THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action to be taken you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser duly authorised under the Financial Services and Markets Act 2000, as amended, if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser.

If you have sold or transferred all of your Existing Ordinary Shares in Ducat Ventures plc (the "Company"), please send this document, together with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. If you have sold part only of your holding of Existing Ordinary Shares in the Company, you should retain these documents.

The Existing Ordinary Shares are admitted to trading on AIM, a market operated by the London Stock Exchange ("AIM"). Application will be made for the Enlarged Ordinary Share Capital to be admitted to trading on AIM. The Existing Ordinary Shares are not traded on any other recognised investment exchange and no application has been made for the Consideration Shares or the Placing Shares to be admitted to trading on any other recognised trading exchange. It is expected that Admission will become effective and that dealings in the Enlarged Ordinary Share Capital will commence on AIM on 5 August 2014.

AIM 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. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies published by London Stock Exchange plc (the "AIM Rules") to have a nominated adviser. The nominated adviser is required to make a declaration to London Stock Exchange plc on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. London Stock Exchange plc has not itself examined or approved the contents of this document.

The Directors and Proposed Directors, whose names appear on page 6 of this document, accept responsibility, individually and collectively, for the information contained in this document. To the best of the knowledge and belief of the Directors and the Proposed Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

DUCAT VENTURES PLC

Incorporated and registered in England and Wales with registered number 5880755

PROPOSED ACQUISITION OF OPTIBIOTIX HEALTH LIMITED
PLACING OF 41,250,000 NEW ORDINARY SHARES AT A PRICE OF 8 PENCE PER SHARE
CHANGE OF NAME TO OPTIBIOTIX HEALTH PLC
APPROVAL OF WAIVER OF OBLIGATIONS UNDER RULE 9 OF THE TAKEOVER CODE
SHARE CONSOLIDATION
RENEWAL OF SHAREHOLDER AUTHORITIES
ADMISSION OF THE ENLARGED ORDINARY SHARE CAPITAL TO TRADING ON AIM
AND
NOTICE OF GENERAL MEETING

Nominated Adviser

Cairn

Cairn Financial Advisers LLP
Authorised and regulated by the Financial Conduct Authority

Broker

PETERHOUSE SECURITIES LIMITED

Peterhouse Corporate Finance Limited
Authorised and regulated by the Financial Conduct Authority

A copy of this document, which is drawn up as an admission document in accordance with the AIM Rules, has been issued in connection with the application for admission to trading on AIM of the issued and to be issued ordinary share capital of the Company. This document does not constitute an offer to the public requiring an approved prospectus under section 85 of FSMA and, accordingly, this document does not constitute a prospectus for the purposes of FSMA and the Prospectus Rules and has not been pre-approved by the Financial Conduct Authority ("FCA") pursuant to section 85 of FSMA.

Copies of this document will be available free of charge to the public during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of Cairn Financial Advisers LLP, 61 Cheapside, London EC2V 6AX from the date of this document until one month from the date of Admission in accordance with the AIM Rules.

The distribution of this document and/or the accompanying Form of Proxy in jurisdictions other than the UK may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any

of those restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction.

This document should be read as a whole. Your attention is drawn to the letter from the Chairman which is set out on pages 12 to 24 of this document and which recommends that you vote in favour of the resolutions to be proposed at the General Meeting referred to below and the Risk Factors set out in Part II of this document.

Notice convening a General Meeting of the Company to be held at the offices of DAC Beachcroft LLP at 100 Fetter Lane, London EC4A 1BN on 4 August 2014 at 11.00 a.m. is set out at the end of this document. Shareholders will find enclosed with this document a Form of Proxy for use in connection with the General Meeting. To be valid, the Form of Proxy must be signed and returned in accordance with the instructions printed thereon so as to be received by Share Registrars Limited. Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey, GU9 7LL, as soon as possible but in any event by not later than 11.00 a.m. on 31 July 2014. Completion and posting of the Form of Proxy does not prevent a Shareholder from attending and voting in person at the General Meeting.

Cairn Financial Advisers LLP and Peterhouse Corporate Finance Limited, which are authorised and regulated in the United Kingdom by the FCA and are members of the London Stock Exchange, are the Company's nominated adviser and broker respectively in connection with the Admission for the purposes of the AIM Rules and are acting exclusively for the Company and no one else in connection with the matters described herein and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Cairn Financial Advisers LLP and Peterhouse Corporate Finance Limited or for advising any other person in respect of the proposed Placing and Admission or any acquisition of shares in any company. The responsibilities of Cairn Financial Advisers LLP, as nominated adviser under the AIM Rules, are owed solely to the London Stock Exchange and are not owed to the Company or any Director or to any other person in respect of their decision to acquire Ordinary Shares in reliance on any part of this document. No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been so authorised. No representation or warranty, express or implied, is made by Cairn Financial Advisers LLP or Peterhouse Corporate Finance Limited as to any of the contents of this document. Neither Cairn Financial Advisers LLP nor Peterhouse Corporate Finance Limited has authorised the contents of any part of this document for any purpose and no liability whatsoever is accepted by Cairn Financial Advisers LLP or Peterhouse Corporate Finance Limited for the accuracy of any information or opinions contained in this document. Neither the delivery of this document hereunder nor any subsequent subscription or sale made for Ordinary Shares shall, under any circumstances, create any implication that the information contained in this document is correct as of any time subsequent to the date of this document. Nothing in this document shall be effective to limit or exclude any liability which, by law or regulation, cannot be so limited or excluded.

OVERSEAS SHAREHOLDERS

This document does not constitute an offer to sell, or a solicitation to buy, Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, this document is not, subject to certain exceptions, for distribution in or into the United States of America, Canada, Australia, the Republic of South Africa, or Japan. The Ordinary Shares have not been nor will be registered under the United States Securities Act of 1933, as amended, nor under the securities legislation of any state of the United States or any province or territory of Canada, Australia, the Republic of South Africa, Japan, or in any country, territory or possession where to do so may contravene local securities laws or regulations. Accordingly, the Ordinary Shares may not, subject to certain exceptions, be offered or sold directly or indirectly in or into the United States of America, Canada, Australia, the Republic of South Africa, Japan, or to any national, citizen or resident of the United States of America, Canada, Australia, the Republic of South Africa or Japan. The distribution of this document in certain jurisdictions may be restricted by law. No action has been taken by the Company or by Cairn Financial Advisers LLP or Peterhouse Corporate Finance Limited that would permit a public 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 laws of any such jurisdiction.

Holding Ordinary Shares may have implications for overseas shareholders under the laws of the relevant overseas jurisdictions. Overseas shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of each overseas shareholder to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

FORWARD-LOOKING STATEMENTS

Certain statements in this document are forward-looking statements. These forward-looking statements are not based on historical facts but rather on the Directors' expectations regarding the Enlarged Group's future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, planned exploration and development activity and the results of such activity, business prospects and opportunities. Such forward-looking statements reflect Directors' current beliefs and assumptions and are based on information currently available to management. Forward-looking statements involve significant known and unknown risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including risks associated with vulnerability to general economic and business conditions, competition, environmental and other regulatory changes, the results of exploration and development drilling and related activities, actions by governmental authorities, the availability of capital markets, reliance on key personnel, uninsured and underinsured losses and other factors, many of which are beyond the control of the Company. These forward-looking statements are subject to, *inter alia*, the risk factors described in Part II of this document. Although the forward-looking statements contained in this document are based upon what the Directors believe to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements.

CONTENTS

PLACING STATISTICS

Issue price per Consideration Share and Placing Share	8 pence
Number of Existing Ordinary Shares in issue before Admission	1,100,906,719
Share Consolidation ratio	200:1
Number of New Ordinary Shares in issue pursuant to the Share Consolidation, prior to the Acquisition and the Placing	5,504,534
Number of Consideration Shares to be issued	25,000,000
Number of Placing Shares to be issued	41,250,000
Enlarged Ordinary Share Capital	71,754,534
Percentage of the Enlarged Ordinary Share Capital constituted by the Consideration Shares and the Placing Shares	92.3 per cent.
Number of New Ordinary Shares under warrant and option following the Share Consolidation, the Acquisition and the Placing[1]	13,738,951
Number of New Ordinary Shares on a fully diluted basis following the Share Consolidation, the Acquisition and the Placing[2]	85,493,485
Gross proceeds of the Placing	£3.3 million
Estimated cash proceeds of the Placing receivable by the Company (net of expenses)	£2.8 million
Market capitalisation of the Enlarged Group on Admission[3]	£5.7 million
Existing TIDM	DUC
New TIDM[4]	OPTI
ISIN for Existing Ordinary Shares	GB00B57QBG80
ISIN for New Ordinary Shares[4]	GB00BP0RTP38

[1] includes the Options to be awarded upon adoption of a share option scheme as soon as practicable following Admission
[2] on the basis that all Warrants and Options have been exercised
[3] based on the Issue Price
[4] the new TIDM and ISIN shall become effective only if the Resolutions are passed at the General Meeting

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2014
Publication of this document	18 July
Latest time and date for receipt of Forms of Proxy for the General Meeting	11.00 a.m. on 31 July
Time and date of the General Meeting	11.00 a.m. on 4 August
Record date and time for the Share Consolidation	5.00 p.m. on 4 August
Completion of the Proposals and commencement of dealings of the Enlarged Ordinary Share Capital on AIM	8.00 a.m. on 5 August
CREST accounts expected to be credited	As soon as practicable after 8.00 a.m. on 5 August
Despatch of definitive share certificates by	12 August

Note: All references to times in this timetable are to London times. The times and dates may be subject to change.

