="list-style-type: none"> Freehold Title and various other Title documents in respect of the Plough Inn, Kelmscott. Copy Lease dated 14th August 2015 and copy Counterpart Supplemental Deed in respect of the Five Alls PH, Filkins. Copy Tenancy Agreement and associated correspondence in respect of the Bull Hotel, Fairford
Financials	<ul style="list-style-type: none"> Summary management accounts with a year end of 31st August have been provided as follows: Plough, Kelmscott y/e 2016 and 2017. Five Alls, Filkins y/e 2015, 2016 and 2017. Bull Hotel, Fairford y/e 2017 (March - August only).



2 Location

We set out below a map identifying the respective locations of the subject properties. We have provided detailed comment on the location of each property within the Individual Property Reports.



1. Plough Inn, Kelmscott
2. Five Ails PH, Lechlade
3. Bull Hotel, Fairford



3 Description

3.1 Building Construction

Overview	<ul style="list-style-type: none"> Each property is of traditional construction with local materials having been utilised. The properties were purpose built for their current uses i.e. public houses/hotels. In each case the buildings stand on a plot that has sufficient exterior space for external trade areas and customer parking, the only exception being the Bull Hotel, Fairford where there is no on site customer parking. At the Five Alls, Lechlade a detached modern purpose storey bedroom block has been constructed.
-----------------	---

3.2 Floor Areas

Overview	<ul style="list-style-type: none"> Floor areas are not directly relevant to the valuation of this kind of property, which are valued as a fully equipped operational entity having regard to trading potential. As a result, and given the extensive/complex nature of the Properties and that we were unable to access all areas, we have not undertaken a detailed measured survey.
-----------------	--

3.3 Condition

Overview	<ul style="list-style-type: none"> The Properties are period properties which may have experienced movement over time. The trading areas and back of house areas are generally in good order. All of the Properties are listed buildings and/or located within Conservation Areas, as such the ongoing repairs and maintenance requirements/costs are likely to be higher and less predictable than buildings not subject to this level of protection. On the basis each Property is reasonably maintained we consider all properties included within the portfolio to have an economic life of at least 25 years.
-----------------	---

Valuation Notice

We have not undertaken a building survey, or inspected those parts of the property which are covered, unexposed or inaccessible and we have assumed that such parts are in good repair and condition. We have not examined the internal roof spaces or sub-floor voids; examination of the exterior of the premises has been sighted from ground level. We cannot express an opinion about, or advise upon, the condition of un-inspected parts and this Report should not be taken as making any implied representation or statement about such parts.

We have assumed that the property is free from dry rot, woodworm and latent defects. We have no duty to arrange any investigation to be carried out to determine whether or not any deleterious or hazardous material has been used in the construction of the property or has since been incorporated and are therefore unable to report that the property is free from risk in this respect. We have assumed that such an investigation would not disclose the presence of any such material to any significant extent and, furthermore, that the buildings have been constructed in accordance with, and currently comply with, all statutory requirements, British Standards and codes of practice and are in a condition fit for their existing use.



3.4 Services

Overview	<ul style="list-style-type: none"> We have sought to identify the services which are connected to each Property and in most instances have relied upon comments made by the onsite management.
-----------------	---

Valuation Notice

We have not examined or tested any of the electrical, heating or other services installed or connected and have assumed that such are installed and connected in accordance with appropriate regulations and are in full working order and not in need of repair or replacement.

3.5 Site and Ground Conditions

Adverse Ground Conditions	<ul style="list-style-type: none"> We are unaware of any of the Properties having been affected by adverse ground conditions.
Flood Risk	<ul style="list-style-type: none"> We have consulted the Environment Agency website and identified any flooding issues within the individual property Reports. We highlight the following properties which have issues relating to flooding: We recommend a formal classification and advice on the Property from the Environment Agency in respect of the Bull Hotel and Plough Inn is obtained and that adequate insurance is in place against the risk of flooding. We have assumed that appropriate insurance against the risk of flooding can be obtained, in each case at a cost which is not unduly onerous to the business.
Japanese Knotweed	<ul style="list-style-type: none"> We are not aware of Japanese Knotweed or any other invasive plant being present within the demise or within such proximity, that it may pose a threat to the fabric of any of the subject Properties.
Mining Settlement	<ul style="list-style-type: none"> The Properties are not known to be in a mining area.
Subsidence	<ul style="list-style-type: none"> We have not undertaken a building survey and have assumed the properties to be free of significant defect.

Valuation Notice

We highlight that we are not experts in the identification of Japanese Knotweed or other invasive plant species. We have not undertaken a detailed site survey and our comments are made having inspected the property for general valuation purposes only and having sought confirmation from the owner. We accept no liability where the existence of any such plants has been disguised or 'cut back', prior to our inspection and is therefore not obvious.

Fleurets is unable to guarantee that the site or its vicinity are free from underground mineral or other workings and we have assumed, therefore, that none exist that are likely to adversely affect the valuation(s). If further investigations are carried out, and if such workings are revealed, the valuation(s) reported may need to be reviewed.



4 Statutory Enquiries

All enquiries made have been on an informal basis by either telephone contact or website search. We assume that your solicitors will make formal enquiries in due course and that you will rely upon those findings. We should be informed of any discrepancies with the comments within this Report, so that we may advise whether they have an adverse effect upon value.

4.1 Planning

Overview	<ul style="list-style-type: none"> We have reviewed the planning history of each Property, there is nothing to report that would impact on the Market Values reported.
Assets of Community Value (ACV)	<ul style="list-style-type: none"> ACV listings are recorded as a local land charge and a restriction is included on the title to the property at the Land Registry. It is open to Parish Councils and community organisations to nominate an asset for Listing. Listings last for 5 years and can be re-nominated following that period. The owner of an ACV must notify the Council of any intention to dispose of the property, following which interested groups have up to 6 months within which to submit a bid and raise the funds to purchase the asset. Whilst the vendor is under no obligation to sell to the body making the bid, ACV requirements may delay a sale and can discourage other potential purchasers. Following the moratorium, the owner is free to sell to whom they choose. Our research indicates that none of the Properties are currently listed as an ACV.
Enforcement Action	<ul style="list-style-type: none"> We are not aware of any outstanding Enforcement Action.

4.2 Rating

Rateable Value (RV)	<ul style="list-style-type: none"> The properties are included in the 2017 Rating List as follows: Plough Inn, Kelmscott – RV £56,500 (Public House & Premises). Five Alls PH, Lechlade – RV £77,500 (Public House & Premises). Bull Hotel, Fairford – RV £70,000 (Hotel & Premises).
----------------------------	---

Valuation Notice

The actual amount of rates payable may be subject to Transitional Arrangements and other reliefs available to individuals.

4.3 Licensing

Overview	<ul style="list-style-type: none"> In respect of each property we have made enquiries relating to the Premises Licence, specifically with regard to the permitted licensable activities and the permitted hours. Each property is trading in accordance with the provisions of the existing Premises Licence.
-----------------	---



Valuation Notice

We have not been provided with a copy of the Licences and therefore have valued the Property on the assumptions that there are no unduly onerous or restrictive conditions which may impact on value.

4.4 General Matters

Environmental Health/Food Hygiene Rating	<ul style="list-style-type: none"> In partnership with local authorities the Food Standards Agency operates the Food Hygiene Rating Scheme in England, Wales and Northern Ireland. Each business is given a hygiene rating when inspected by a food safety officer from the local authority. The Properties have obtained a rating of between 3 (Generally Satisfactory) and 5 (Very Good).
Fire Risk Assessment	<ul style="list-style-type: none"> The Regulatory Reform (Fire Safety) Order 2005 came into force on 1st October 2006 across England & Wales. The Order replaces and consolidates past fire legislation (including the Fire Precautions Act 1971, Fire precautions (Workplace) regulations 1997/99 and the Management of Health & Safety in the Workplace Regulations 1999. The system of issuing Fire Certificates was ended by the Order and replaced with a requirement for property and business owners to carry out a Fire Risk Assessment and create a Fire Management Plan. We have assumed, for the purposes of our valuation, that a Fire Risk Assessment has been completed and that an appropriate safety policy is in place in respect of each Property.
Asbestos	<ul style="list-style-type: none"> The Control of Asbestos at Work Regulations 2002 require property owners, occupiers and managers responsible for maintenance and repair in non-domestic premises to identify Asbestos Containing Material in their property, assess the risks from them and to prepare and implement a plan to manage those risks. We have assumed, for the purposes of our valuation, that this is the case.
Highways	<ul style="list-style-type: none"> From our inspection, it would appear that the road and pavement in front of the Properties form part of the public highway, which we have assumed to be the case.
Equality Act	<ul style="list-style-type: none"> The Equality Act came into force on 1 October 2010. The Act consolidates and brings together previous equality laws including the law on disability discrimination. Operators are under a duty to make reasonable adjustments to the provision of their services to accommodate people with disabilities. The duty is anticipatory - so adjustments must be made before a claim for disability discrimination is brought. What will constitute a reasonable adjustment very much depends on the size and nature of the service. For the purposes of our valuation, we have assumed that the individual Properties are compliant for the purposes of this legislation.

Valuation Notice

Unless advised to the contrary, we have assumed that the property is unaffected by any matters which would be revealed by a local search and replies to unusual enquiries or by any statutory notice, and that neither the property, nor its condition, nor its use or intended use, is or will be unlawful. It is assumed that the business has been correctly registered to comply with all statutory and regulatory requirements.



5 Environmental Issues

Property Use	<ul style="list-style-type: none"> • Our inspections did not reveal any evidence of contamination affecting any of the Properties. • We have, therefore, valued on the basis that the sites are free of contamination.
Neighbouring Uses	<ul style="list-style-type: none"> • We are not aware of any neighbouring properties being used for potentially contaminative uses likely to affect the subject Properties.
Energy Performance Certificates (EPC)	<ul style="list-style-type: none"> • All domestic and commercial buildings in the UK available to buy or rent must have an Energy Performance Certificate (EPC) unless they fall into a specifically exempted category. An EPC provides information on the energy efficiency of a building, giving the building an energy rating from A (the most efficient) to G (the least efficient). It also makes recommendations on how a building's energy use and carbon dioxide emissions could be reduced. • The Government has introduced Regulations to prohibit the letting of commercial and residential properties in England and Wales rated F or G on their EPC until their efficiency is improved and attains at least an E rating. The Regulations are called Minimum Energy Efficiency Standards (MEES) and apply to all new leases of commercial and residential properties granted to new and existing tenants with effect from effect from 1st April 2018. The Regulations will apply to all residential properties let on lease with effect from 1st April 2020 and to all commercial properties let on lease with effect from 1st April 2023. • We have valued the subject properties on the basis that they are available with vacant possession and it is our opinion that the most likely purchaser for the subject property would be a buyer envisaging continued direct operation of the business as an owner/occupier or under management. In such circumstances, a letting would not be envisaged and, on this basis, there would be no direct requirement to comply with the MEES Regulations. • We have viewed the EPC Register on the website of the Department of Communities and Local Government and obtained a copy of the EPC for each property, where available.
Radon Risk	<ul style="list-style-type: none"> • Radon is a colourless, odourless radioactive gas formed by the radioactive decay of the small amounts of uranium that occur naturally in all rocks and soils. Public Health England (PHE) has published Radon Affected Area maps for the whole of the UK showing where high levels are more likely. If a property is in an area where more than 1% of houses may show the presence of radon above the level where action is required, PHE recommends the property is tested to determine actual levels of radon present. • Our research indicates that all of the Properties are within areas where more than 1% of houses may show the presence of radon. • For the purposes of our valuation, we have assumed that remedial works are not required.
Recommendations	<ul style="list-style-type: none"> • We do not consider a specialist environmental assessment to be necessary in respect of any of the Properties.