DIRECTORS, SECRETARY AND ADVISERS

Directors	Adam Reynolds	*Executive Chairman**
	Nicholas Christian Paul Nelson	*Non-Executive Director***
Proposed Directors	David Eric Evans	*Non-Executive Chairman*
	Stephen Patrick O'Hara	*Chief Executive Officer*
	Mark Andrew Wyatt	*Non-Executive Director*
Company Secretary	Nicholas Christian Paul Nelson	
Registered office	*as at the date of this document:* 145-147 St John Street London EC1V 4PY	*following Admission:* Innovation Centre Innovation Way Heslington York YO10 5DG
Website	www.ducatventures.co.uk	
Nominated Adviser	**Cairn Financial Advisers LLP** 61 Cheapside London EC2V 6AX	
Broker	**Peterhouse Corporate Finance Limited** 31 Lombard Street London EC3V 9BQ	
Solicitors to the Company as to English law	**DAC Beachcroft LLP** 100 Fetter Lane London EC4A 1BN	
Solicitors to the Nominated Adviser and Broker	**DMH Stallard LLP** 6 New Street Square New Fetter Lane London EC4A 3BF	
Intellectual Property Solicitors	**Keltie LLP** Fleet Place House 2 Fleet Place London EC4M 7ET	
Reporting Accountant and Auditor (Member firm of the Institute of Chartered Accountants in England and Wales)	**Jeffreys Henry LLP** 5-7 Cranwood Street London EC1V 9EE	
Public Relations	**Walbrook PR Ltd** 4 Lombard Street London EC3V 9HD	
Registrar	**Share Registrars Limited** 9 Lion and Lamb Yard Farnham GU9 7LL	

* to step down as Chairman and continue on the New Board as Non-Executive Director with effect from Admission
** to resign from the Board with effect from Admission

DEFINITIONS

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

"**A Deferred Shares**"	the 26,001,739 non-voting deferred shares of £0.19 each in the capital of the Company;
"**Acquisition**"	the proposed acquisition by the Company of the entire issued share capital of OptiBiotix, pursuant to the terms of the Acquisition Agreement;
"**Acquisition Agreement**"	the conditional acquisition agreement dated 17 July 2014 between the Company and the Vendors in relation to the sale and purchase of the issued share capital of OptiBiotix, further details of which are set out in paragraph 14.2 of Part VIII of this document;
"**Act**"	the UK Companies Act 2006, as amended;
"**Admission**"	the admission of the Enlarged Ordinary Share Capital to trading on AIM becoming effective in accordance with the AIM Rules for Companies;
"**AIM**"	the market of that name operated by the London Stock Exchange;
"**AIM Rules**"	the AIM Rules for Companies and the AIM Rules for Nominated Advisers;
"**AIM Rules for Companies**"	the rules which set out the obligations and responsibilities in relation to companies whose shares are admitted to AIM as published by the London Stock Exchange from time to time;
"**AIM Rules for Nominated Advisers**"	the rules which set out the eligibility, obligations and certain disciplinary matters in relation to nominated advisers as published by the London Stock Exchange from time to time;
"**Articles**"	the articles of association of the Company for the time being;
"**B Deferred Shares**"	the 63,373,961 non-voting deferred shares of £0.009 each in the capital of the Company;
"**Board**" or "**Directors**"	the current directors of the Company, whose names are set out on page 6 of this document;
"**C Deferred Shares**"	the 135,587,295 non-voting deferred shares of £0.0009 each in the capital of the Company;
"**Cairn**"	Cairn Financial Advisers LLP, the Company's nominated adviser;
"**Certificated**" or "**in Certificated Form**"	a share or other security recorded on the relevant register of the relevant company as being held in certificated form and title to which may be transferred by means of a stock transfer form;
"**Change of Name**"	the proposed change of name of the Company to OptiBiotix Health plc, further details of which are set out in paragraph 8 of Part I of this document;
"**Company**"	Ducat Ventures plc, a company registered in England and Wales with registered number 5880755;
"**Concert Party**"	those parties described in paragraph 7 of Part I of this document;

"**Consideration Shares**"	the 25,000,000 New Ordinary Shares to be issued to the Vendors at the Issue Price in consideration for the entire issued share capital of OptiBiotix as set out in the Acquisition Agreement;
"**Corporate Governance Code**"	the UK Corporate Governance Code published by the Financial Reporting Council, as amended;
"**CREST**"	the computerised settlement system to facilitate the transfer of title of shares in uncertificated form operated by Euroclear UK & Ireland Limited;
"**CREST Regulations**"	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended;
"**Deferred Shares**"	the A Deferred Shares, the B Deferred Shares and the C Deferred Shares;
"**Disclosure and Transparency Rules**"	the rules and regulations made by the FCA in its capacity as the UKLA under Part VI of FSMA, as amended, and contained in the UKLA publication of the same name;
"**Enlarged Group**"	the Company and OptiBiotix upon completion of the Acquisition;
"**Enlarged Ordinary Share Capital**"	the share capital of the Company upon Admission, comprising the Existing Ordinary Share Capital, the Consideration Shares, and the Placing Shares;
"**Enterprise Ventures**"	Enterprise Ventures Limited, an independent fund management company which is authorised and regulated by the Financial Conduct Authority;
"**Existing Ordinary Shares**"	ordinary shares of 0.01p each in issue as at the date of this document;
"**Existing Ordinary Share Capital**"	the ordinary share capital of the Company at the date of this document, comprising 1,100,906,719 Existing Ordinary Shares;
"**Financial Conduct Authority**" or "**FCA**"	the United Kingdom Financial Conduct Authority;
"**Form of Proxy**"	the form of proxy enclosed with this document for use by Shareholders in connection with the General Meeting;
"**FSMA**"	the Financial Services and Markets Act 2000 of the United Kingdom, as amended;
"**FYSCF**"	Finance Yorkshire Seedcorn Fund, the fund of that name which is managed by Enterprise Ventures;
"**General Meeting**"	the general meeting of the Company, convened for 11.00 a.m. on 4 August 2014 at the offices of DAC Beachcroft LLP at 100 Fetter Lane, London EC4A 1BN, and any adjournment thereof, notice of which is set out at the end of this document;
"**Historical Financial Information on the Company**"	the Company's audited historical financial information for the year ended 31 July 2011, 31 July 2012 and 16 months ended 30 November 2013;
"**Historical Financial Information on OptiBiotix**"	OptiBiotix's audited historical financial information for the period from incorporation on 15 March 2012 to 31 March 2014;

"**HMRC**"	Her Majesty's Revenue & Customs;
"**IFRS**"	International Financial Reporting Standards as adopted by the European Union;
"**Independent Director**"	Nicholas Christian Paul Nelson;
"**Independent Shareholders**"	the holders of Existing Ordinary Shares other than any person being a member of the Concert Party;
"**IPR**"	intellectual property rights;
"**ISIN**"	international security identification number;
"**Issue Price**"	8 pence, being the price at which the Consideration Shares and the Placing Shares are to be issued;
"**Lock-in Arrangements**"	the lock-in arrangements entered into by the Locked-in Persons, described in paragraph 12 of Part I and paragraph 14.6 of Part VIII of this document;
"**Locked-in Persons**"	the Proposed Directors, Adam Reynolds and FYSCF;
"**London Stock Exchange**"	London Stock Exchange plc;
"**New Board**"	the directors of the Company with effect from Admission, comprising the Proposed Directors and Adam Reynolds;
"**New Ordinary Shares**"	ordinary shares of 2p each in the capital of the Company following the Share Consolidation;
"**Notice**"	the notice of the General Meeting set out at the end of this document;
"**Official List**"	the list maintained by the UKLA in accordance with section 74(1) of FSMA for the purposes of Part VI of FSMA;
"**OptiBiotix**"	OptiBiotix Health Limited, a company registered in England and Wales with registered number 07992608;
"**Options**"	options to subscribe for Ordinary Shares, further details of which are set out in paragraph 20 of Part VIII of this document;
"**Ordinary Shares**"	ordinary shares in the issued share capital of the Company from time to time;
"**Panel**"	the Panel on Takeovers and Mergers;
"**Peterhouse**"	Peterhouse Corporate Finance Limited, the Company's broker;
"**Placees**"	investors to whom Placing Shares are issued pursuant to the Placing;
"**Placing**"	the conditional placing by Peterhouse on behalf of the Company of the Placing Shares at the Issue Price pursuant to the Placing Agreement;
"**Placing Agreement**"	the conditional agreement dated 17 July 2014 between the Company, Adam Reynolds, the Proposed Directors, Cairn and Peterhouse relating to the Placing, details of which are set out at paragraph 14.5 of Part VIII of this document;

"**Placing Shares**"	41,250,000 New Ordinary Shares to be issued to the Placees pursuant to the Placing;
"**PLUS Market**"	a market of that name which was operated by PLUS Markets Group plc, which has subsequently been renamed the ISDX Growth Market;
"**Proposals**"	the Acquisition, the Placing, the Rule 9 Waiver, the Share Consolidation, the renewal of share authorities, the appointment of the Proposed Directors, the General Meeting and Admission;
"**Proposed Directors**"	the persons to be appointed directors pursuant to the General Meeting, whose names are set out on page 6 of this document;
"**Record Date**"	4 August 2014, being the record date for the purposes of the Share Consolidation;
"**Resolutions**"	the resolutions to be proposed at the General Meeting, details of which are set out in the Notice;
"**Rule 9 Waiver**"	the waiver of the obligations of the Concert Party to make a general offer under Rule 9 of the Takeover Code which may otherwise arise as a consequence of the issue of the Consideration Shares to the Concert Party, granted by the Panel conditional upon approval of the Independent Shareholders voting on a poll, further details of which are set out in paragraph 7 of Part I of this document;
"**Share Consolidation**"	the proposed consolidation of every 200 Existing Ordinary Shares into 1 New Ordinary Share;
"**Shareholders**"	the persons who are registered as holders of the Ordinary Shares;
"**Sterling**" or "**£**"	the legal currency of the UK;
"**Takeover Code"**	the City Code on Takeovers and Mergers;
"**TIDM**"	tradable instrument display mnemonic;
"**UK**" or "**United Kingdom**"	the United Kingdom of Great Britain and Northern Ireland;
"**UKLA**"	the United Kingdom Listing Authority, being the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA;
"**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;
"**US**" or "**United States**"	the United States of America, its territories and possessions, any states of the United States of America and the District of Columbia and all other areas subject to its jurisdiction;
"**VAT**"	value added tax;
"**Vendors**"	the shareholders of OptiBiotix, being Stephen O'Hara, David Evans and FYSCF, further details of whom are set out in paragraph 1 of Part III of this document; and
"**Warrants**"	warrants to subscribe for Ordinary Shares, further details of which are set out in paragraph 14.7 of Part VIII of this document.

GLOSSARY OF TECHNICAL TERMS

The following table provides an explanation of certain technical terms and abbreviations used in this document. The terms and their assigned meanings may not correspond to standard industry meanings or usage of these terms.

cardiovascular disease	cardiovascular disease includes all the diseases of the heart and circulation including coronary heart disease (angina and heart attack), heart failure, congenital heart disease and stroke. It is also known as heart and circulatory disease;
genera	a group of related organisms that includes several or many different species;
human microbiome	the collective genetic material of the microbes (e.g bacteria, fungi) in or on the human body;
metabolomics	metabolomics is the measurement and analysis of metabolites, such as sugars and fats, in the cells of organisms at specific times and under specific conditions;
metagenomics	the study of a collection of genetic material (genomes) from a mixed community of organisms as occurs in the human gut;
microbe	an organism that is too small to be seen by the unaided eye such as a virus, bacterium, or fungus;
microbiome modulator	compounds which change the types and relative proportions of microbes in the human microbiome to achieve a health benefit;
obesity	abnormal or excessive fat accumulation that may impair health;
OECD	organisation for economic co-operation and development;
satiety	the feeling of fullness after eating food;
species	a group of living organisms consisting of similar individuals capable of exchanging genes or interbreeding;
statins	a class of drugs used to lower cholesterol levels by inhibiting the enzyme HMG-CoA reductase, which plays a central role in the production of cholesterol in the liver; and
strain	a microbe which has descended from a particular species that possesses minor differences in its characteristics though still remain distinguishable. For example, two bacteria may be the same species, but one may have a health benefit whilst the other does not.

PART I

LETTER FROM THE CHAIRMAN

DUCAT VENTURES PLC

Incorporated and registered in England & Wales under the Companies Act 1985 with registered number 5880755

Directors:
Adam Reynolds
Nicholas Christian Paul Nelson

Registered Office:
145-147 St John Street
London EC1V 4PY

18 July 2014

Dear Shareholder,

PROPOSED ACQUISITION OF OPTIBIOTIX HEALTH LIMITED
PLACING OF 41,250,000 NEW ORDINARY SHARES AT A PRICE OF 8 PENCE PER SHARE
CHANGE OF NAME TO OPTIBIOTIX HEALTH PLC
APPROVAL OF WAIVER OF OBLIGATIONS UNDER RULE 9 OF THE TAKEOVER CODE
SHARE CONSOLIDATION
RENEWAL OF SHAREHOLDER AUTHORITIES
ADMISSION OF THE ENLARGED ORDINARY SHARE CAPITAL TO TRADING ON AIM
AND
NOTICE OF GENERAL MEETING

1. INTRODUCTION

On 9 May 2014, trading on AIM in the Company's Ordinary Shares was temporarily suspended following the announcement relating to a possible reverse takeover of the Company as defined in the AIM Rules.

The Company announced earlier today that it has agreed terms for the acquisition of the entire issued share capital of OptiBiotix Health Limited, a microbiome modulation products discovery and development company.

The Acquisition, if completed, is of sufficient size to constitute a reverse takeover under the AIM Rules and therefore is subject to the approval of Shareholders at the General Meeting. As a result, a number of proposals are to be put to Shareholders at the General Meeting. This document sets out the details of, and reasons for, the Proposals. The temporary suspension from trading in the Company's shares was lifted and trading resumed in the Company's shares at 8.00 a.m. on 18 July 2014.

Further details of the General Meeting are set out in paragraph 22 of this Part I. Further details of the terms and conditions of the Acquisition are set out in paragraph 4 of this Part I.

The consideration for the Acquisition of £2 million is to be satisfied by the issue of 25,000,000 New Ordinary Shares at a price of 8 pence per share, which values the Existing Ordinary Share Capital at £0.4 million, representing a 42.9 per cent. discount to the Company's share price on 9 May 2014, the date on which trading was temporarily suspended.

The Company has raised £3.3 million (before expenses) by means of the Placing which will be used to develop the intellectual property of OptiBiotix, to commercialise OptiBiotix products and for general working capital purposes. Further details of the Placing are set out in paragraph 6 of this Part I.

Following implementation of the Proposals, certain Shareholders of the Enlarged Group who are deemed to be acting in concert will hold 28,520,825 New Ordinary Shares, representing 39.7 per cent. of the Enlarged Ordinary Share Capital pursuant to the terms of the Acquisition. If the Warrants held by, and the Options to be granted to, members of the Concert Party following Admission are exercised, assuming no other options were exercised, the Concert Party would hold 37,527,193 New Ordinary Shares representing 46.5 per cent. of the so enlarged ordinary share capital of the Company.

Under Rule 9 of the Takeover Code, the Concert Party would normally be obliged to make an offer to all Shareholders (other than the Concert Party) to acquire their New Ordinary Shares. Following an application by the Concert Party, the Panel has agreed to waive this obligation, subject to the approval of the Independent Shareholders (on a poll) at the General Meeting. Your attention is drawn to the Rule 9 Waiver section contained in paragraph 7 of this Part I.

The Directors believe that it is appropriate, should the Acquisition be approved by Shareholders at the General Meeting and the Acquisition completes, that the name of the Company be changed to OptiBiotix Health plc.

The Directors are proposing the Share Consolidation as they consider that it is in the best interests of the Company's long term development as a public quoted company to have a lower number of shares in issue and a higher nominal value such that Ordinary Shares are traded in pence rather than fractions of pence.

The purpose of this document is to provide Shareholders with further information regarding the matters described above and to seek your approval of the Resolutions, which include the Rule 9 Waiver, at the General Meeting. The notice of General Meeting is set out at the end of this document. The Proposals are conditional, *inter alia*, on the passing of the Resolutions and Admission. If the Resolutions are approved by Shareholders, it is expected that Admission will become effective and dealings in the Enlarged Ordinary Share Capital will commence on AIM on or around 5 August 2014. The General Meeting of the Company at which the Resolutions will be proposed has been convened for 11.00 a.m. on 4 August 2014 at the offices of DAC Beachcroft LLP at 100 Fetter Lane, London EC4A 1BN.

You should read the whole of this document and not just rely on the information contained in this letter. In particular, you should consider carefully the "Risk Factors" set out in Part II of this document. Your attention is also drawn to the information set out in Parts III to VIII of this document.

2. BACKGROUND TO AND REASONS FOR THE ACQUISITION

On 19 July 2006, the Company was incorporated under the name Hartfield Securities Limited. On 7 March 2007, the Company was re-registered as a public limited company with the name Hartfield Securities PLC. The Company was admitted to trading on the PLUS Market in June 2007 as an investing vehicle.

On 15 April 2011, the Company announced an offer to acquire the entire issued share capital of Ceres Media PLC, a company which had developed a range of cost-effective, compostable and sustainably sourced print materials focused on large format and advertising media and marketed under the NatureWovenTM trade name. The offer was declared unconditional on 6 May 2011 and, on that date, the Company's admission to trading on PLUS was cancelled. On 6 June 2011, the Company changed its name to Ceres Media International PLC and its shares were admitted to trading on AIM on 9 September 2011.

On 1 November 2013, a circular was posted to Shareholders proposing, *inter alia*, that the Company dispose of its trading subsidiaries, adopt an investing policy pursuant to AIM Rule 15 and change its name to Ducat Ventures PLC. At the General Meeting held on 18 November 2013, all resolutions were passed by Shareholders. Accordingly, the Company became a Rule 15 investing company.

Since November 2013, the Directors have reviewed a number of acquisition opportunities for the Company and assessed OptiBiotix as having significant potential to increase shareholder value. The Directors propose that, subject to Shareholders' approval of the Resolutions, the Company will acquire the entire issued share capital of OptiBiotix, which will have the effect of changing the status of the Company from an investing company under the AIM Rules to an operating company. The Enlarged Group's operations would thereafter constitute exclusively those of OptiBiotix, which is a life sciences company. Details of the business and operations of OptiBiotix are set out in paragraph 3 of this Part I.

3. INFORMATION ON OPTIBIOTIX AND FUTURE STRATEGY OF THE ENLARGED GROUP

3.1 Nature of OptiBiotix's business

OptiBiotix was formed in March 2012 to develop compounds which modify the human microbiome – the collective genome of the microbes in the body – to prevent and manage human disease.

The aim of OptiBiotix is to discover and develop microbial strains, compounds and formulations which modulate the human microbiome and can be used as food ingredients, supplements or active compounds for the prevention and management of human metabolic diseases, examples of which include obesity, cholesterol and lipid distribution and diabetes.

OptiBiotix has established a pipeline of microbiome modulators that can impact on lipid and cholesterol management, energy harvest and appetite suppression. The development pipeline is fuelled by its proprietary OptiScreen® and OptiBiotic® platform technologies designed to identify metabolic pathways and compounds that impact on human physiology and bring potential health benefits. These platforms are applicable across a wider range of other human diseases.

OptiBiotix has developed a portfolio of intellectual property in and around this field of research, consisting of patents, trademarks and novel microbial strains. Further intellectual property is expected to be developed or acquired as opportunities arise from existing and future research and development.

OptiBiotix has been working with leading international key opinion leaders and entered into a research agreement with the University of Reading on 18 September 2012 to generate novel microbiome modulating compounds using reverse enzyme synthesis. All intellectual property arising from this research is owned by OptiBiotix.

On 18 March 2013, OptiBiotix entered into a research agreement with Nizo Food Research an independent research company based in Ede, Holland, to identify microbial strains with microbial metabolic pathways which could be used to reduce human cholesterol, an established risk factor for cardiovascular disease. All intellectual property arising from this research within the field of use (metabolic syndrome) is owned by OptiBiotix. Three strains identified from this research have been acquired by OptiBiotix and deposited within the European Collection of General Cultures.

During the next 12 to 18 months, OptiBiotix intends to conduct further research through the research agreements with the University of Reading and Nizo Food Research, develop its own in house capability and carry out human nutritional studies on its lead product. The overall aim of this research is to create commercial products with an established scientific evidence base and proof of human efficacy to provide additional potential value to Shareholders.

3.2 Scientific and market rationale

Modulation of the Human Microbiome

Recent advances in cellular and molecular biology have led to a greater understanding of the strains and functions of bacteria that make up the human microbiome, providing greater insight into the role of microbial flora in human health. An increasing number of scientific studies have now shown that our bacterial flora are influential in the development and aetiology of diseases as diverse as inflammatory bowel disease, autism, atherosclerosis, gastrointestinal cancers and metabolic diseases such as type 1 diabetes and obesity.

The human microbiome typically weighs up to 6lbs, makes up 90 per cent. of the cells in or on the human body and has eight million protein-encoding genes, 360 times more bacterial genes than the human genome. This metabolically active, rapidly renewable ecosystem contributes to host immunity, metabolism and physiology. Importantly, this vast (10^{14} microbial cells, 10 times greater than the number of human cells) and diverse (10,000 species) microbial genome is easier to influence than the human genome. This raises the prospect of using recent advances in understanding the human microbiome to modify its composition to induce beneficial changes within the host for the prevention, management and treatment of human disease.

In 2008, the National Institute of Health in the US launched the Human Microbiome Project with the objective to test how changes in the human microbiome are associated with human health and disease. The project included 200 scientists from 80 research institutions who worked together for 5 years on 242 subjects. The human microbiome has been described as one of the most significant sciences of 2013 and one of the top 10 emerging technologies in 2014.

OptiBiotix has worked with key opinion leaders, including Professor Glenn Gibson from the University of Reading and Professor Jason Halford from the University of Liverpool. Following Admission, the Company intends to establish a scientific advisory board.