6 Tenure

We have not reviewed any title documents, certificates or plans. We have valued on the assumption that there are no unduly onerous or restrictive covenants or encumbrances relating to the title of the property and that the tenure detailed below are correct.

Interest Being Valued	
	<ul style="list-style-type: none">• Plough Inn, Kelmscott – freehold.• Five Ails, Lechlade – leasehold.• Bull Hotel, Fairford – tenancy.



7 Valuation Methodology

We have undertaken our valuation(s) using the Profits Method of Valuation. This involves the assessment of the Fair Maintainable Turnover (FMT) for the particular business, being the level of trade that a Reasonably Efficient Operator (REO) would expect to achieve, from all forms of income, when running the business in a proper manner, on the assumption that the property is properly repaired, maintained and decorated.

From the FMT, the valuer will determine an appropriate Fair Maintainable Operating Profit (FMOP). This will vary, depending upon the age, location, style, configuration and accommodation of the property and upon the nature of the trade (and terms of the lease). FMOP is stated before the deduction of finance, depreciation, and owner's drawing/exceptional costs.

The valuer will then apply an appropriate multiplier or Year's Purchase (YP) to capitalise the anticipated profit. Amongst other things, the multiple/YP adopted reflects the following factors:

- Tenure;
- Location and physical characteristics of the property;
- The operational characteristic of the business and the historic trading performance;
- The quality and transparency of the financial information;
- The likely purchaser and purchaser demand for the asset;
- Existing and proposed competition;
- Existing condition and capital expenditure requirements; and
- Underlying real estate fundamentals.

Subjective adjustment of the end value may be required in order reconcile the difference between the assumed hypothetical position and reality (e.g. dilapidations, refurbishment costs, etc).

We highlight that we have not adopted a discounted cash-flow approach to valuation in this instance. We consider that a mature property of this size, nature and level of trade, would be acquired by a prospective purchaser who would not adopt this form of appraisal.

Where appropriate, we have assumed that on any sale of the property and business, both parties would comply with the Transfer of Undertakings (Protection of Employment) Regulations and that no unusually onerous costs or liabilities would arise therefrom.

We have assumed, unless otherwise stated, that there are no outstanding statutory notices, and also that the properties and businesses comply with all statutes, regulations and by-laws for the present use.

Our valuations ignore any element of hope value for an alternative use and any value attributable to goodwill other than that which is reflected in the trading potential which attaches to and runs with the property, over and above that which would be reflected in offers made by prospective purchasers in the general market.



8 Valuation Certification

We schedule below our opinion of Market Value for the individual properties.

Property	Market Value
Plough Inn, Kelmscott	£770,000 (Seven Hundred and Seventy Thousand Pounds).
Five Alls PH, Lechlade	£150,000* (One Hundred and Fifty Thousand Pounds).
Bull Hotel, Fairford	N/A**
Aggregate Value	£920,000 (Nine Hundred and Twenty Thousand Pounds).

*Subject to the assumption that the lease can be transferred.

**The property is occupied subject to a non assignable tenancy which is not transferable and hence an opinion of Market Value cannot be reported.

Yours faithfully

Stuart Parsons BSc MRICS FAVLP
RICS Registered Valuer
RICS No: 0069719
Divisional Director
(Primary Valuer)

Paul C Hardwick BSc (Hons) MRICS
RICS Registered Valuer
RICS No: 0850963
Director
(Counter-signatory only)

Disclaimer – Important Notice to Third Parties

This report is prepared for the use of the Relying Party/Parties named in Section 1.1 of this report, and only for the purpose outlined in Section 1.1. It should not be relied on for any other purpose and should not be reproduced in whole or part for any other purpose without the express written consent of Fleurets. Any party that is not named as a Relying Party/Parties may not rely on this report for any purpose and should obtain their own valuation before acting in any way in respect of the subject property.

 **London**
4 Roper Street
London
WC1R 2JX
 020 7288 4700
 london@fleurets.com

 **North West**
 0161 683 5445
 manchester@fleurets.com

 **East**
 01223 402600
 cambridge@fleurets.com

 **North**
 0115 234 0304
 leeds@fleurets.com

 **West & South Wales**
 0117 923 8090
 wales@fleurets.com

 **Midlands**
 0121 235 5252
 birmingham@fleurets.com

 **South**
 01273 429500
 brighton@fleurets.com

Fleurets[®]
Leisure Property Specialists

For details of properties for sale or to let nationwide visit fleurets.com

PART VII

ADDITIONAL INFORMATION

1. RESPONSIBILITY

- 1.1 The Directors and the Proposed Directors, whose names and functions appear on page 3 of this document, accept responsibility, both individually and collectively, for the information contained in this document and for compliance with the NEX Exchange Rules. To the best of the knowledge of the Directors and the Proposed Directors, each of whom has taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and contains no omission likely to affect the import of such information.

2. INCORPORATION AND GENERAL

- 2.1 The Company was incorporated in England and Wales on 28 January 2010 with registered number 07139678 as a public company limited by shares.
- 2.2 On 14 April 2010 the Company was issued with a certificate permitting it to commence business and borrow under section 761 of the Companies Act.
- 2.3 The legal and commercial name of the Company as at the date of this document is Sovereign Mines of Africa plc. It is proposed that a resolution to change the name of the Company to The Barkby Group PLC be passed at the General Meeting pursuant to resolution 4 as set out in the Notice of General Meeting. The change of name of the Company will be effective when the Registrar of Companies for England and Wales issues a certificate to that effect, which is expected to be after the General Meeting, assuming the relevant resolution is duly passed.
- 2.4 The principal legislation under which the Company operates and under which the Consideration Shares and the Placing Shares shall be issued is the Companies Act and regulations made under it.
- 2.5 The Company is domiciled in the UK. The registered office and principal place of business of the Company is at Lakeside, Fountain Lane, St Mellons, Cardiff, United Kingdom, CF3 0FB and its telephone number is +44 (0) 330 333 8265. Following Admission, the principal place of business of the Company will be at The Five Aills, Filkins, Lechlade, Gloucestershire GL7 3JQ.
- 2.6 The Company was admitted to the AIM market on 28 July 2011 but as it did not make an acquisition which would constitute a reverse takeover within a year of becoming an investing company pursuant to the AIM Rules for Companies, its shares were cancelled from trading on the AIM market on 22 January 2018.
- 2.7 The liability of the members of the Company is limited.
- 2.8 As at the date of this document, the address of the Company's website is www.sovmines.com. This will be changed to www.barkbygroupplc.com on the day of Admission and this will be the website which discloses the information required by Rule 75 of the NEX Exchange Rules.

3. ORGANISATIONAL STRUCTURE

- 3.1 The Company has no subsidiaries or subsidiary undertakings and will have no subsidiaries or subsidiary undertakings following Completion, the Acquisition consisting of the purchase of the Business and associated assets as described in this document.

4. SHARE CAPITAL

- 4.1 The Company does not have an authorised share capital restriction.
- 4.2 By a resolution passed on 27 June 2017, the Directors were generally and unconditionally authorised pursuant to section 551 of the Companies Act to exercise any power of the Company to allot and grant rights to subscribe for or to convert securities into shares of the Company up to a maximum nominal amount of £3,000,000 provided that the authority thereby given would expire on the earlier of the date falling 15 months after the date of the passing of the resolution and the conclusion of the subsequent annual general meeting of the Company, save that the Company may, before such expiry,

make an offer or agreement which would or might require shares to be allotted or rights to be granted under the authority in pursuance of an offer or agreement so to do made by the Company notwithstanding that the authority conferred by the resolution has expired.

4.3 By a second resolution passed on 27 June 2017, the Directors were empowered to allot equity securities (as defined in section 560 of the Companies Act) for cash pursuant to the authority conferred by the resolution above as if section 561(1) of the Companies Act did not apply to any such allotment, provided that such power would be limited to the allotment of equity securities up to an aggregate nominal amount of £3,000,000 and such power would expire with the authority granted pursuant to the resolution referred to in paragraph 4.2 above (unless previously renewed, varied or revoked by the Company as a general meeting) save that the Company may before such expiry make an offer or agreement which would or might require such equity securities to be allotted in pursuance of such offer or agreement or agreement notwithstanding that the power conferred by this resolution has expired.

4.4 If the resolutions relating to the share capital of the Company are passed at the General Meeting the authorities set out in paragraphs 4.2 and 4.3 will be replaced as set out in those Resolutions.

4.5 Save to the extent dis-applied as disclosed in paragraph 4.3 and as will be disapplied pursuant to resolution 3 in the Notice of General Meeting, the provisions of 561(1) of the Companies Act confer on the Company's shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash.

4.6 The issued share capital of the Company immediately prior to the publication of this document is as follows:

<i>Class of shares</i>	<i>Nominal value</i> (£)	<i>Issued</i> (£)	<i>Number</i>
Ordinary Shares	0.0001	86,085.905	860,859,054

4.7 All of the issued share capital of the Company immediately prior to the publication of this document is fully paid.

4.8 Following the Share Consolidation, the issued share capital the Company will be:

	(£)	(£)	<i>Number</i>
New Ordinary Shares	0.0033	86,085.90	26,086,638

4.9 6,083,335 New Ordinary Shares are being issued pursuant to the Placing at a price of £0.09 per Placing Share (which represents a premium of £0.0867 over their nominal value of £0.0033 each). No expenses are being charged to any placee.

4.10 5,777,778 New Ordinary Shares, comprising the Consideration Shares, are being issued at a price of £0.09 per Consideration Share (which represents a premium of £0.0867 over their nominal value of £0.0033 each) pursuant to the terms of the Acquisition Agreement.

4.11 The issued share capital of the Company immediately following Admission and Completion, taking into account the Placing Shares and Consideration Shares referred to in paragraphs 4.9 and 4.10 above, will be as follows:

<i>Class of shares</i>	<i>Nominal value</i> (£)	<i>Issued</i> (£)	<i>Number</i>
New Ordinary Shares	0.0033	125,227.58	37,947,751

4.12 Following the Placing and the allotment and the issue of the Consideration Shares pursuant to the Acquisition (assuming all of the Placing Shares are allotted pursuant to the Placing), the Placing Shares will represent 16.03 per cent. of the Enlarged Share Capital.