OptiBiotix's anticipated future products are targeted at improving health and wellbeing and supporting the prevention and management of chronic lifestyle diseases such as heart disease, obesity and diabetes. This market has enormous potential driven by macro environmental factors, including an ageing population, rising medical costs, a public health policy shift towards disease prevention and consumer trends towards healthier lifestyles, better nutrition and self-help.

Cholesterol and lipid management

OptiBiotix's first product is expected to be a novel microbial strain for the reduction of cholesterol and management of lipid profiles. Elevated blood cholesterol is an established risk factor for cardiovascular disease.

Treatments for elevated blood cholesterol include dietary management, regular exercise and drug therapy. Dietary interventions limiting fat lipid intake and exercise are the first line of therapy. A modest reduction in cholesterol is often achieved but this approach is unrealistic for all but the most dedicated individuals. Pharmacologic agents such as statins are considered to have the most potential for treatment. Although effective at reducing cholesterol levels, they are expensive and have been associated with side effects such as muscle weakness, memory problems and mood personality changes.

The limitations of current approaches have led to increasing interest in non-drug therapies to improve blood cholesterol profiles, particularly when drug treatment is considered unsuitable due to elevated cost, safety reasons or personal preference.

Weight management

Overweight and obesity is viewed as one of the world's biggest public health problems affecting both the developed and the developing world. Overweight and obesity contributes significantly to human morbidity and mortality and is a risk factor for many chronic diseases, including diabetes, cardiovascular diseases, fatty liver disease, some cancers and immune-related disorders. At least 2.8 million adults die each year as a result of being overweight or obese.

In addition to the human cost, there is a social and financial cost. The UK Government's Health Committee estimates the cost of obesity to be between £6.6 and £7.4 billion per annum. In the US, the total economic cost of an overweight and obese population was estimated by the Society of Actuaries to be $270 billion per year. Worldwide obesity has more than doubled since 1980 with no sign of the trend abating. In the US, the number of obese adults grew from 22.9 per cent. in 1988-1994 to 30.5 per cent. in 1999-2000, whilst more than half (53 per cent.) of the adult population in OECD countries report that they are overweight or obese. Obesity is now the leading preventable cause of death worldwide and childhood obesity is one of the most serious public health problems of the 21st century.

Despite the scale of the problem, current methods for controlling the rise of this preventable disease are limiting. The main treatment for overweight and obesity consists of dieting and physical exercise. Diet programmes may produce weight loss over the short term, but maintaining this weight loss is difficult and is unsuccessful in 80-85 per cent. of patients.

As weight loss achieved with diet and exercise regimes is modest and limited by high rates of recidivism, interest has turned to treatment with anti-obesity drugs. Drug treatments have been used to suppress appetite or increase satiety, reduce absorption of fat or increase metabolism. However, drug treatments are often short term, weight loss is modest and adverse effects have led to the withdrawal of a number of such treatments.

The limitations of current practice have prompted the search for alternative options and fuelled market growth with an effective obesity treatment seen as one of the world's greatest unmet healthcare needs.

3.3 Initial research programme

OptiBiotix has established a pipeline of microbiome modulators that impact on energy harvest, appetite suppression, and lipid and cholesterol management. The development pipeline is fuelled by its proprietary platform technologies including:

OptiScreen®: A proprietary high throughput screening and optimisation technology platform designed to identify microbes within the human microbiome with metabolic pathways which can interact with human physiological processes and bring health benefits.

OptiBiotic®: A proprietary platform technology which generates novel compounds and screens them for their ability to modulate the human microbiome and its microbial end products. This creates the potential to influence host metabolism and physiology for the prevention and management of disease.

These platforms have been validated in development programmes which have established a pipeline of compounds which modulate the human microbiome to bring health benefits, including:

- 3 microbial strains which have demonstrated the ability to reduce cholesterol by 71 per cent., 78 per cent., and 82 per cent., respectively, in laboratory studies;
- An ingredient formulation scientifically formulated by its international key opinion leaders to support and sustain weight loss in overweight and obese patients. The formulation has been developed so that components act differently in both their mechanism and site of action; and
- A compound which can selectively enhance the growth of specific microbial species in the human microbiome. Selectively enhancing specific microbial species creates the capability to modify the human microbiome specific to health needs.

In summary, the research programme to be followed by OptiBiotix is expected to include:

Cholesterol and lipid management product

The three strains shown to reduce cholesterol in the laboratory will be tested to confirm the absence of antimicrobial resistance and virulence factors, and to assess gut survivability and manufacturing scale up capability. On completion of these studies the product will be tested in a human nutritional study to assess the ability of the product to reduce human cholesterol in at risk populations. Following analysis of the data, the results will be published in clinical journals.

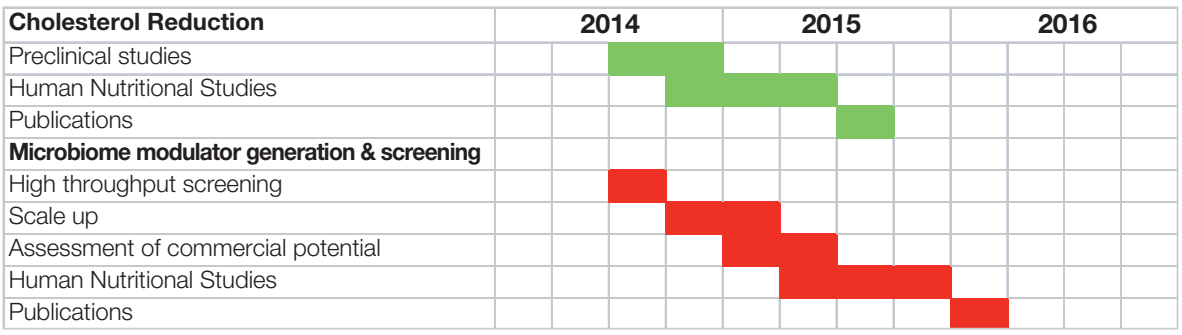
Microbiome modulator generation and screening

High throughput screening of numerous microbial strains will be used to identify strains with the enzymic capability of producing novel sugars. Microbial strains with high enzymic activity will be selected and reaction conditions created to produce sufficient novel sugars for an assessment of their commercial potential, including:

- identification of novel non-digestible sugars with a sweet taste, low calorific value, and an insulin independent metabolism with commercial potential as sugar substitutes;
- metagenomic and metabolomic assessment of microbiome modulating and bioactive activity; and
- assessment of a compounds ability to accentuate the growth rate of specific strains, species or genera for use as commercial synbiotics in the food, beverage, and dairy industries.

Microbial strains shown to have commercial potential will be subjected to a manufacturing and cost assessment prior to entering a human nutritional study to assess the ability of the product to support weight management in at risk populations.

An indicative projected timeline for the research programme outlined above is set out below:



It is anticipated that the net proceeds of the Placing will enable the Enlarged Group to carry out all development work and clinical studies in the current development pipeline and, if successful, fund the Company's future sales and marketing programme to initiate commercialisation.

4. PRINCIPAL TERMS OF THE ACQUISITION

The Company has entered into the Acquisition Agreement, pursuant to which it has conditionally agreed to acquire the entire issued share capital of OptiBiotix for a consideration of £2.0 million, to be satisfied by the issue of the Consideration Shares.

Further details of the Acquisition Agreement are set out in paragraph 14.2 of Part VIII of this document.

5. FINANCIAL INFORMATION

Historical financial information on the Company and on OptiBiotix is set out in Parts V and VI respectively of this document. An unaudited pro forma net assets statement showing the illustrative net assets of the Enlarged Group after the Acquisition, the Share Consolidation and the Placing is set out in Part VII of this document.

6. THE PLACING

Peterhouse has conditionally raised £3.3 million (before expenses) for the Company through the placing of the Placing Shares at the Issue Price conditional on the Resolutions being approved by Shareholders at the General Meeting and Admission. The net proceeds of the Placing are estimated at £2.8 million and will be used to develop the intellectual property of OptiBiotix, to commercialise OptiBiotix products and for general working capital purposes. Once the Placing Shares are admitted to trading on AIM, the Placees will, in aggregate, hold approximately 57.5 per cent. of the Enlarged Ordinary Share Capital.

In order to facilitate the Placing and to enable the Company to raise further funds (if required), it is necessary for the Company to increase its authority to issue shares and dis-apply pre-emption rights in relation to any such issue as detailed in Resolutions 4 and 5. In each case, the authorities conferred by Resolutions 4 and 5 shall expire fifteen months after the passing of the relevant resolutions or at the conclusion of the next annual general meeting of the Company following the passing of these resolutions, whichever occurs first. The New Board may look to raise additional funds for the Company following the General Meeting subject to the Resolutions being approved by Shareholders.

7. TAKEOVER CODE RULE 9 WAIVER

The Takeover Code applies to the Company and governs, *inter alia*, transactions which may result in a change of control of a company to which the Takeover Code applies. Under Rule 9 of the Takeover Code, any person who acquires, whether by a series of transactions over a period of time or not, an interest (as defined in the Takeover Code) in shares which, taken together with shares in which he is already interested, or in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, is normally required to make a general offer to all the remaining Shareholders to acquire their shares.

Similarly, Rule 9 of the Takeover Code also provides that when any person, together with persons acting in concert with him, is interested in shares which, in aggregate, carry more than 30 per cent. of the voting rights of such company, but does not hold shares carrying 50 per cent. or more of such voting rights, a general offer will normally be required if any further interest in shares is acquired by any such person.

An offer under Rule 9 must be in cash and must be 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 of the company in question during the 12 months prior to the announcement of the offer.

Persons acting in concert include persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control of a company.

The members of the Concert Party who are deemed to be acting in concert for the purposes of the Takeover Code comprise Adam Reynolds, Stephen O'Hara, David Evans and FYSCF, full details of whom are set out in Part III of this document.

Maximum potential controlling position

The Concert Party currently holds 79,165,000 Existing Ordinary Shares representing approximately 7.2 per cent of the Existing Ordinary Share Capital. Immediately following Admission, the Concert Party will hold in aggregate 28,520,825 New Ordinary Shares, representing 39.7 per cent. of the Enlarged Ordinary Share Capital. The Concert Party's subscription for New Ordinary Shares would, without a waiver of the obligations under Rule 9 of the Takeover Code, oblige the Concert Party to make a general offer to Shareholders under Rule 9 of the Takeover Code.

If the Warrants held by, and the Options to be granted to, members of the Concert Party following Admission were exercised, the Concert Party would hold 37,527,193 New Ordinary Shares representing 46.5 per cent. of the so enlarged ordinary share capital. The exercise of the Warrants and Options would, without a waiver of the obligations under Rule 9 of the Takeover Code, oblige the Concert Party to make a general offer to Shareholders under Rule 9 of the Takeover Code.

The following table sets out the Concert Party's shareholdings in the Company (i) as at the date of this document; (ii) in the Enlarged Group on Admission; and (iii) in the so Enlarged Group following Admission if only the Options to be granted to members of the Concert Party are exercised.

	As at the date of this document		*On Admission*		*Following Admission*		
	Number of Existing Ordinary Shares	*% of the Existing Ordinary Share Capital*	*Number of New Ordinary Shares*	*% of the Enlarged Ordinary Share Capital*	*Number of Warrants/ Options*	*Maximum potential interest*	*% of the Enlarged Ordinary Share Capital*[2]
A Reynolds	79,165,000	7.2%	1,208,825	1.4%	395,825	1,416,650	1.8%
FYSCF	–	–	13,998,238	19.5%	–	13,998,238	17.3%
S O'Hara	–	–	10,049,696	14.0%	6,099,135[1]	16,148,831	20.0%
D Evans	–	–	3,452,066	4.8%	2,511,408[1]	5,963,474	7.4%
	79,165,000	7.2%	28,520,825	39.7%	9,006,368	37,527,193	46.5%

[1] the Company will adopt a share option plan and grant Options in the amounts stated as soon as reasonably practicable following Admission.

[2] assuming only members of the Concert Party exercise their Warrants/Options.

The Company has applied to the Panel for a waiver of Rule 9 of the Takeover Code in order to permit the Acquisition without triggering an obligation on the part of the Concert Party to make a general offer to Shareholders. The Panel has agreed, subject to Independent Shareholders' approval on a poll, to waive the requirement for the Concert Party to make a general offer to all Shareholders where such an obligation would arise as a result of the Acquisition.

Save as described in paragraph 11 of this Part I of this document, the Concert Party is not intending to seek any further changes to the board of directors and has confirmed that it is its intention that, following completion of the Proposals, the business of the Company would become the business of OptiBiotix which would be continued in substantially the same manner as it is at present.

With this in mind, there will be no repercussions on employment or the location of the Company's place of business and no redeployment of the Company's fixed assets. At present, OptiBiotix has one employee, who is a member of the Concert Party. The Concert Party does not intend to prejudice the existing employment rights, including pension rights, of this employee or management of the Enlarged Group, nor to procure any change in the conditions of employment of such employee or management or to take any steps to amend the Company's share trading facilities in force at the date of this document.

The Panel has agreed, subject to Resolution 1 at the General Meeting being passed on a poll of Independent Shareholders, to waive the requirement which might otherwise arise as a result of the Acquisition, for the members of the Concert Party to make a general offer to all Shareholders. Accordingly, Shareholders should be aware that, following completion of the Acquisition, as the members of the Concert Party will between them hold more than 30 per cent. and less than 50 per cent. of the Company's voting share capital, for as long as they continue to be treated as acting in concert they will not be able to increase their aggregate holding in the Company without incurring an obligation under Rule 9 to make a mandatory offer to the other Shareholders.

8. CHANGE OF NAME

The Directors propose that the name of the Company be changed to OptiBiotix Health plc with effect from the conclusion of the General Meeting.

Upon the Change of Name being registered at Companies House, the Company's AIM symbol will be changed to OPTI. The Company's website address will be changed to www.optibiotix.com following the General Meeting.

9. SHARE CONSOLIDATION

The Placing is conditional upon the approval and completion of the Proposals, including the Share Consolidation. The Company's Existing Ordinary Share Capital comprises 1,100,906,719 Existing Ordinary Shares.

Resolution 3 to be proposed at the General Meeting proposes that every 200 Existing Ordinary Shares of the Company be consolidated into one New Ordinary Share.

Holders of fewer than 200 Existing Ordinary Shares will not be entitled to receive a New Ordinary Share following the Share Consolidation. Shareholders with a holding in excess of 200 Existing Ordinary Shares, but which is not exactly divisible by 200, will have their holding of New Ordinary Shares rounded down to the nearest whole number of New Ordinary Shares following the Share Consolidation. Fractional entitlements, whether arising from holdings of fewer or more than 200 Existing Ordinary Shares, will be aggregated and sold in the market and the proceeds will be retained for the benefit of the Company.

The New Ordinary Shares will continue to carry the same rights as attached to them immediately prior to the Share Consolidation as set out in the Articles and will continue to be traded on AIM.

The Company will issue new share certificates to those Shareholders holding shares in certificated form to take account of the Change of Name and the Share Consolidation. Following the issue of new share certificates, share certificates in respect of Existing Ordinary Shares will no longer be valid. Shareholders will still be able to trade in Ordinary Shares during the period between the passing of the Resolutions and the date on which Shareholders receive new share certificates.

The Deferred Shares will not be affected by the Share Consolidation.

Further details of the Share Consolidation are set out in paragraph 6 of Part VIII of this document.

10. ADMISSION TO AIM AND DEALINGS IN ORDINARY SHARES

If all of the Resolutions are passed at the General Meeting, application will be made for the Enlarged Ordinary Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and dealings in the Ordinary Shares will commence on 5 August 2014. No application has been or will be made for any Warrants to be admitted to trading on AIM.

Cairn and Peterhouse have been retained as the Company's nominated adviser and broker respectively in relation to Admission. Further details of Cairn's and Peterhouse's engagements are set out at paragraph 14 of Part VIII of this document.

11. DIRECTORS, PROPOSED DIRECTORS AND KEY MANAGEMENT OF THE ENLARGED GROUP

It is proposed, immediately following the General Meeting, that (i) David Evans, Stephen O'Hara and Mark Wyatt will join the New Board as Non-Executive Chairman, Chief Executive Officer and Non-Executive Director, respectively; (ii) Adam Reynolds will step down as Executive Chairman and will remain on the New Board as a Non-Executive Director; and (iii) Nicholas Nelson will resign from the Board.

11.1 Directors

Adam Reynolds (Executive Chairman, aged 51)

Adam is a former stockbroker, specialising in corporate finance. In 2000, Adam set up Hansard Group plc which was admitted to AIM in 2001 and, through a reverse takeover, became FirstAfrica Oil plc in 2005. Since then Adam has built, rescued and re-financed a number of AIM companies including Plectrum plc which was sold to Cairn Energy in 2007, Curidium Medica plc which was acquired by Avacta, International Brand Licensing plc the owner of the Admiral sportswear brand, which has become EKF Diagnostics Holdings plc and Medavinci plc which is now Orogen Gold plc. He is currently a non-executive director of EKF Diagnostics Holdings plc and Premaitha Health plc and Chairman of Orogen Gold plc, Hubco Investments plc and Autoclenz Group Limited. Adam is a Director and Shareholder of the Company.

Nicholas Christian Paul Nelson (Non-Executive Director, aged 49)

Nicholas's City career spans 30 years, commencing in the mid-1980s as a junior dealer on the floor of the Stock Exchange, through investment management and into financial public relations for 13 years. Accordingly, he has developed a close working knowledge of the stock market, its drivers and administrative challenges.

With his broad knowledge he has assisted on several AIM and ISDX flotations, providing logistical and PR support, and has been appointed to the boards of numerous early stage public companies as part of their admission to the public markets. In all, he has held directorships in a number of publicly quoted companies, principally to represent their interests in the City and amongst investors during periods of corporate change. Nicholas remains on the board of Adams Plc and is Chairman of ISDX quoted Equatorial Mining and Exploration Plc, an investment company in the minerals sector.

11.2 Proposed Directors

David Eric Evans (Non-Executive Chairman, aged 54)

David Evans has a track record in acquiring, integrating and growing businesses in the diagnostic area and in value creation, exemplified by his role at BBI Holdings plc where he grew the company through acquisition and organic growth, from a value of £4 million to a value of £84 million in 2007, when BBI was sold to Inverness Medical Innovations Inc. He was chairman of DxS Limited (DxS), which was sold three months after his departure in 2009 for £82 million. David was also chairman of Sirigen Group Limited, an early stage medical technology company that was sold in 2012 to Becton, Dickinson and Company, a global medical technology company. David was also previously Chairman of Immunodiagnostics Systems Holdings plc.

David is currently chairman of Epistem Holdings plc, EKF Diagnostics Holdings plc, Scancell Holdings plc, Omega Diagnostics Group plc, Premaitha Health plc and Venn Life Sciences Holdings plc.

Stephen Patrick O'Hara (Chief Executive Officer, aged 54)

Stephen O'Hara spent 20 years working for the National Health Service (NHS) where he was responsible for delivering microbiology services to a large university teaching hospital.

Stephen left the NHS in 2000 to set up an internet auction house, and Acolyte Biomedica Limited (Acolyte), which developed rapid diagnostics for healthcare acquired infections such as MRSA. Acolyte was sold to 3M in 2007 where Stephen became Director of Microbiology. Stephen left 3M in 2009 to become a Director at Taunton and Somerset Foundation Trust. In 2011, he founded Intelligent Biotech Limited as a vehicle to identify technologies and market opportunities in healthcare, which has enabled him to identify the emerging potential of the human microbiome and set up OptiBiotix.

During over 30 years in microbiology and healthcare, Stephen has authored over 40 articles, including chapters in several books, and is the inventor on a number of patents. He has at various times been editorial referee for the Journal of Medical Pathology and Journal of Clinical Microbiology.

Mark Andrew Wyatt, (Non-Executive Director, aged 41)

Mark entered the venture capital industry in 1997 and, since 2010, has been an Investment Director at Enterprise Ventures, where he has responsibility for making investments and managing a portfolio of investments. Prior to re-joining Enterprise Ventures, Mark spent two years as Bioscience Ventures Manager at Imperial Innovations plc, with responsibility for the formation of new, and management of existing, early-stage portfolio companies. His role at Imperial Innovations involved the analysis of new technology spin-out opportunities, predominantly in the life sciences area, and working with founding academics and incoming management teams to build valuable investment propositions. Prior to joining Imperial Innovations in 2008, Mark spent five years with Enterprise Ventures as Investment Manager and then Investment Director with the Enterprise Ventures technology team based in the North West, and before that, six years at Merlin Biosciences, a venture capital and advisory company dedicated to the life sciences sector. He has particular expertise in the healthcare technology sector. Mark has PhD from the Glaxo Institute of Applied Pharmacology, University of Cambridge, and received a Sainsbury Fellowship in the Life Sciences for his MBA from the University of Warwick.