- 4.13 As at the date of this document, the following warrants and options have been granted and are outstanding in respect of the Company's share capital:

<i>Name</i>	<i>Type</i>	<i>Number</i>	<i>Date Granted</i>	<i>Exercise Price (p)</i>
Giles Clarke	Warrants	125,000,000	30/12/2015	0.10
Rupert Fraser	Warrants	125,000,000	30/12/2015	0.10
Nathan Steinberg	Options	3,000,000	28/06/2013	3.00
Jan Nelson	Options	3,000,000	18/11/2013	3.00
Jeremy Sparrow	Warrants	22,000,000	21/07/2016	0.23
Total in issue		<u>278,000,000</u>		

- 4.14 Following the Share Consolidation, the following Warrants and options over Ordinary Shares will be outstanding in respect of the Company's share capital and New Ordinary shares as follows:

<i>Name</i>	<i>Type</i>	<i>Number</i>	<i>Date Granted</i>	<i>Exercise Price (p)</i>
Giles Clarke	Warrants	3,787,878	30/12/2015	3.3
Rupert Fraser	Warrants	3,787,878	30/12/2015	3.3
Nathan Steinberg	Options	90,909	28/06/2013	99.0
Jan Nelson	Options	90,909	18/11/2013	99.0
Jeremy Sparrow	Warrants	666,666	21/07/2016	7.59
Total in Issue		<u>8,424,240</u>		

- 4.15 The Warrants issued to Giles Clarke and Rupert Fraser were created pursuant to a warrant instrument dated 30 December 2015 which created warrants to subscribe in cash for up to 250,000,000 Ordinary Shares, exercisable at a subscription price of £0.001 (0.1 pence) per Ordinary Share at any time during the period of five years to 30 December 2020, provided that one in every two of the Warrants may only be exercised if during such subscription period the Company has completed a reverse takeover as defined in the AIM Rules for Companies and further provided that the Warrants may not be exercised if the exercise would mean that a mandatory offer for the Company under the Takeover Code would need to be made by the relevant holder and/or persons acting in concert with him.
- 4.16 The options issued to Nathan Steinberg were created pursuant to agreements dated 28 June 2013 which created options to subscribe in cash for up to 3,000,000 Ordinary Shares, exercisable at a subscription price of £0.03 (3 pence) per Ordinary Share at any time during the period of five years from the date of the agreement, with the options vesting in tranches of 1,000,000 on the first, second and third anniversaries of the date of the agreement.
- 4.17 The options issued to Jan Nelson were created pursuant to agreements dated 18 November 2013 which created options to subscribe in cash for up to 3,000,000 Ordinary Shares, exercisable at a subscription price of £0.03 (3 pence) per Ordinary Share at any time during the period of five years from the date of the agreement, with the options vesting in tranches of 1,000,000 on the first, second and third anniversaries of the date of the agreement.
- 4.18 The Warrants issued to Jeremy Sparrow were created pursuant to a warrant instrument dated 21 July 2016 which created warrants to subscribe in cash for up to 22,000,000 Ordinary Shares, exercisable at a subscription price of £0.0023 (0.23 pence) per Ordinary Share at any time during the period from 28 July 2016 to 29 July 2021 (inclusive) provided that one in every two of the Warrants may only be exercised if during such subscription period the Company has completed a reverse takeover as defined in the AIM Rules for Companies and further provided that the Warrants may not be exercised if the exercise would mean that a mandatory offer for the Company under the Takeover Code would need to be made by the relevant holder and/or persons acting in concert with him.
- 4.19 Save for the issue of the Placing Shares and the Consideration Shares and the potential issue of New Ordinary Shares to satisfy the Warrants disclosed at paragraph 4.14 above, no capital of the Company is proposed to be issued or is under option or is agreed conditionally or unconditionally to be put under option.

- 4.20 The Placing Shares and the Consideration Shares will, on Admission, rank *pari passu* in all respects with all issued New Ordinary Shares and will rank in full for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company. The provisions of section 561 of the Companies Act (which confers on shareholders rights of pre-emption in respect of the allotment of equity securities which are or are to be paid up in cash other than by way of allotment to employees' share scheme as defined in section 1166 of the Companies Act) will following Admission apply to unissued shares in the capital of the Company to the extent not dis-applied pursuant to resolution 3 in the Notice of General Meeting of up to an aggregate nominal amount of £125,227.58 and not used to allow the allotment of the Placing Shares.
- 4.21 With effect from Admission all of the New Ordinary Shares will be in registered form and capable of being held in uncertificated form.
- 4.22 Save as disclosed in this document, as at the date of this document:
- 4.22.1 no shares have been issued otherwise than as fully paid;
- 4.22.2 the Company has no outstanding convertible securities, exchangeable securities or securities with warrants; and
- 4.22.3 the Company does not have in issue any shares not representing capital.

5. MAJOR SHAREHOLDERS

- 5.1 Save as set out below and in paragraph 6.2.1, the Company is not aware of any person who, at the date of this document and immediately following Admission, has an interest that is notifiable under the disclosure rules contained in the FCA's 'Disclosure Rules and Transparency Rules sourcebook', or otherwise in the UK:

<i>Name</i>	<i>As at the date of this document</i>		<i>Upon Admission</i>	
	<i>Existing Ordinary Shares held</i>	<i>% of Existing Share Capital</i>	<i>New Ordinary Shares held</i>	<i>% of Enlarged Share Capital</i>
Michinoko Limited	133,100,000	15.46	4,033,333	10.63
Giles Clarke	100,000,000	11.62	3,585,859	9.45
Rupert Fraser	93,000,004	10.80	2,818,181	7.43
Sir David Ord	92,350,000	10.73	3,770,706	9.94
David & Rosamund Pearl	29,380,199	3.41	890,309	2.35
Turf to Table Limited	0	0	5,777,778	15.23
Jasmin Harvey*	0	0	2,777,778	7.32

* Jasmin Harvey is the wife of Duncan Harvey, a Proposed Director.

6. INFORMATION ON THE DIRECTORS AND THE PROPOSED DIRECTORS

6.1 Functions of the Directors and Proposed Directors

- 6.1.1 The full names and functions of the Directors and the Proposed Directors immediately following Admission will be as follows:

<i>Name</i>	<i>Function</i>
Charles Giles Clarke	Chairman
Rupert Michael Fraser	Chief Executive Officer
Emma Jane Dark	Finance Director
Sebastian Luigi Andrew Snow	Creative Director
Duncan George Harvey	Non-Executive Director
Jeremy Anthony Simon Sparrow	Non-Executive Director

6.1.2 The business address of each of the Directors is Lakeside, Fountain Lane, St Mellons, Cardiff, United Kingdom, CF3 0FB; the business address of the Proposed Directors immediately following Admission will be The Five Aills, Filkins, Lechlade, Gloucestershire, GL7 3JQ.

6.2 Directors' and Proposed Directors' Shareholdings and Other Interests

6.2.1 In addition to the Warrants set out in paragraph 4.14 above, the interests of the Directors and the Proposed Directors in the issued share capital of the Company and (so far as is known to the Directors or Proposed Directors, or could with reasonable diligence be ascertained by them) the interests of persons connected with the Directors and the Proposed Directors, as at the date of this document and as at Admission, assuming full subscription under the Placing, will be as follows:

<i>Director/ Proposed Director/ connected person</i>	<i>As at the date of this document</i>			<i>Following Admission</i>	
	<i>Number of Existing Ordinary Shares</i>	<i>Percentage of issued ordinary share capital</i>	<i>Placing Shares</i>	<i>Number of New Ordinary Shares</i>	<i>Percentage of Enlarged Share Capital</i>
Charles Giles Clarke	100,000,000	11.62	555,556	3,585,859	9.45
Jeremy Anthony					
Simon Sparrow	0	0	0	0	0
Rupert Michael Fraser	93,000,004	10.80	0	2,818,181	7.43
Emma Jane Dark	0	0	0	0	0
Sebastian Luigi					
Andrew Snow*	0	0	0	0	0
Duncan George Harvey**	0	0	2,777,778	2,777,778	7.32

* Sebastian Snow and his wife will, on Admission, have an indirect interest in the Company through their aggregate shareholding in approximately 38 per cent. of Turf to Table, which on Admission will hold 5,777,778 New Ordinary Shares representing approximately 15.23 per cent. of the Enlarged Share Capital.

** Held by his wife, Jasmin Harvey.

Save as disclosed at paragraph 6.2.1 above, the Directors and the Proposed Directors are not aware of any interests of any persons connected with them.

6.2.2 The Directors are not required to hold any Ordinary Shares under the Articles.

6.2.3 Under the Lock-in Agreements, the Directors, the Proposed Directors and Jasmin Harvey have each undertaken to Allenby Capital that they and their associates will not (save in certain limited circumstances) dispose of any Ordinary Shares for a period of 12 months from the date of Admission and thereafter for a further period of 12 months to only dispose of any Ordinary Shares through Allenby Capital (or the broker of the Company for the time being if it's not Allenby Capital), in such manner as they reasonable require.

6.2.4 Pursuant to the terms of the Acquisition Agreement, the Vendor has agreed with the Company and Allenby Capital to not (save in certain limited circumstances) dispose of any Consideration Shares for a period of 12 months from the date of Admission nor to dispose of any Deferred Consideration Shares or any other Ordinary Shares acquired by it for a period of 12 months from the date of their relevant allotment and thereafter for a further period of 12 months to only dispose of an Ordinary Shares through Allenby Capital.

6.2.5 Save as disclosed in this document, none of the Directors or Proposed Directors has any interest, beneficial or non-beneficial, in the share or loan capital of the Company.

6.2.6 Save as disclosed in this document, no Director or Proposed Director has any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or leased to, the Company and no contract or arrangement exists in which any Director or Proposed Director is materially interested and which is significant in relation to the business of the Company.

- 6.2.7 There are no outstanding loans granted by the Company to any Director or Proposed Director, nor are there any guarantees provided by the Company for their benefit.
- 6.2.8 Save as disclosed in this document, no Director or Proposed Director has or has had any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions significant to the business of the Company and which was effected by the Company during the current or immediate preceding financial year, or during any earlier financial year and which remains in any respect outstanding or unperformed.

6.3 Additional Information on the Directors and Proposed Directors

- 6.3.1 The directorships and partnerships of the Directors and Proposed Directors currently held and held over the five years preceding the date of this document (other than the Company) are as follows:

<i>Director/Proposed Director</i>	<i>Current directorships/partnerships</i>	<i>Previous directorships/partnerships</i>
Giles Clarke	Kazera Global plc Westleigh Investments Limited Westleigh Investments Holdings Limited Ironveld plc Amerisur Resources plc Promatic International Limited Edvectus Limited RAM (102) Limited Fosters Room Limited The Boston Tea Party Limited West Country Business Systems Limited	Clark Clay Industries DesignSpin Limited The Boston Tea Party Limited England and Wales Cricket Board Limited International Cricket Council ATL Telecom Limited England and Wales Cricket Trust M J Associates Limited The Pure English Alpaca Company Limited RAM 106 Limited
Jeremy Sparrow	Alexander Capital Management Limited Chalet Holdings N.V. Epsilon Capital Limited	J S Alex LLP
Rupert Fraser	Ironveld plc Woodforde's Limited	Farleigh Associates Limited Sovereign Mines of Africa plc
Emma Dark	Dark Consulting Limited Turf to Table Limited	
Sebastian Snow	None	None
Duncan Harvey	DG Harvey Limited Woodforde's Limited Ironveld plc	None

Mr Clarke was formerly Chairman of Majestic Wine Corporation ("MWC") in the US. Subsequent to his resignation in May 1988, MWC filed for protection under Chapter XI of the US Bankruptcy Code.

Mr Clarke was formerly a director of All Mass Claddings Systems Limited. Subsequent to this resignation, the directors of the company appointed an administrator to oversee the company's affairs on 24 February 2012.

Mr Snow was formally a director of Snow's Limited. During his tenure as a director, the company entered into a voluntary arrangement on 16 December 2003, and was wound up by way of compulsory voluntary liquidation on 8 June 2010.

Mr Snow was a formerly a director of Battersea Square Limited. During his tenure as a director, the company was wound up by way of a voluntary creditor's liquidation on 21 January 1997.

Mr Snow entered into a personal bankruptcy in the UK in June 2008, as a result of a personal loan guarantee of £50,000 being called upon, which was discharged in 2014.

6.3.2 Save as disclosed at paragraph 6.3.1, at the date of this document, none of the Directors or Proposed Directors has:

- (a) any unspent convictions in relation to indictable offences; or
- (b) been a director of any company at the time of, or within the 12 months preceding, its administration, receivership, insolvent liquidation or company voluntary arrangement; or
- (c) been partner in any partnership at the time of, or within 12 months preceding, its administration, receivership, insolvent liquidation or partnership voluntary arrangement; or
- (d) been declared bankrupt or been the subject of an individual voluntary arrangement; or
- (e) been subject to any official public incrimination or sanction by any statutory or regulatory authority (including designated professional bodies) and no Director or Proposed Director has ever been disqualified by a court from acting in the management or conduct of the affairs of any company.

7. DIRECTORS' SERVICE AGREEMENTS AND EMOLUMENTS

7.1 The Directors and Proposed Directors have entered into or agreed to enter into agreements with the Company as follows:

7.1.1 a letter of appointment with Giles Clarke dated 6 June 2018 under which Giles Clarke is appointed non-executive chairperson of the Company for an initial term of three years commencing on 6 June 2018 unless terminated earlier by either party giving the other at least three months' prior written notice, subject to satisfactory performance and re-election at the Company's annual general meeting. Under the letter of appointment, Giles Clarke is entitled to an annual fee of £12,000 gross and reimbursement of reasonable expenses but no other remuneration.

7.1.2 a letter of appointment with Jeremy Sparrow dated 6 June 2018 under which Jeremy Sparrow is appointed a non-executive director of the Company for an initial term of three years commencing on 6 June 2018 unless terminated earlier by either party giving the other at least three months' prior written notice, subject to satisfactory performance and re-election at the Company's annual general meeting. Under the letter of appointment, Jeremy Sparrow is entitled to an annual fee of £12,000 gross and reimbursement of reasonable expenses but no other remuneration.

7.1.3 a service agreement dated 6 June 2018 between (1) the Company and (2) Rupert Fraser which is to commence on Admission under which Rupert Fraser will be appointed Chief Executive Officer of the Company. Under the service agreement, Rupert Fraser is entitled to an annual salary of £12,000, a discretionary bonus and statutory pension together with 30 days holiday per year which includes usual public holidays or days in lieu if he is required to work on a public holiday. The terms apply until terminated on six months' notice by either party. Rupert Fraser is also subject to a 12 month non solicitation of employees restrictive covenant and a six month non-compete restrictive covenant in respect of a radius of 25 miles of any premises from which the Company operates.

7.1.4 a letter of appointment with Duncan Harvey dated 6 June 2018 under which Duncan Harvey is appointed a non-executive director of the Company for an initial term of three years commencing on Completion unless terminated earlier by either party giving the other at least three months' prior written notice, subject to satisfactory performance and re-election at the Company's annual general meeting. Under the letter of appointment, Duncan Harvey is entitled to an annual fee of £12,000 gross and reimbursement of reasonable expenses but no other remuneration.

7.1.5 a service agreement dated 6 June 2018 between (1) the Company and (2) Sebastian Luigi Andrew Snow which is becoming effective on Admission under which Sebastian Snow will be appointed Creative Director with his duties including responsibility for the operation of The Five Alls and The Plough Inn and brand oversight of The Bull Hotel. Under the service agreement, Sebastian Snow is entitled to an annual salary of £65,000, a contracted bonus, a car allowance of £4,000 per annum with reimbursement of fuel costs for business miles at HMRC approved

rate, private healthcare cover and statutory pension together with 30 days holiday per year which includes usual public holidays or days in lieu if he is required to work on a public holiday. The terms can be terminated on six months' notice by either party. Sebastian Snow is also subject to a 12 month non solicitation of employees restrictive covenant and a six month non-compete restrictive covenant in respect of a radius of 25 miles of any premises from which the Company operates.

7.1.6a consultancy services agreement between (1) the Company and (2) Dark Consulting Limited ("**Dark Consulting**") dated 6 June 2018 under which Dark Consulting agrees to make Emma Dark available to the Company to provide book keeping, payroll and management account services together with annual services relating to auditing, investor relations and associated presentations services, conditional on Admission. Under the consultancy services agreement, the Company is to pay Dark Consulting a fee of £254 per day inclusive of VAT, with Dark Consulting to invoice the Company on a monthly basis in arrears. Reasonable business mileage and accommodation expenses are also to be reimbursed by the Company to Dark Consulting. The agreement can be terminated on four weeks' notice by either party.

7.1.7a letter of appointment with Emma Dark dated 6 June 2018 under which Emma Dark is appointed finance director of the Company for an initial term of three years commencing on Admission unless terminated earlier by either party giving the other at least three months' prior written notice, subject to satisfactory performance and re-election at the Company's annual general meeting. Under the letter of appointment, Emma Dark is entitled to an annual fee of £12,000 gross and reimbursement of reasonable expenses but no other remuneration.

7.2 None of the Directors or Proposed Directors have other arrangements with the Company pursuant to which they are or will be entitled to payment, and in particular have no further entitlement to benefits upon termination of employment.

7.3 The aggregate amount of remuneration paid (including any contingent or deferred compensation) and benefits in kind granted to the Directors by the Company during the last completed financial year was £0.

7.4 Save as set out above, there are no existing or proposed service agreements between any of the Directors or Proposed Directors and the Company.

8. ARTICLES OF ASSOCIATION

The current Articles of Association of the Company were adopted by special resolution of the Company on 30 June 2015 and contain provisions, amongst other things, to the following effect:

8.1 Objects

The memorandum and articles of association of the Company contain no restrictions on the activities of the Company.

8.2 Voting Rights

8.2.1 Subject to the Articles and any special terms as to voting upon which any class of shares may be issued or may for the time being be held at a general meeting, on a show of hands, each member present in person or by proxy and entitled to vote in his own right and the duly authorised representative of one or more corporations shall have one vote, and on a poll each every member who is present in person or by proxy shall have one vote for each share of which he is the holder.

8.2.2 A poll may be demanded by:

- (a) the chairman of the meeting; or
- (b) at least three members present in person or by proxy and entitled to attend and vote at the meeting; or
- (c) any member or members present in person or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all members having the right to attend and vote at the meeting; or

- (d) any member or members present in person or by proxy and holding shares conferring a right to attend and vote at the meeting on which here have been paid up sums in the aggregate equal to and not less than one-tenth of the total sums paid up on all shares conferring that right.
- 8.2.3 A person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.
- 8.2.4 A member who is a patient for any purpose of any statute relating to mental health or in respect of whom an order has been made by any Court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may if so permitted by the Board in its absolute discretion vote, whether on a show of hands or on a poll, by his receiver, committee, curator bonis, or other person authorised in that behalf by the Court, and such receiver committee, curator bonis, or other person authorized may vote on a poll by proxy, and may otherwise act and be treated as such Member for the purposes of any general meeting, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the registered office of the Company (or at such other place in the United Kingdom as may be specified for the delivery of instruments of proxy in the notice convening the meeting or other document sent therewith) not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting of for the taking of the poll at which it is desired to vote.
- 8.2.5 In the case of an equality of votes at a general meeting, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a second or casting vote.
- 8.2.6 In the case of joint holders of a 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. Seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
- 8.2.7 A proxy need not be a member and a member may appoint more than one proxy to attend on the same occasion, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him.

8.3 Restrictions on Voting

Unless the Board otherwise determines, no member shall be entitled to vote at any general meeting or meeting of the holders of any class of shares in the capital of the Company either in person or by proxy or to be reckoned in a quorum or to exercise any other right conferred by membership in relation to meetings of the Company or the holders of any class of shares in the Company unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

8.4 General Meetings

- 8.4.1 The Board shall convene and the Company shall hold general meetings and annual general meetings in accordance with the requirements of the Act at such times and places as the Board shall appoint.
- 8.4.2 The Board may, whenever it thinks fit, convene a general meeting or in default such meetings may be convened by such requisition as is provided by the Act. If there are not within the United Kingdom sufficient directors to call a general meeting, any director or member may call the meeting. In the case of a general meeting called in pursuance of a requisition, unless such meeting shall have been called by the Board, no business other than that stated in the requisition as the object of the meeting shall be transacted.
- 8.4.3 The provisions relating to general meetings apply to every separate general meeting of the holders of any class of shares in the capital of the Company but:
 - (a) the quorum is two members present in person or by proxy and representing not less than one-third in nominal value of the issued shares of the class;
 - (b) if at any adjourned meeting of such holders such a quorum is not present one holder of shares of the class present in person or by proxy whatever the amount of his holding shall be deemed to constitute a quorum and a meeting;
 - (c) at the meeting, a holder of shares of the class present in person or by proxy may demand a poll;