12. LOCK-INS AND ORDERLY MARKET ARRANGEMENTS

The Locked-In Persons have, pursuant to rule 7 of the AIM Rules, undertaken to the Company, Cairn and Peterhouse that they will not dispose of any interest they hold in New Ordinary Shares for a period of 12 months following Admission and that, for a further period of 12 months thereafter, they shall only dispose of an interest in New Ordinary Shares having first obtained the consent of Cairn and Peterhouse, such consent not to be unreasonably withheld.

Further details of the lock-in and orderly market arrangements are set out in paragraph 14 of Part VIII of this document.

13. WARRANTS

At the date of this document the Company has a total of 913,592,460 Existing Ordinary Shares subject to Warrants. Following the Share Consolidation, these will equate to 4,567,949 New Ordinary Shares subject to Warrants.

On Admission, the Company has agreed to issue Warrants to subscribe for 538,159 New Ordinary Shares exercisable at the Issue Price to Cairn.

Further details of the existing Warrants and the Warrants to be issued to Cairn are set out in paragraph 14.7 of Part VIII of this Document.

14. OPTIONS

At the date of this document the Company has a total of 4,460,000 Existing Ordinary Shares subject to Options. Following the Share Consolidation, these will equate to 22,300 New Ordinary Shares subject to Options.

As soon as reasonably practicable following Admission, the Company will implement option arrangements to incentivise certain of the Proposed Directors of the Enlarged Group and to align their interests with the interests of the Shareholders.

Further details of the existing Options and the Options to be issued following Admission are set out in paragraph 20 of Part VIII of this document.

15. DIVIDEND POLICY

The nature of the Enlarged Group's business means that it is unlikely that the New Board and the Proposed Directors will be in a position to recommend a dividend in the early years following Admission. The Directors

and the Proposed Directors believe that the Enlarged Group should seek to generate capital growth for its Shareholders but may recommend distributions at some future date, depending upon the generation of sustainable profits, if and when it becomes commercially prudent to do so. There can be no assurance that the Company will declare and pay, or have the ability to declare and pay, any dividends in the future.

16. CORPORATE GOVERNANCE AND INTERNAL CONTROLS

The Directors recognise the importance of sound corporate governance and the Enlarged Group will comply with the provisions of the Corporate Governance Code for Small and Mid-Size Quoted Companies ("**QCA Code**"), as published by the Quoted Companies Alliance, to the extent they consider appropriate in light of the Enlarged Group's size, stage of development and resources.

The Enlarged Group will hold board meetings periodically as issues arise which require the attention of the New Board. The New Board will be responsible for the management of the business of the Enlarged Group, setting the strategic direction of the Enlarged Group and establishing the policies of the Enlarged Group. It will be the New Board's responsibility to oversee and monitor the financial position, the business and affairs of the Enlarged Group on behalf of the Shareholders, to whom the directors are accountable. The primary duty of the New Board will be to act in the best interests of the Enlarged Group at all times. The New Board will also address issues relating to internal control and the Enlarged Group's approach to risk management.

The Enlarged Group has also established a remuneration committee (the "**Remuneration Committee**"), an audit committee (the "**Audit Committee**") and an AIM Rules compliance committee (the "**AIM Compliance Committee**") with formally delegated duties and responsibilities.

The Remuneration Committee, which will comprise Adam Reynolds as Chairman and Mark Wyatt, will meet not less than twice each year. The committee will be responsible for the review and recommendation of the scale and structure of remuneration for senior management, including any bonus arrangements or the award of share options with due regard to the interests of the Shareholders and the performance of the Enlarged Group.

The Audit Committee, which will comprise Mark Wyatt as Chairman and Adam Reynolds, will meet not less than twice a year. The committee will meet not less than twice a year. The committee will be responsible for making recommendations to the New Board on the appointment of auditors and the audit fee and for ensuring that the financial performance of the Enlarged Group is properly monitored and reported. In addition, the Audit Committee will receive and review reports from management and the auditors relating to the interim report, the annual report and accounts and the internal control systems of the Enlarged Group.

The AIM Compliance Committee, which will comprise David Evans as Chairman and Adam Reynolds, will be responsible for ensuring that (i) the New Board remain at all times fully cognisant of their obligations under the AIM Rules for Companies and (ii) regular contact is maintained with the Company's nominated adviser so that it is kept up to date with all relevant developments at the Company.

The Enlarged Group has adopted and will operate a share dealing code governing the share dealings in the Company's shares of the New Board and applicable employees with a view to ensuring compliance with the AIM Rules.

17. TAXATION

The Company has received notification from HMRC that the Placing Shares will be eligible for EIS relief and that the Company will be a qualifying company for VCT purposes. However, the availability of tax relief will depend, *inter alia*, upon the investor and the Company continuing to satisfy various qualifying conditions. The Company cannot guarantee to conduct its activities in such a way as to maintain its status as a qualifying EIS or VCT investment

General information regarding UK taxation is set out in paragraph 19 of Part VIII of this document. These details are intended only as a general guide to the current tax position under UK taxation law. If an investor is in any doubt as to his tax position, he should consult his own independent financial adviser immediately.

Investors subject to tax in other jurisdictions are strongly urged to contact their tax advisers about the tax consequences of holding Ordinary Shares.

18. CREST

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument in accordance with the CREST Regulations.

The New Ordinary Shares will be eligible for CREST settlement. Accordingly, following Admission, settlement of transactions in the New 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.

For more information concerning CREST, Shareholders should contact their stockbroker or Euroclear UK & Ireland Limited at 33 Cannon Street, London EC4M 5SB or by telephone on +44 (0) 20 7849 0000.

19. INTELLECTUAL PROPERTY

A report on OptiBiotix's intellectual property is included as Part IV of this document.

20. RISK FACTORS

Shareholders and other prospective investors in the Company should be aware that an investment in the Company involves a high degree of risk. Your attention is drawn to the risk factors set out in Part II of this document.

21. FURTHER INFORMATION

Shareholders should read the whole of this document, which provides additional information on the Company, OptiBiotix and the Proposals, and should not rely on summaries of, or individual parts only of, this document. Your attention is drawn, in particular, to Parts II to VIII of this document.

22. GENERAL MEETING

You will find set out at the end of this document a notice convening the General Meeting to be held at 11.00 a.m. on 4 August 2014 at the offices of DAC Beachcroft, 100 Fetter Lane, London EC4A 1BN at which the Resolutions will be proposed to approve:

- Rule 9 Waiver;
- the Acquisition;
- the Share Consolidation;
- the authorisation of the Directors to allot New Ordinary Shares;
- the disapplication of the statutory pre-emption provisions to enable the directors in certain circumstances to allot New Ordinary Shares for cash other than on a pre-emptive basis; and
- the Change of Name.

23. ACTION TO BE TAKEN

A Form of Proxy is enclosed for use by Shareholders at the General Meeting. Whether or not Shareholders intend to be present at the General Meeting, they are asked to complete, sign and return the Form of Proxy by post or by hand to the Company's registrars, Share Registrars Limited, as soon as possible but in any event so as to arrive no later than 48 hours before the General Meeting. The completion and return of a Form of Proxy will not preclude a Shareholder from attending the General Meeting and voting in person should he or she wish to do so.

24. RECOMMENDATION

The Board is of the opinion that the Resolutions are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of each of the Resolutions (with the exception of Resolution 1 in relation to the Rule 9 Waiver – see below), as the Directors intend to do in respect of their own beneficial shareholdings, which amount in aggregate to

133,335,000 Existing Ordinary Shares, representing approximately 12.1 per cent. of the Existing Ordinary Share Capital as at the date of this document.

In relation to the Rule 9 Waiver, the Independent Director, who has been so advised by Cairn, believes that Resolution 1 and the Proposals as a whole are fair and reasonable and in the best interests of the Independent Shareholders and the Company. In providing advice to the Independent Director, Cairn has taken into account the Independent Director's commercial assessments. Accordingly, the Independent Director recommends that Independent Shareholders vote in favour of the Resolution to approve the Rule 9 Waiver as he intends to do, so far as he is able, in respect of his own shareholding of 54,170,000 Existing Ordinary Shares, representing approximately 4.9 per cent. of the Existing Ordinary Share Capital as at the date of this document. Adam Reynolds is a member of the Concert Party and therefore not deemed to be independent for the purpose of this recommendation.

Yours faithfully

Adam Reynolds
Chairman

PART II

RISK FACTORS

There are significant risks associated with the Enlarged Group. Prior to making an investment decision in respect of the Ordinary Shares, prospective investors should consider carefully all of the information within this document, including the following risk factors. The Directors and Proposed Directors believe the following risks to be the most significant for potential investors. However, the risks listed do not necessarily comprise all those associated with an investment in the Enlarged Group. In particular, the Enlarged Group's performance may be affected by changes in market or economic conditions and in legal, regulatory and/or tax requirements. The risks listed are not set out in any particular order of priority. Additionally, there may be risks not mentioned in this document of which the Directors and Proposed Directors are not aware or believes to be immaterial but which may, in the future, adversely affect the Enlarged Group's business and the market price of the Ordinary Shares.

If any of the following risks were to materialise, the Enlarged Group's business, financial condition, results or future operations could be materially and adversely affected. In such cases, the market price of the Ordinary Shares could decline and an investor may lose part or all of his investment. Additional risks and uncertainties not presently known to the Directors and Propsed Directors, or which the Directors and Proposed Directors currently deem immaterial, may also have an adverse effect upon the Enlarged Group and the information set out below does not purport to be an exhaustive summary of the risks affecting the Enlarged Group.

Before making a final investment decision, prospective investors should consider carefully whether an investment in the Enlarged Group is suitable for them and, if they are in any doubt, should consult with an independent financial adviser authorised under FSMA which specialises in advising on the acquisition of shares and other securities.

RISKS RELATING TO THE ENLARGED GROUP'S BUSINESS

Dependence on key personnel

The Enlarged Group has a small management team and the success of the Enlarged Group, in common with other businesses of a similar size, will be highly dependent on the expertise and experience of the Proposed Directors. However, the retention of such key personnel cannot be guaranteed. The loss of any key personnel or the inability to attract appropriate personnel could materially and adversely impact the Enlarged Group's business, prospects, financial condition or results of operations.

Early stage of operations

OptiBiotix's product development is at an early stage of development and there can be no guarantee that the Enlarged Group will be able to, or that it will be commercially advantageous for the Enlarged Group to, develop its intellectual property.

To date, the Enlarged Group has no positive operating cash flow and its ultimate success will depend on the New Board's ability to implement the Enlarged Group's strategy, generate cash flow and access equity markets. Whilst the New Board is optimistic about the Enlarged Group's prospects, there is no certainty that anticipated outcomes and sustainable revenue streams will be achieved. The Enlarged Group does not expect to generate any material income until commercialisation of its future products has successfully commenced and, in the meantime, the Company will continue to expend its cash reserves. There can be no assurance that the Enlarged Group's proposed operations will be profitable or produce a reasonable return, if any, on investment.