- (d) on a poll every holder of shares of the class shall be entitled to one vote for every share of the class held by him.
- 8.4.4 An annual general meeting shall be called by not less than twenty-one clear days' notice in writing. A meeting other than an annual general meeting shall be called by not less than fourteen days' clear notice in writing.
- 8.4.5 The notice shall specify the place, day and time of the meeting, and the general nature of the business and include details of any arrangements made for the purposes of an adjournment. There shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and on a poll to vote instead of him, and that a proxy need not be a member. The notice convening an annual general meeting shall specify the meeting as such. The notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as such.
- 8.4.6 Subject to the provisions of the Act, notice of every general meeting shall be given to all members other than those who, under the provisions of these Articles or the terms of issue of the shares which they hold, are not entitled to receive such notices from the Company, and also to the Company's auditors.
- 8.4.7 Notwithstanding that a meeting of the Company is called by shorter notice than that specified under the Articles, it shall be deemed to have been duly called if it is so agreed:
- (a) in the case of a meeting called as an annual general meeting, by all the members entitled to attend and vote at the meeting; and
 - (b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right.
- 8.4.8 The accidental omission to give notice of a meeting, or in cases where instruments of proxy are sent out with the notice the accidental omission to send such instrument of proxy to, or the non-receipt of notice of a meeting or such instrument of proxy by, any person entitled to receive such notice, shall not invalidate the proceedings at that meeting.
- 8.4.9 The quorum for a general meeting is at least two members present in person or by proxy and entitled to vote.
- 8.4.10 If within fifteen minutes (or such longer time not exceeding one hour as the chairman of the meeting may determine to wait) after the time appointed for the meeting a quorum is not present or if during the meeting a quorum ceases to be present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to such other day (not being less than seven days thereafter) and at such time or place as the chairman of the meeting may determine. If at the adjourned meeting a quorum is not present within fifteen minutes from the time appointed for the meeting, or if during the meeting a quorum ceases to be present the meeting shall be dissolved. The Company shall give not less than seven days' notice in writing of any meeting adjourned through want of a quorum and such notice shall state that two members present in person or by proxy and entitled to vote shall be a quorum.
- 8.4.11 The chairman may, with the consent of the meeting at which a quorum is present (and shall, if directed by the meeting to do so), adjourn the meeting either indefinitely or to another time or place. The chairman may also, without the consent of the meeting, adjourn the meeting (whether or not it has commenced or is quorate) either indefinitely or to such other time and place as he or the Directors decide if it appears to him that:
- (a) adequate facilities are not available to accommodate the number of persons wishing to attend in the place appointed for the meeting; or
 - (b) the unruly conduct of persons attending the meeting prevents or is likely to prevent the orderly holding or continuation of the meeting; or
 - (c) an adjournment is otherwise necessary for the business of the meeting to be conducted properly; or
 - (d) a proposal of such importance is made that the consideration of a larger number of members is desirable.

- 8.4.12 When a meeting is adjourned for thirty days or more or for an indefinite period, not less than seven clear days' notice of the adjourned meeting shall be given as in the case of an original meeting save that it shall not be necessary to specify the business to be transacted. Unless a meeting is adjourned for want of a quorum, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- 8.4.13 Each director shall be entitled to attend and speak at any general meeting of the Company even if not a member.
- 8.4.14 The chairman (if any) of the Board or, in his absence, a deputy chairman (if any) shall preside as chairman at every general meeting. If there is no such chairman or deputy chairman, or if at any meeting neither the chairman nor a deputy chairman is present within fifteen minutes after the time appointed for holding the meeting, or if neither of them is willing to act as chairman, the directors present shall choose one of their number to act, or if one director only is present he shall preside as chairman if willing to act. If no director is present, or if each of the directors present declines to take the chair, the persons present and entitled to vote on a poll shall elect one of their number to be chairman.

8.5 Dividends

- 8.5.1 Subject to the Act, the Company in a general meeting may from time to time declare dividends to be paid to the members according to their rights and interests in the profits available for distribution, but no dividend shall be declared in excess of the amount recommended by the Board.
- 8.5.2 Except in so far as the rights attaching to, or the terms of issue of, any share otherwise provide:
- (a) all dividends shall be declared and paid according to the nominal amounts (excluding any premium) paid up on the shares in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall, for this purpose, be treated as paid up on the share; and
 - (b) all dividends shall be apportioned and paid *pro rata* according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.
- 8.5.3 The Board may from time to time pay to the members such interim dividends as appear to the Board to be justified by the profits of the Company and in particular (but without prejudice to the generality of the foregoing) if at any time the share capital of the Company is divided into different classes the Board may pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders deferred or non-preferential rights as well as in respect of those shares which confer on the holders preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferential rights if at the time of payment any preferential dividend is in arrear. Provided that the Board acts *bona fide*, the Board shall not incur any responsibility to the holders of shares conferring any preference for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferential rights.
- 8.5.4 No dividend shall be paid otherwise than out of profits available for distribution in accordance with the Act.
- 8.5.5 Subject to the provisions of the Act, insofar as in the opinion of the Board the profits of the Company justify such payments, the Board may pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for payment of them.
- 8.5.6 The Board may deduct from any dividend or other moneys payable to a member by the Company on or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in respect of shares of the Company.
- 8.5.7 The Board may retain the dividends payable upon shares in respect of which any person is entitled to become a member under the provisions of the Articles as to the transmission of shares, or which any person is under those provisions entitled to transfer, until that person becomes a member in respect of those shares, or transfers the same.
- 8.5.8 All dividends shall be apportioned and (subject to any lien of the Company) paid to members on the Company's register of members on the date on which the dividend is declared, made or paid (notwithstanding any subsequent transfer or transmission of shares) proportionately to the amounts paid up on the shares during any portion of the period in respect of which the dividend is paid; but

if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

- 8.5.9 No dividend or other moneys payable by the Company on or in respect of any share shall bear interest against the Company.
- 8.5.10 Any dividend unclaimed after a period of 12 years from the date such dividend became due for payment shall be forfeited and shall revert to the Company. The payment by the Board of any unclaimed dividend, interest or other sum payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof.
- 8.5.11 Any general meeting declaring a dividend may by ordinary resolution, upon the recommendation of the Board, direct payment or satisfaction of such dividend wholly or in part by the distribution of specific assets, and in particular of paid up shares or debentures of the Company or any other company, and the Board shall give effect to such direction. Where any difficulty arises in regard to such distribution the Board may settle it as it thinks expedient, and in particular may issue fractional certificates or authorise any person to sell and transfer any fractions and arrange for the distribution of the net proceeds of sale in due proportion among the members who would have been entitled to the fractions, or for the retention of such net proceeds for the benefit of the Company, or may ignore fractions altogether. The Board may fix the value for distribution purposes of any such specific assets and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to secure equality of distribution and may vest such specific assets in trustees as may seem expedient to the Board.

8.6 Variation of Rights

- 8.6.1 Subject to the Companies Act (and associated legislation) and the terms of their issue, all or any of the rights and restrictions for the time being attached to any class of shares for the time being issued may from time to time (whether or not the Company is being wound up) be varied, added to or abrogated with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class (as is currently required by law).
- 8.6.2 The rights conferred upon the holders of any shares or class of shares shall be deemed to be varied or abrogated by the reduction of the capital paid up on such shares or by the allotment of further shares ranking in priority to them for payment of a dividend or repayment of capital but shall not, unless otherwise expressly provided in the Articles or the rights attaching to, or the terms of issue of, such shares, be deemed to be varied or abrogated by:
- (a) the issue of further shares ranking *pari passu* with them or subsequent to them save as to the date from which such new shares shall rank for dividends; or
 - (b) subject to the rights attaching to the shares, a purchase by the Company of its own shares.

8.7 Transfer of Shares

- 8.7.1 Subject to any other applicable provisions of the Articles, any member may transfer all or any of his shares, in the case of certificated shares, by an instrument of transfer in the usual common form or in any other manner (whether or not by written instrument) which the Board may approve. Any written instrument of transfer of a share shall be signed by or on behalf of the transferor and also (in the case of a partly paid share) the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect of it.
- 8.7.2 In the case of uncertificated shares, and subject to the Act, but notwithstanding any other provision of the Articles, a member shall be entitled to transfer his shares and other securities by means of a relevant system.
- 8.7.3 The Board may, without giving any reason, decline to register any transfer of any share which is not a fully paid share providing that any such refusal will not prevent dealings in the shares from taking place on an open and proper basis.
- 8.7.4 The Board may decline to register a transfer of any share to a person known to be a minor, bankrupt or person who is mentally disordered or a patient for the purpose of any statute relating to mental health.

8.7.5 The Board may also decline to register any transfer unless:

- (a) any written instrument of transfer, duly stamped, is lodged with the Company at the Company's registered office or such other place as the Board may appoint accompanied by the certificate for the shares to which it relates (except in the case of a transfer by a recognised person or a holder of such shares in respect of whom the Company is not required by law to deliver a certificate and to whom a certificate has not been issued in respect of such shares);
- (b) there is provided such evidence as the Board may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person to do so; and
- (c) any instrument of transfer is in respect of only one class of share; and
- (d) in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed four.

8.7.6 If the Board declines to register a transfer it shall, within ten business days or such other period (if any) as may be prescribed by the Act, send to the transferee notice of the refusal.

8.7.7 No fee shall be charged by the Company for registering any transfer.

8.8 Alteration and Increase of Capital

8.8.1 If as a result of any alteration of share capital by way of consolidation and/or division members would become entitled to fractions of a share, the Board may, for the purpose of dealing with the fractions, issue fractional certificates or arrange for the sale of the shares representing fractions and the distribution of the net proceeds of sale in due proportion amongst the members who would have been entitled to the fractions, or, if permitted, for the retention of such net proceeds for the benefit of the Company. For this purpose the Board may authorise some person to transfer the shares representing fractions to the purchaser, who shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

8.8.2 Upon any consolidation of fully paid shares into shares of larger amounts, the Board may settle any difficulty which may arise as it thinks expedient subject to the provisions of the Articles.

8.9 Redemption

The Ordinary Shares are not redeemable.

8.10 Directors

8.10.1 Number of Directors

Unless otherwise determined by ordinary resolution, the number of Directors (other than alternate directors) shall be not less than two but shall not be subject to any maximum in number.

8.10.2 Remuneration of Directors

The directors (other than alternate directors) shall be paid such fee for their services in their offices as Directors as are determined by the other Directors. The aggregate of the fees for non-executive directors (excluding amounts payable under any other provision of the Articles) shall not exceed in aggregate £250,000 per annum or such higher amount as the Company may from time to time by ordinary resolution determine. The non-executive directors may be paid all reasonable travelling, hotel and incidental expenses properly incurred by them in connection with their attendances with the discharge of their duties.

8.10.3 Restrictions on voting by Directors

Except as otherwise provided by the Articles, a Director may not vote at a meeting of the Board or of a committee of the Board on any resolution concerning a contract in which he has an interest and, if he does vote, his vote will not be counted, except where that interest cannot reasonably be regarded as likely to give rise to a conflict of interest or where that interest relates to:

- (a) a resolution about giving him any guarantee, indemnity or security for money which he or any other person has lent or obligations he or any other person has undertaken at the request of or for the benefit of the Company or any of its subsidiary undertakings;
- (b) a resolution about giving any guarantee, indemnity or security to another person for a debt or obligation which is owed by the Company or any of its subsidiary undertakings to that other person, if the director has taken responsibility for some or all of that debt or obligation. The director can take this responsibility by giving a guarantee, indemnity or security;
- (c) a resolution about giving him any other indemnity where all other directors are also being offered indemnities on substantially the same terms;
- (d) a resolution about the Company funding his expenditure on defending proceedings or the Company doing something to enable him to avoid incurring such expenditure where all other directors are being offered substantially the same arrangements;
- (e) a resolution relating to an offer by the Company or any of its subsidiary undertakings of any shares or debentures or other securities for subscription or purchase if the director takes part because he is a holder of shares, debentures or other securities or if he takes part in the underwriting or sub-underwriting of the offer;
- (f) a resolution about a contract in which he has an interest because of his interest in shares or debentures or other securities of the Company or because of any other interest in or through the Company;
- (g) a resolution about a contract involving any other company if the director has an interest of any kind in that company (including an interest by holding any position in that company or by being a shareholder in that company). This does not apply if he knows that he has a Relevant Interest in that company (being where he holds an interest in shares representing one per cent. or more of a class of equity share capital (calculated exclusive of any shares of that class in that company held as treasury shares) or of the voting rights of that company);
- (h) a resolution about a contract relating to a pension fund, superannuation or similar scheme or retirement, death or disability benefits scheme or employees' share scheme which gives the director benefits which are also generally given to the employees to whom the fund or scheme relates;
- (i) a resolution about a contract relating to an arrangement for the benefit of employees of the Company or of any of its subsidiary undertakings which only gives him benefits which are also generally given to the employees to whom the arrangement relates; and
- (j) a resolution about a contract relating to any insurance which the Company can buy or renew for the benefit of directors or of a group of people which includes directors.