Technology and products

OptiBiotix is a microbiome modulation products discovery and development company. The development and commercialisation of its intellectual property and future products will require human nutritional studies and there is a risk that products may not perform as expected. This risk is common to all new products developed for human consumption.

Research and development risk

The Enlarged Group will be operating in the life sciences sector and will look to exploit opportunities within that sector. The Enlarged Group will be involved in complex scientific research, and industry experience indicates that there may be a high incidence of delay or failure to produce results. Any such research may demonstrate that the products of the Enlarged Group are of limited or indeed no commercial value, and/or cannot be used in the manner currently anticipated or at all. Accordingly, the Enlarged Group may not be able to develop new products or to identify specific market needs that can be addressed by technology solutions developed by the Enlarged Group. The ability of the Enlarged Group to develop new products relies, in part, on the recruitment of appropriately qualified staff as the Enlarged Group grows. The Enlarged Group may be unable to find a sufficient number of appropriately highly trained individuals to satisfy its growth rate which could affect its ability to develop as planned.

Technology risks

Technologies used within the food, beverage and healthcare market place are constantly evolving and improving. There is a risk that the Enlarged Group's products may become outdated or their commercial value decrease as improvements in technology are made and competitors launch competing products. To mitigate this risk the Enlarged Group is working with industry key opinion leaders, will attend international conferences and intends to develop a research and development department which will keep up with the latest developments in the industry.

Product development timelines

There is a risk that product development could take longer than presently expected by the New Board. If such delays occur the Enlarged Group may require further working capital. The New Board shall seek to minimise the risk of delays by careful management of projects.

Management of growth

The ability of the Enlarged Group to implement its strategy requires effective planning and management control systems. The speed at which the market develops may place a significant strain on the Enlarged Group's management, operational, financial and personnel resources. Failure to expand and improve operational, financial and management information and quality control systems in line with the Enlarged Group's growth could have a detrimental impact on the trading performance of the Enlarged Group.

Intellectual Property

The Enlarged Group is focused on protecting its intellectual property ("IP") and seeking to avoid infringing on third parties' IP. To protect its products, the Enlarged Group is securing patents to protect its key products. However, there remains the risk that the Enlarged Group may face opposition from third parties to patents that it seeks to have granted and that the outstanding patent applications are not granted. The Enlarged Group engages legal advisers to mitigate the risk of patent infringement and to assist with the protection of the Enlarged Group's IP.

The Enlarged Group's success will depend in part on its ability to maintain adequate protection of its intellectual property portfolio. The intellectual property on which the Enlarged Group's business is based is a combination of patent applications and confidential know-how. No assurance can be given that any pending patent applications or any future patent applications will result in granted patents, that any patents will be granted on a timely basis, that the scope of any patent protection will exclude competitors or provide competitive advantages to the Enlarged Group, that any of the Enlarged Group's patents will be held valid if challenged, or that third parties will not claim rights in, or ownership of, the patents and other proprietary rights held by the Enlarged Group.

There is a risk that certain objections may be raised by patent offices in relation to the on-going patent applications which have been filed by the Enlarged Group. These may result in revised applications or prevent those patent applications from being granted. If the patent applications are not granted, the consequence is that the techniques and processes described in the patent applications would not be protected and would be in the public domain. The Enlarged Group would then continue to rely on the confidential know- how it has developed.

Once granted, a patent can be challenged both in the relevant patent office and in the courts by third parties. Third parties can bring material and arguments which the patent office granting the patent may not have seen. Therefore, granted patents may be found by a court of law or by the patent office to be invalid or unenforceable or in need of further restriction.

Unless and until the Enlarged Group's patents are granted, the Enlarged Group is unable to take action to protect its proprietary processes.

A substantial cost may be incurred if the Enlarged Group is required to assert its intellectual property rights, including any patents, against third parties. Patent litigation is costly and time consuming and there can be no assurance that the Enlarged Group will have, or will be able to devote, sufficient resources to pursue such litigation. Potentially unfavourable outcomes in such proceedings could limit the Enlarged Group's intellectual property rights and activities. There is no assurance that obligations to maintain the Enlarged Group's know-how would not be breached or otherwise become known in a manner which provides the Group with no recourse.

Any claims made against the Enlarged Group's intellectual property rights, even without merit, could be time consuming and expensive to defend and could have a materially detrimental effect on the Enlarged Group's resources. A third party asserting infringement claims against the Enlarged Group and its customers could require the Enlarged Group to cease the infringing activity and/or require the Enlarged Group to enter into licensing and royalty arrangements. In addition, the Enlarged Group may be required to develop alternative non-infringing solutions that may require significant time and substantial unanticipated resources. There can be no assurance that such claims would not have a material adverse effect on the Enlarged Group's business, financial condition or results.

No assurance can be given that third parties will not in the future claim rights in or ownership of the patents and other proprietary rights from time to time held by the Enlarged Group. As further detailed above, substantial costs (both financially and in management time) may be incurred if the Enlarged Group is required to defend its intellectual property.

General legal and regulatory issues

The Enlarged Group's operations are subject to laws, regulatory approvals and certain governmental directives, recommendations and guidelines relating to, amongst other things, a product health claims, occupational safety, laboratory practice, the use and handling of hazardous materials, prevention of illness and injury, environmental protection and human nutritional studies. There can be no assurance that future legislation will not impose further government regulation, which may adversely affect the business or financial condition of the Company.

RISKS RELATING TO AN INVESTMENT IN THE ORDINARY SHARES

Trading and performance of Ordinary Shares

The AIM Rules are less demanding than those of the Official List and an investment in a company whose shares are traded on AIM is likely to carry a higher risk than an investment in a company whose shares are quoted on the Official List. It may be more difficult for investors to realise their investment in a company whose shares are traded on AIM than to realise an investment in a company whose shares are quoted on the Official List. The share price of publicly traded, early stage companies can be highly volatile. The price at which the Ordinary Shares will be traded and the price at which investors may realise these investments will be influenced by a large number of factors, some specific to the Enlarged Group and its operations and some which may affect quoted companies generally. The value of Ordinary Shares will be dependent upon the success of the operational activities undertaken by the Enlarged Group and prospective investors should be aware that the value of the Ordinary Shares can go down as well as up. Furthermore, there is no guarantee that the market price of an Ordinary Share will accurately reflect its underlying value.

Volatility of share price

The trading price of the Ordinary Shares may be subject to wide fluctuations in response to a number of events and factors, such as variations in operating results, announcements of innovations or new services by the Enlarged Group or its competitors, changes in financial estimates and recommendations by securities analysts, the share price performance of other companies that investors may deem comparable to the

Company, news reports relating to trends in the Company's markets, large purchases or sales of Ordinary Shares, liquidity (or absence of liquidity) in the Ordinary Shares, currency fluctuations, legislative or regulatory changes and general economic conditions. These fluctuations may adversely affect the trading price of the Ordinary Shares, regardless of the Company's performance.

Future sales of Ordinary Shares could adversely affect the price of the Ordinary Shares

Certain existing shareholders have given lock-in undertakings that, save in certain circumstances, they will not until twelve months following Admission, dispose of the legal or beneficial ownership of, or any other interest in, Ordinary Shares held by them at Admission. There can be no assurance that such parties will not effect transactions upon the expiry of the lock-in or any earlier waiver of the provisions of their lock-in. The sale of a significant number of Ordinary Shares in the public market, or the perception that such sales may occur, could materially adversely affect the market price of the Ordinary Shares.

Shareholders not subject to lock-in arrangements and, following the expiry of twelve months following Admission (or earlier in the event of a waiver of the provisions of the lock-in), Shareholders who are otherwise subject to lock-in arrangements, may sell their Ordinary Shares in the public or private market and the Company may undertake a public or private offering of Ordinary Shares. The Company cannot predict what effect, if any, future sales of Ordinary Shares will have on the market price of the Ordinary Shares. If the Company's existing shareholders were to sell, or the Company was to issue a substantial number of Ordinary Shares in the public market, the market price of the Ordinary Shares could be materially adversely affected. Sales by the Company's existing Shareholders could also make it more difficult for the Company to sell equity securities in the future at a time and price that it deems appropriate.

Dilution of Shareholders' interests 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 Enlarged Group, 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. The Company may also issue shares as consideration shares on acquisitions or investments which would also dilute Shareholders' respective shareholdings.

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 to the discretion of the Shareholders or, in the case of interim dividends to the discretion of the Directors and the Proposed Directors, and will depend upon, amongst 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.

Although the New Board intends to pay dividends to Shareholders in the future, there can be no assurance that the Company will declare and pay, or have the ability to declare and pay, any dividends in the future.

Forward looking statements

This document contains forward-looking statements that involve risks and uncertainties. The Enlarged Group's results could differ materially from those anticipated in the forward-looking statements as a result of many factors, including the risks faced by the Enlarged Group, which are described above and elsewhere in the document. Additional risks and uncertainties not currently known to the Board may also have an adverse effect on the Enlarged Group's business.

The specific and general risk factors detailed above do not include those risks associated with the Enlarged Group which are unknown to the Directors and the Proposed Directors.

Although the Directors and the Proposed Directors will seek to minimise the impact of the Risk Factors, investment in the Company should only be made by investors able to sustain a total loss of their investment. Investors are strongly recommended to consult an investment adviser authorised under FSMA who specialises in investments of this nature before making any decision to invest.

PART III

ADDITIONAL TAKEOVER CODE DISCLOSURE

1. Details of the Concert Party

The composition of the Concert Party and a brief biography of each of the members of the Concert Party are set out below.

The Concert Party members and their respective addresses are as follows:

Name	*Address*
Stephen O'Hara David Evans Adam Reynolds	*All of:* Innovation Centre Innovation Way Heslington York YO10 5DG
FYSCF	Preston Technology Management Centre Marsh Lane Preston Lancashire PR1 8UQ

A biography of each of the members of the Concert Party is set out below:

Stephen O'Hara

Stephen O'Hara spent 20 years working for the National Health Service (NHS) where he was responsible for delivering microbiology services to a large university teaching hospital.

Stephen left the NHS in 2000 to set up an internet auction house, and Acolyte Biomedica Limited (Acolyte), which developed rapid diagnostics for healthcare acquired infections such as MRSA. Acolyte was sold to 3M in 2007 where Stephen became Director of Microbiology. Stephen left 3M in 2009 to become a Director at Taunton and Somerset Foundation Trust. In 2011, he founded Intelligent Biotech Limited as a vehicle to identify technologies and market opportunities in healthcare, which has enabled him to identify the emerging potential of the human microbiome and set up OptiBiotix.