8.10.4 **Powers to Authorise Conflicts of Interest**

The Directors may, subject to the quorum and voting requirements set out in the New Articles, authorise any matter which would otherwise involve a Director breaching his duty under the Act to avoid conflicts of interest. A Director seeking authorisation in respect of a conflict must tell the Directors of the nature and extent of his interest in a conflict as soon as possible. The Director must give the Directors sufficient details of the relevant matter to enable them to decide how to address the conflict together with any additional information which they may request.

Any Director (including the relevant Director) may propose that the relevant Director be authorised in relation to any matter the subject of a conflict. Such proposal and any authority given by the Directors shall be effected in the same way that any other matter may be proposed to and resolved upon by the Directors under the provisions of the Articles except that:

- (a) the relevant Director and any other Director with a similar interest will not count in the quorum and will not vote on a resolution giving such authority; and
- (b) the relevant Director and any other Director with a similar interest may, if the other Directors so decide, be excluded from any meeting of the Directors while the Conflict is under consideration. If a Director knows that he is in any way directly or indirectly interested in a proposed contract with the Company or a contract that has been entered into by the Company, he must tell the other Directors of the nature and extent of that interest in accordance with the Companies Act.

A Director cannot vote or be counted in the quorum on a resolution of the Directors about a contract in which he has an interest and, if he does vote, his vote will not be counted, subject to exceptions specified in the Articles.

If a question arises at a meeting of the Directors about whether a Director (other than the Chairman of the meeting) has an interest in a contract and whether it is likely to give rise to a conflict of interest or whether he can vote or be counted in the quorum and the Director does not agree to abstain from voting on the issue or not to be counted in the quorum, the question must be referred to the Chairman of the meeting. The Chairman of the meeting's ruling about any other Director is final and conclusive, unless the nature or extent of the Director's interest (so far as it is known to him) has not been fairly disclosed to the Directors. If the question comes up about the Chairman of the meeting, the question shall be decided by a resolution of the Directors. The Chairman of the meeting cannot vote on the question but can be counted in the quorum. The Directors' resolution about the Chairman of the meeting is conclusive, unless the nature or extent of the Chairman's interest (so far as it is known to him) has not been fairly disclosed to the Directors.

The Company can by ordinary resolution suspend or relax the provisions of the Articles relating to a Director's conflict of interest to any extent or ratify any contract which has not been properly authorised in accordance with its provisions.

8.10.5 *Executive Directors*

The Board may from time to time appoint one or more of its body to be Executive Chairman, Non Executive Chairman, Chief Executive Director, Joint Chief Executive Director, Managing Director, Joint Managing Director, Assistant Managing Director or Chief Operating Officer or to hold any other employment or executive office with the Company for such period (subject to the Companies Acts) and upon such terms as the Board may determine and may revoke or terminate any of such appointments. Any such revocation or termination as aforesaid shall be without prejudice to any claim for damages that such Director may have against the Company or the Company may have against such Director for any breach of any contract of service between him and the Company.

An Executive Director shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and either in addition to or in lieu of his remuneration as a Director.

8.10.6 *Retirement of Directors by rotation*

At each annual general meeting, one third of the directors (other than Executive Directors) or, if their number is not three or a multiple of three, the number nearest to but not greater than, one third shall retire from office and each director shall retire from office at least once every three years. If there is only one director who is subject to retirement by rotation, he shall retire. The directors who shall retire shall be those directors subject to retirement by rotation who have been longest in office since their last election, but, as between persons who became or were re-elected on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by a lot.

8.10.7 *Directors' gratuities and pensions*

The Board, on behalf of the Company, may, subject to the provisions of the Companies Acts, exercise all the powers of the Company to grant pensions, annuities or other allowances and benefits in favour of any person including any Director or former Director or the relations, connections or dependants of any Director or former Director, provided that no pension, annuity or other allowance or benefit (except such as may be provided for by any other Article) shall be granted to a Director or former Director who has not been an Executive Director or held any other office or place of profit under the Company or any of its subsidiaries or subsidiary undertakings or to a person who has no claim on the Company except as a relation, connection or dependant of such a Director or former Director without the approval of an ordinary resolution of the Company. A Director or former Director shall not be accountable to the Company or the members for any benefit of any kind conferred under or pursuant to the relevant Article and the receipt of any such benefit shall not disqualify any person from being or becoming a Director of the Company.

8.11 *Borrowing Powers*

Except as otherwise provided by the Articles, the Board may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and assets (present or future) and

uncalled capital or any part thereof and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

8.12 Winding Up

The Board shall have power in the name and on behalf of the Company to present a petition to the Court for the Company to be wound up. Save as otherwise provided in the Articles and subject to the rights attached to any shares issued on any special terms and conditions, on a return of assets on a winding up or otherwise the surplus assets of the Company, after discharge of its liabilities shall belong to and be distributed amongst the holders of shares in proportion to the number of such shares held by them respectively after deducting in respect of any share not fully paid up, the amount remaining unpaid on it (whether or not then payable).

8.13 Pre-emption Rights

There are no rights of pre-emption under the Articles in respect of transfers of issued ordinary Shares, however in certain circumstances, Shareholders may have statutory pre-emption rights under the Act in respect of the allotment of new shares in the Company. These statutory pre-emption rights would require the Company to offer new shares for allotment to existing Shareholders on a *pro rata* basis before allotting them to other persons. In such circumstances, the procedure for the exercise of such statutory pre-emption rights would be set out in the documentation by which such shares would be offered to the Company's Shareholders.

8.14 Change in Control

There are no provisions in the Articles which would have an effect of delaying, deferring or preventing a change in control of the Company.

8.15 Ownership threshold

There are no provisions in the Articles which govern the ownership threshold above which shareholder ownership must be disclosed.

9. TAXATION

9.1 Taxation in the United Kingdom

The following information is based on UK tax law, proposals announced in the 22 November 2017 Budget and HM Revenue and Customs ("HMRC") practice currently in force in the UK. Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time. Please note that announcements in the 22 November 2017 Budget are only proposals and have not yet been enacted in UK tax legislation. The information that follows is for guidance purposes only. Any person who is in any doubt about his or her position should contact their professional advisor immediately.

9.1.1 Tax treatment of UK investors

The following information, which relates only to UK taxation, is applicable to persons who are resident in the UK and who beneficially own New Ordinary Shares as investments and not as securities to be realised in the course of a trade. It is based on the law and practice currently in force in the UK. The information is not exhaustive and does not apply to potential investors:

- (i) who intend to acquire, or may acquire (either on their own or together with persons with whom they are connected or associated for tax purposes), more than 10 per cent., of any of the classes of shares in the Company; or
- (ii) who intend to acquire New Ordinary Shares as part of tax avoidance arrangements; or
- (iii) who are in any doubt as to their taxation position.

Such Shareholders should consult their professional advisers without delay. Shareholders should note that tax law and interpretation can change and that, in particular, the levels, basis of and reliefs from taxation may change. Such changes may alter the benefits of investment in the Company.

Shareholders who are neither resident nor temporarily non-resident in the UK and who do not carry on a trade, profession or vocation through a branch, agency or permanent establishment in the UK with which the New Ordinary Shares are connected, will not normally be liable to UK taxation on dividends paid by the Company or on capital gains arising on the sale or other disposal of New Ordinary Shares. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

9.1.2 **Dividends**

Where the Company pays dividends no UK withholding taxes are deducted at source, Shareholders who are resident in the UK for tax purposes will, depending on their circumstances, be liable to UK income tax or corporation tax on those dividends.

UK resident individual Shareholders who are domiciled in the UK, and who hold their Shares as investments, will be subject to UK income tax on the amount of dividends received from the Company.

Dividend income received before 6 April 2018 by UK tax resident individuals will have a £5,000 annum dividend tax allowance, and a £2,000 dividend allowance after 6 April 2018. A Dividend receipts in excess of £5,000 or £2,000 will be taxed at 7.5 per cent. for basic rate taxpayers, 32.5 per cent for higher rate taxpayers, and 38.1 per cent. for additional rate taxpayers.

Shareholders who are subject to UK corporation tax should generally, and subject to certain anti-avoidance provisions, be able to claim exemption from UK corporation tax in respect of any dividend received but will not be entitled to claim relief in respect of any underlying tax.

9.1.3 **Disposals of New Ordinary Shares**

Any gain arising on the sale, redemption or other disposal of New Ordinary Shares will be taxed at the time of such sale, redemption or disposal as a capital gain.

The rate of capital gains tax on disposal of New Ordinary shares by basic rate taxpayers is 10 per cent., and for upper rate and additional is 20 per cent.

For Shareholders within the charge to UK corporation tax, indexation allowance may reduce any chargeable gain arising on disposal of New Ordinary Shares but will not create or increase an allowable loss. However as proposed in 22 November 2017 Budget indexation allowance will be removed after 1 January 2018. Please note that this provision has yet to receive Royal ascent, and in the unlikely event that it is not enacted indexation allowances will continue to be available after 1 January 2018.

Subject to certain exemptions, the corporation tax rate applicable to its taxable profits is currently 19 per cent. falling to 17 per cent. after 1 April 2020.

9.1.4 **Further information for Shareholders subject to UK income tax and capital gains tax**

9.1.4.1 *“Transactions in securities”*

The attention of Shareholders (whether corporates or individuals) within the scope of UK taxation is drawn to the provisions set out in, respectively, Part 15 of the Corporation Tax Act 2010 and Chapter 1 of Part 13 of the Income Tax Act 2007, which (in each case) give powers to HM Revenue and Customs to raise tax assessments so as to cancel “tax advantages” derived from certain prescribed “transactions in securities”.

9.1.5 **Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)**

No UK stamp duty or stamp duty reserve tax (SDRT) will be payable on the allotment and issue of New Ordinary Shares pursuant to the Placing or on the purchase of New Ordinary Shares following Admission due to the current tax status of NEX Exchange Growth Market securities.

THIS SUMMARY OF UK TAXATION ISSUES CAN ONLY PROVIDE A GENERAL OVERVIEW OF THESE AREAS AND IT IS NOT A DESCRIPTION OF ALL THE TAX CONSIDERATIONS THAT MAY BE RELEVANT TO A DECISION TO INVEST IN THE COMPANY. THE SUMMARY OF CERTAIN UK TAX ISSUES IS BASED ON THE LAWS AND REGULATIONS IN FORCE AS OF THE DATE OF THIS DOCUMENT AND MAY BE SUBJECT TO ANY CHANGES IN UK LAWS

OCCURRING AFTER SUCH DATE. LEGAL ADVICE SHOULD BE TAKEN WITH REGARD TO INDIVIDUAL CIRCUMSTANCES. ANY PERSON WHO IS IN ANY DOUBT AS TO HIS TAX POSITION OR WHERE HE IS RESIDENT, OR OTHERWISE SUBJECT TO TAXATION, IN A JURISDICTION OTHER THAN THE UK, SHOULD CONSULT HIS PROFESSIONAL ADVISER.

10. WORKING CAPITAL

The Directors and Proposed Directors are of the opinion, having made due and careful enquiry and after taking into account the net proceeds of the Placing receivable by the Company, that the working capital available to the Company will be sufficient for the period of at least twelve months following Admission.

11. PREMISES

- 11.1 The Company's registered office is currently provided by Westleigh Investments Holdings Limited, a company of which Giles Clarke is a director and majority shareholder, under an informal licence for no charge and will continue to be so provided.
- 11.2 The Company has or will have the following interests in the following premises:
- 11.2.1 on completion of the Acquisition, title to the adjacent freehold properties known as The Plough Inn, Kelmscott, Lechlade and Stable Cottage, Kelmscott, Lechlade;
- 11.2.2 a leasehold interest in the property known as Five Alls Inn Public House, Filkins, Lechlade, Gloucestershire pursuant to a lease to be entered into with W. H. Brakspear & Sons Limited on or before completion of the Acquisition with a term of 21 years subject to initial rent of £110,000, which is subject to annual RPI rent reviews and open market rent reviews on the sixth, eleventh and sixteenth anniversaries and penultimate day of the 21 year term. The Company is obliged to purchase all beers and non-beer drinks from the landlord, as sold by the landlord from time to time, on standard terms of trading provisions. The lease cannot be assigned for the first three years of its terms and thereafter can be assigned with landlord's consent, not to be unreasonably withheld. The Company is also obliged to pay a deposit to the landlord equal to three months' rent from time to time and to pay service charges; and
- 11.2.3 a leasehold interest in respect of the property known as The Bull, land and buildings lying to the South West thereof, Market Place, Fairford, Gloucestershire pursuant to a new tenancy agreement to be entered into with Arkell's Brewery Limited on or before completion of the Acquisition with a term of ten years and initial rent fixed for the first five years at £104,505 per annum, £108,505, £112,505, £116,505 and £120,505, with rents thereafter to be increased annually by RPI. The term is subject to a landlord and tenant break clause every three years and the landlord has the right to terminate the lease on one month's notice if Alex Snow (the Chairman of Turf to Table) ceases to be included in the management of the business of The Bull. The Company is obliged to purchase all beers and non-beer drinks from the landlord, as sold by the landlord from time to time, on standard terms of trading provisions. The lease cannot be assigned at any time.

12. LITIGATION

The Company has not been engaged in or is currently engaged in any governmental, legal or arbitration proceedings which have had or may have a significant effect on the financial position or profitability of the Company and, so far as the Directors and Proposed Directors are aware, there are no such proceedings pending or threatened against the Company, nor will there be immediately following Completion of the Acquisition.

13. MATERIAL CONTRACTS

- 13.1 The following material contracts, not being a contract entered into in the ordinary course of business, have been entered into by the Company during the two years immediately prior to the date of this document and are, or may be, material:

13.1.1 **Facility Agreement**

On 2 February 2018, the Company entered into a letter facility agreement with the Vendor under which the Company agreed to make available to the Vendor a loan in the principal sum of £125,000. Such loan does not accrue interest and is repayable within 5 working days of written demand by the Company ending on or after 3 April 2018 or, earlier, on the occurrence of certain default events. Repayment of the loan is secured by way of a charge over shares in the Vendor held by Alexander Snow, Sebastian Snow and Iliriana Snow amounting in aggregate to 386,004 shares representing approximately 51.42 per cent. of the Vendor's issued share capital, which is due to be released on Completion when the Vendor will repay the loan in full.

13.1.2 **Acquisition Agreement**

- (a) The purchase price for the Business is a completion payment of £645,000, to be satisfied as to £520,000 by the issue and allotment of the Consideration Shares to the Vendor and £125,000 in cash which the Vendor will use to repay to the Company all monies owed pursuant to the Facility Agreement. In addition, the Company is to pay the Vendor additional deferred consideration, dependant on the operating profit of the Business during the 3 years from Completion. These payments amount in aggregate to £560,000, payable as to up to £180,000 if the operating profits in respect of the year ending 31 May 2019 of Completion exceed £100,000; up to £180,000 if the operating profits in respect of the 12 month period ending on 31 May 2020 exceed £200,000; and up to £200,000 if the operating profit in respect of the 12 months ending on 31 May 2021 exceed £300,000. All such earn-out payments are to be satisfied in cash or otherwise, at the Company's discretion, by the issue and allotment of New Ordinary Shares at the Issue Price. Operating profit referred to in this paragraph is the revenue of the Business during the relevant period less the direct operating costs of the Business for that period calculated by applying the same accounting principles, policies and practices as applied by the Vendor in the preparation of its accounts and excluding central operating costs of the Company other than a fixed amount of £35,000.
- (b) Completion of the Acquisition Agreement is conditional, *inter-alia*, on Admission and completion of the Placing Agreement. During the period between execution of the Acquisition Agreement and Completion, the Vendor is to carry on the Business in the ordinary and normal course.
- (c) Under the Acquisition Agreement, the Company has agreed to purchase the Business and associated assets and assume certain specified liabilities from the Vendor, such liabilities including such amount as is required to redeem the mortgage granted by the Vendor in favour of the Royal Bank of Scotland plc and associated overdraft facility provided this does not exceed £270,000. Other assumed liabilities include: trade creditors; assumed contracts, plumbing works at the Plough Inn (of approximately £15,000 plus VAT), water and sewage charges for the Bull Hotel from 31 October 2016 and liabilities in respect of VAT and PAYE which were an aggregate of £108,893 as at 28 February 2018 and otherwise as incurred in the ordinary course of business.
- (d) The Vendor has provided certain warranties under the Acquisition Agreement to the Company relating, *inter-alia*, to the Business and the assets being acquired including litigation and compliance matters. The aggregate liability of the Vendor for claims under the warranties shall not exceed, the completion payment referred to above and no claim can be brought unless the individual claim exceed £5,000 and the aggregate of all such claims exceeds £20,000, with any claim to be brought before the second anniversary of Completion. The warranty claims are subject to certain other limitations under the Acquisition Agreement.
- (e) In addition, pursuant to the terms of the Acquisition Agreement, the Vendor has undertaken to the Company and Allenby Capital that it will not dispose of any interest in the Consideration Shares for a period of 12 months from Admission nor any interest in any Deferred Consideration Shares (or any other Ordinary Shares acquired by the Vendor) for a period of 12 months from the date of their relevant allotment and, in each case, for a further 12 months to only dispose of any interest in such shares through Allenby Capital (unless otherwise agreed in writing by Allenby Capital, such consent not

to be unreasonably withheld, conditioned or delayed). This lock-in undertaking is subject to certain exclusions.

- (f) The Vendor undertakes to the Company that it will not compete with the Business for two years from Completion in Gloucestershire and also provide non-solicitation covenants in respect of employees in favour of the Company and agrees to restrictions on use of trade names.

13.1.3 The leasehold agreements referred to in paragraphs 11.2.2 and 11.2.3 above.

13.1.4 **NEX Exchange Corporate Adviser and Broker Agreement**

Under an agreement dated 6 June 2018 between the Company, the New Directors and Allenby Capital in relation to the appointment of Allenby Capital as broker to the Company and NEX Exchange Corporate Adviser for the purposes of the NEX Exchange Rules the Company will pay:

- (i) an annual fee of £40,000 plus VAT (subject to annual review by agreement between the parties) (if applicable); and
- (ii) all reasonable and properly incurred costs and expenses (including legal expenses) incurred after Admission by Allenby Capital in connection with its appointment as NEX Corporate Adviser and Broker plus VAT (if applicable);

to Allenby Capital for acting as NEX Corporate Adviser and broker during and following Admission, payable quarterly in advance. The agreement will continue for not less than 12 months from the date of Admission and may be terminated by either party giving not less than three months' prior written notice expiring on or after the date 12 months from the date of Admission.

13.1.5 **Placing Agreement**

- (a) Under a Placing Agreement dated 6 June 2018 between (1) the Company (2) the Directors and Proposed Directors and (3) Allenby Capital, Allenby Capital was appointed as agent of the Company to use its reasonable endeavours to procure subscribers for the Placing Shares at the Issue Price. Pursuant to the Placing Agreement, the Company and the Directors and Proposed Directors have given certain warranties and an indemnity to Allenby Capital and the Directors and Proposed Directors have given certain warranties regarding, *inter alia*, the accuracy of information in this document. The Placing is not underwritten.
- (b) The Placing Agreement is conditional, *inter alia*, on Admission taking place no later than 8.00 a.m. on 26 June 2018 (or such later date as the Company and Allenby Capital may agree, not being later than 8.00 a.m. on 10 July 2018) and the Company and its Directors and the Proposed Directors complying with certain obligations under the Placing Agreement. Under the Placing Agreement, the Company has agreed to pay (together with VAT where applicable): a corporate finance fee of £150,000; and all professional fees (including without limitation its legal fees) and out-of-pocket expenses incurred by Allenby Capital for the purpose of or in connection with the Placing.

Allenby Capital is entitled, in certain limited circumstances, to terminate the Placing Agreement prior to Admission and to the payment of its outstanding costs on such termination.

13.1.6 Under Lock-in Agreements dated 6 June 2018 between (1) the Company (2) the Directors (3) the Proposed Directors (4) Jasmin Harvey and (5) Allenby Capital, each of the Directors, Proposed Directors and Jasmin Harvey have agreed that they will not dispose of Ordinary Shares for a period of 12 months following Admission and, other than through Allenby Capital or the Company's broker so as to preserve an orderly market, that they will not sell any Ordinary Shares for the period of 12 months thereafter. These "lock-in" arrangements are subject to certain exceptions and will apply in respect of 14,959,596 Ordinary Shares, representing, in aggregate, 39.42 per cent. of the Company's Enlarged Issued Share Capital.

13.1.7 Warrants/options: the Company has issued/granted certain warrants as summarised in paragraph 4.13 and 4.14 above. The terms for these warrants are summarised in paragraphs 4.15 to 4.18 above.

- 13.2 No material contract, not being a contract entered into in the ordinary course of business, is being assigned, novated or transferred to the Company by the Vendor on Completion of the Acquisition which is, or may be, material other than the property referred to in paragraph 11.2.1 above.

14. RESEARCH AND DEVELOPMENT, PATENTS AND LICENCES

As at the date of this document, and immediately following completion of the Acquisition, the Company has no and will have no material research and development policies.

15. INVESTMENTS

Save as set out in this document in respect of the Acquisition, the Company has no principal investment that are in progress and will not have any principal investments in progress immediately following completion of the Acquisition.

16. RELATED PARTY TRANSACTIONS

- 16.1 During the 12 months immediately prior to the date of this document, the Company has not entered into any related party transactions, other than as set out in paragraph 11.1 and 16.2 of this Part VII and the Company will not have entered into any related party transactions immediately following completion of the Acquisition.
- 16.2 On 28 September 2017 the Company agreed a contract with Westleigh Investments Holdings Limited, of which Giles Clarke is a director and major shareholder, to provide bookkeeping and other secretarial services for a fee of £19,000 per six months.

17. NO SIGNIFICANT CHANGE

- 17.1 Save as disclosed in this document, there has been no significant change in the financial or trading position of the Company (including any significant changes to its indebtedness) since 31 December 2017, the date to which the last audited accounts of the Company were prepared, to the date of this document.
- 17.2 Save as disclosed in this document there has been no significant change in the financial or trading position of T2T (including any significant changes to its indebtedness) since 31 August 2017 to the date of this document.

18. GENERAL

- 18.1 The auditors of the Company, as at the date of this document and in respect of the periods covered by the historical financial information on the Company set out in Parts III and IV of this document, are Crowe Clark Whitehill LLP of St Bride's House, 10 Salisbury Square, London EC4Y 8EH. Crowe Clark Whitehill LLP are registered to carry on company audit work by the Institute of Chartered Accountants in England and Wales and authorised and regulated by the Financial Conduct Authority.
- 18.2 The statutory accounts of the Company for the financial period ended 31 December 2017 have been audited. The financial information contained in this document does not constitute full statutory accounts as referred to in section 434 of the Act.
- 18.3 The expenses of or incidental to Admission and the Placing (including NEX Exchange fees, printing, advertising and distribution costs, legal, accounting, corporate finance and public relations fees and expenses) payable by the Company are estimated to amount to approximately £433,000 including VAT.
- 18.4 Crowe Clark Whitehill LLP has given and not withdrawn its written consent to the inclusion of references to the firm herein in the form and context in which they appear and to the inclusion of its reports in this document.
- 18.5 Fleurets Limited has given and not withdrawn its written consent to the issue of this document with its name included in it and references to them in the form and context in which they appear and to the inclusion of its report in this document.

- 18.6 Allenby Capital has given and not withdrawn its written consent to the issue of this document with its name included in it and references to them in the form and context in which they appear.
- 18.7 The Company's accounting reference date is 31 December.
- 18.8 This document has been prepared in accordance with current UK tax legislation, practice and concession and interpretation thereof. Such legislation and practice may change and the current interpretation may therefore no longer apply.
- 18.9 No person, either directly or indirectly, has in the 12 months prior to the date of this document received or is contractually entitled (except as otherwise disclosed in this document) to receive either directly or indirectly, from the Company (excluding in either case persons who are trade suppliers, professional advisers or underwriters otherwise disclosed in this document) fees in excess of £10,000 in respect of services provided during the period of 12 months prior to the date of this document.
- 18.10 Where information in this document has been sourced from a third party, the information has been accurately reproduced and, as far as the Company and the Directors and Proposed Directors are aware and are able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Reference materials include various historical and recent publications.

Date: 6 June 2018

NOTICE OF GENERAL MEETING

SOVEREIGN MINES OF AFRICA PLC

(registered in England and Wales under company No: 07139678)

NOTICE IS HEREBY GIVEN that a general meeting of Sovereign Mines of Africa Plc (**Company**) will be held at Lakeside, Fountain Lane, St Mellons, Cardiff CF3 0FB at 10.00 a.m. on 25 June 2018 for the purpose of considering and, if thought fit, passing the following resolutions of which resolutions 1 to 2 will be proposed as ordinary resolutions and resolutions 3 to 4 as special resolutions:

ORDINARY RESOLUTIONS

1. Subject to the passing of Resolutions 2, 3 and 4, every 33 of the Company's issued ordinary shares of £0.0001 (0.01p) each be consolidated into one ordinary share of £0.0033 (0.33p) each, with such shares having the same rights and being subject to the same restrictions (save as to nominal value) as the existing ordinary shares of £0.0001 (0.01p) each in the capital of the Company as set out in the Company's articles of association for the time being.
2. Subject to the passing of Resolutions 1, 3 and 4 the directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (**Act**) to exercise, and to delegate to any duly constituted committee of the directors, all of the powers of the Company to allot shares in the Company (**Shares**), grant rights to subscribe for or convert security into Shares (**Rights**):
 - 2.1. up to an aggregate nominal value of £39,600.00 pursuant to the issue of the Consideration Shares and Deferred Consideration Shares pursuant to the terms of the Acquisition Agreement (each as defined in the admission document of the Company, dated 6 June 2018 (the "**Admission Document**"));
 - 2.2. up to an aggregate nominal value of £20,075.01 pursuant to the issue of Placing Shares (as defined in the Admission Document);
 - 2.3. otherwise conditionally only upon Admission having occurred up to an aggregate nominal amount of £125,227.58 (such amount to be reduced by the nominal amount of any equity security allotted pursuant to the authority in Resolution 2.4 below); and
 - 2.4. for the allotment of equity securities (as defined in section 560 of the Act) up to an aggregate nominal amount of £125,227.58 in connection with an offer by way of a rights issue:
 - 2.4.1. to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings;
 - 2.4.2. to the holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary,

but subject to such exclusion or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the law of any territory or the requirements of any regulatory body or stock exchange;

provided that this authority shall, unless renewed, varied or revoked by the Company expire on the date of the annual general meeting of the Company in 2019 or, if earlier, the date which is 15 months after the passing of this resolution save that the Company may, before such expiry, make offers or agreements which would or might require Shares to be allotted or Rights to be granted and the directors may allot equity securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This Resolution revokes and replaces all unexercised authorities previously granted to the directors to allot equity securities but without prejudice to and allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

SPECIAL RESOLUTIONS

3. Subject to the passing of Resolutions 1, 2 and 4, the directors be given the power in accordance with section 570 of the Act, to allot equity securities (as defined by section 560(1) of the Act) for cash, either pursuant to the authority conferred by Resolution 2 or by way of a sale of treasury shares, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:
 - 3.1. the allotment of equity securities in connection with an offer by way of a rights issue:
 - 3.1.1. to the holders of Ordinary Shares in proportion (as nearly as may be practicable) to their respective holdings; and
 - 3.1.2. to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary,but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange;
 - 3.2. the allotment of equity securities up to an aggregate nominal amount of £20,075.01 pursuant to the issue of the Placing Shares; and
 - 3.3. the allotment (otherwise than pursuant to resolutions 3.1 to 3.2 above) of equity securities up to an aggregate nominal amount of £62,613.79.

The power granted by this resolution will expire on the date of the Company's annual general meeting in 2019 or, if earlier, the date which is 15 months after the passing of this resolution (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

This Resolution revokes and replaces all unexercised powers previously granted to the directors to allot equity securities as if section 561(1) of the Act did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.

4. Subject to the passing of Resolutions 1, 2 and 3, the name of the Company be changed to "The Barkby Group PLC".

By order of the Board

Brian William James
Company secretary
6 June 2018

Registered Office
Lakeside
Fountain Lane
St Mellons
Cardiff
United Kingdom
CF3 0FB

NOTES

Entitlement to attend and vote

- 1 In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, the Company gives notice that only those shareholders entered on the relevant register of members (**Register**) for certificated or uncertificated shares of the Company (as the case may be) at 10.00 a.m. on 21 June 2018 (**Specified Time**) will be entitled to attend or vote at the General Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the Register after the Specified Time will be disregarded in determining the rights of any person to attend or vote at the General Meeting. Should the General Meeting be adjourned to a time not more than 48 hours after the Specified Time, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned General Meeting. Should the General Meeting be adjourned for a longer period, then to be so entitled, members must be entered on the Register at the time which is 48 hours before the time fixed for the adjourned General Meeting or, if the Company gives notice of the adjourned General Meeting, at the time specified in the notice.

Appointment of proxies

- 2 As a member of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a Proxy Form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the Proxy Form.
- 3 A proxy does not need to be a member of the Company but must attend the meeting to represent you. Details of how to appoint the Chairman of the meeting or another person as your proxy using the Proxy Form or via CREST are set out in the notes to the Proxy Form. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
- 4 If you do not give your proxy an indication of how to vote on any resolution, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

Appointment of proxy using hard copy Proxy Form

- 5 The notes to the Proxy Form explain how to direct your proxy to vote on each resolution or withhold their vote.
- 6 To appoint a proxy using the Proxy Form, the form must be:
 - completed and signed;
 - sent or delivered to Share Registrars Limited at The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR; and
 - received by Share Registrars Limited no later than 10.00 a.m. on 21 June 2018.
- 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.
- 8 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.

Appointment of proxy by joint members

- 9 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 Register in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

- 10 To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.
- 11 Where you have appointed a proxy using the hard-copy Proxy Form and would like to change the instructions using another hard-copy Proxy Form, please contact Share Registrars Limited on 01252 821390. Calls will be charged at your network provider's standard rates. Calls cost 12p per minute plus your phone company's access charge. Calls to the helpline from outside the UK should be made on +44 1252 821390 and will be charged at the applicable international rate. Share Registrars Limited are open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales. Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the resolutions proposed nor give any financial, legal or tax advice.
- 12 If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

- 13 In order to revoke a proxy instruction (other than a CREST Proxy instruction) you will need to inform Share Registrars Limited by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Share Registrars Limited at The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR. In the case of a member which is a company, the revocation notice 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 revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice
- 14 The revocation notice must be received by Share Registrars Limited no later than 10.00 a.m. on 21 June 2018. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.
- 15 Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

Appointment of proxy via CREST

- 16 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. CREST personal members or other CREST sponsored members and those CREST members who have appointed 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.
- 17 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 (formerly CRESTCo's) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or 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 Share Registrars Limited by no later than 10.00 a.m. on 21 June 2018. No such message received through the CREST network after this time will be accepted. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the registrars are 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.
- 18 CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings 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(s), 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 system and timings.
- 19 The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- 20 Capitalised terms in this notice shall, unless the context requires otherwise, have the meaning given to them in the Admission Document of which this notice forms part.

Voting in CREST

21. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual.
22. 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.
23. 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 CRESTCO Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual.
24. The message, regardless of whether it relates to the appointment of a proxy or to 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 7RA36 by the latest time(s) for receipt of proxy appointments specified 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 the CREST Applications 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.

25. CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo Limited does not make available special procedures in CREST for any particular messages. Normal system timings 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(s), to procure that his or her 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 CREST 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 system and timings.
26. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