During over 30 years in microbiology and healthcare, Stephen has authored over 40 articles, including chapters in several books, and is the inventor on a number of patents. He has at various times been editorial referee for the Journal of Medical Pathology and Journal of Clinical Microbiology.

David Evans

David Evans has a track record in acquiring, integrating and growing businesses in the diagnostic area and in value creation, exemplified by his role at BBI Holdings plc where he grew the company through acquisition and organic growth, from a value of £4 million to a value of £84 million in 2007, when BBI was sold to Inverness Medical Innovations Inc. He was chairman of DxS Limited (DxS), which was sold three months after his departure in 2009 for £82 million. David was also chairman of Sirigen Group Limited, an early stage medical technology company that was sold in 2012 to Becton, Dickinson and Company, a global medical technology company. David was also previously Chairman of Immunodiagnostics Systems Holdings plc.

David is currently chairman of Epistem Holdings plc, EKF Diagnostics Holdings plc, Scancell Holdings plc, Omega Diagnostics Group plc, Premaitha Health plc and Venn Life Sciences Holdings plc.

Adam Reynolds

Adam is a former stockbroker, specialising in corporate finance. In 2000, Adam set up Hansard Group plc which was admitted to AIM in 2001 and, through a reverse takeover, became FirstAfrica Oil plc in 2005. Since then Adam has built, rescued and re-financed a number of AIM companies including Plectrum plc

which was sold to Cairn Energy in 2007, Curidium Medica plc which was acquired by Avacta, International Brand Licensing plc the owner of the Admiral sportswear brand, which has become EKF Diagnostics Holdings plc and Medavinci plc which is now Orogen Gold plc. He is currently a non-executive director of EKF Diagnostics Holdings plc and Premaitha Health plc and Chairman of Orogen Gold plc, Hubco Investments plc and Autoclenz Group Limited. Adam is a Director and Shareholder of the Company.

FYSCF

FYSCF is a fund managed by Enterprise Ventures, which is a provider of venture capital and loans to small businesses in England and Wales. It manages funds in excess of £140m and invested in over 211 transactions in 2013.

At the date of this document, FYSCF holds £250,000 of convertible loan notes in OptiBiotix, which will be converted into shares in OptiBiotix prior to Admission.

Relationship between the members of the Concert Party

The Concert Party members and the rationale for their inclusion in the Concert Party are set out below.

Concert Party Member	*Rationale*
The Vendors, namely: Stephen O'Hara David Evans FYSCF	Under the presumption that all shareholders of a private company (in this case OptiBiotix) who sell their shares to a company to which the Takeover Code applies (the Company) in consideration for shares in the Company are acting in concert with one another.
Adam Reynolds	On account of his business relationship and common directorships with David Evans.

2. Further disclosure required by the Takeover Code

2.1 No person has made a public takeover bid for the Company's issued share capital in the financial period to 30 November 2013 or in the current financial year.

2.2 As at the date of this document, the Concert Party in aggregate has an interest in Existing Ordinary Shares representing 7.2 per cent. of the total voting rights in the Company.

2.3 Save as disclosed in this document, there are no other agreements, arrangements or understandings (including compensation arrangements) between the Concert Party and any of the Directors, the Proposed Directors, the Shareholders or recent Shareholders of the Company connected with or dependent upon the Acquisition other than any relating to the Acquisition process.

2.4 The Directors, the Proposed Directors and the Concert Party have confirmed that, save as set out in paragraph 7 of Part I, they are not proposing any changes that would effect: (i) the employment rights, including pension rights of the employee or the management of the Company or OptiBiotix; (ii) the strategic plans for the Company or OptiBiotix; (iii) the redeployment of fixed assets of the Company; and (iv) the Company's main place of business.

2.5 There is no agreement, arrangement or understanding between any of the members of the Concert Party and any other person pursuant to which any Ordinary Shares which they will acquire pursuant to the Acquisition will be transferred.

2.6 The payment of interest on, repayment of, or security for, any liability (contingent or otherwise) will not depend to any significant extent on the business of the Company.

2.7 As at the close of business on the disclosure date, save as disclosed in this document, none of the Concert Party members nor any members of their immediate families, any related trust, nor any connected persons (within the meaning of section 252 of the Act), nor any person acting in concert with such persons, owns or controls, or has borrowed or lent, or is interested in, or has any right to subscribe for, or any arrangement concerning, directly or indirectly, any of the relevant securities, nor has any such person dealt for value therein during the disclosure period or has any short position

(whether conditional or absolute and whether in the money or otherwise), including a short position under a derivative, any agreement to sell or any delivery obligation in respect of any right to require any person to purchase or take delivery of, any of the relevant securities.

2.8 Save as disclosed in paragraph 8 of Part VIII of this document as at the date of this document or in the 12 months prior to the date of this document neither:

2.8.1 the Company;

2.8.2 the Directors or the Proposed Directors;

2.8.3 any of their immediate families or related trusts;

2.8.4 the pension funds of the Company or its subsidiary undertakings;

2.8.5 any employee benefit trust of the Company or its subsidiary undertakings;

2.8.6 any connected adviser to the Company or its subsidiary undertakings or any person acting in concert with the Directors;

2.8.7 any person controlling, controlled by or under the same control as any connected adviser falling within 2.8.6 above (except for an exempt principal trader or an exempt fund manager); nor

2.8.8 any other person acting in concert with the Company;

owns or controls, or has borrowed or lent (or entered into any financial collateral arrangement of the kind referred to in Note 4 on Rule 4.6 of the Takeover Code), or is interested in, or has any right to subscribe for, or any arrangement concerning, directly or indirectly, any of the relevant securities, nor has any such person any short position (whether conditional or absolute or whether in the money or otherwise), including a short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery of any of the relevant securities.

2.9 Save as disclosed in this document, no 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 arrangements exists in which a Director is materially interested and which is significant in relation to the business of the Company.

2.10 Save as disclosed in this document, there are no outstanding loans made or guarantees provided by any member of the Company or its subsidiary undertakings for the benefit of any of the Directors, nor are there any guarantees provided by any of the Directors for any member of the Company or its subsidiary undertakings.

2.11 Save as disclosed in this document, there are no personal, financial or commercial relationships arrangements or undertakings between any member of the Concert Party and any Directors, their close relatives and related trusts.

2.12 No agreement, arrangement or understanding exists whereby the beneficial ownership of any New Ordinary Shares to be acquired by the Concert Party will be transferred to any other person.

2.13 There are no financing arrangements in place in relation to the Proposals whereby repayment or security is dependent on the Company.

2.14 Members of the Concert Party have confirmed that no changes are envisaged to be introduced to the Company's business a result of completion of the Proposals.

2.15 No incentivisation arrangements have been entered into and no proposals as to any incentivisation arrangements have reached an advanced stage between OptiBiotix and the Directors or the Proposed Directors.

2.16 In this paragraph 2:

"**acting in concert**"	has the meaning attributed to it in the Takeover Code; persons acting in concert comprise persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control (as defined below) of a company or to

frustrate the successful outcome of an offer for a company. A person and each of its affiliated persons will be deemed to be acting in concert all with each other. Without prejudice to the general application of this definition, the following persons will be presumed to be persons acting in concert with other persons in the same category unless the contrary is established:

(1) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies, and companies of which such companies are associated companies, all with each other (for this purpose ownership or control of 20 per cent. or more of the equity share capital of a company is regarded as the test of associated company status);

(2) a company with any of its directors (together with their close relatives and related trusts);

(3) a company with any of its pension funds and the pension funds of any company covered in (1) above;

(4) a fund manager (including an exempt fund manager) with any investment company, unit trust or other person whose investments such fund manager manages on a discretionary basis, in respect of the relevant investment accounts;

(5) a connected adviser with its client and, if its client is acting in concert with an offeror or with the offeree company, with that offeror or with that offeree company respectively, in each case in respect of the interests in shares of that adviser and persons controlling, controlled by or under the same control as that adviser (except in the capacity of an exempt fund manager or an exempt principal trader); and

(6) directors of a company which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent.

"**arrangement**" includes any indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing;

"**connected adviser**" has the meaning attributed to it in the Takeover Code;

"**connected person**" has the meaning attributed to it in sections 252 to 255 of the Act;

"**control**" means an interest in relevant securities carrying 30 per cent. or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether the interest gives *de facto* control;

"**dealing**" or "**dealt**" includes the following:

(a) the acquisition or disposal of relevant securities, of the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities, or of general control of relevant securities;

(b) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including a traded option contract) in respect of any relevant securities;

(c) subscribing or agreeing to subscribe for relevant securities;

(d) the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a

	derivative referenced, directly or indirectly, to relevant securities; (e) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities; and (f) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;
"**derivative**"	includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of a underlying security;
"**disclosure date**"	means 17 July 2014, being the latest practical date prior to the posting of this document;
"**disclosure period**"	means the period commencing on 18 July 2013, being the date 12 months prior to the posting of this document and ending on the disclosure date;
"**exempt principal trader**" or "**exempt fund manager**"	has the meaning attributed to it in the Takeover Code;
"**interest**"	being "interested" in relevant securities includes where a person has long economic exposure (whether absolute or conditional) to changes in the price of those securities. A person who only has a short position in securities will not be treated as interested in those securities. In particular, a person will be treated as having an interest in securities if: (a) owns relevant securities; (b) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities or has general control of them; (c) by virtue of any agreement to purchase, option or derivative, has the rights or option to acquire relevant securities or call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; (d) is party to any derivative whose value is determined by reference to its price and which results, or may result, in his having a long position in it; or (e) has received an irrevocable commitment in respect of the relevant securities;
"**relevant securities**"	means ordinary shares (or derivatives referenced thereto) and securities convertible into or rights to subscribe for ordinary shares, options in respect of ordinary shares (including traded options) or short positions in ordinary shares in the Company, OptiBiotix and/or any member of the Concert Party; and
"**short position**"	means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.

3. Mid Market Quotations

3.1 Set out below are the closing middle-market quotations for an Ordinary Share as derived from the daily Official List for the first dealing day of each of the six months immediately preceding the date of this document and the latest practical date prior to the publication of this document.

Date	*Price per Ordinary share (p)*
3 February 2014	0.065
3 March 2014	0.055
1 April 2014	0.045
1 May 2014	0.045[1]
2 June 2014	0.070
2 July 2014	0.070

[1] Admission to trading in the Company's Shares was temporarily suspended on 9 May 2014; there has therefore been no price change since that date to the date of this document.

PART IV

REPORT ON INTELLECTUAL PROPERTY

Keltie

The Directors
Ducat Ventures PLC
145-147 St. John Street
London
EC1V 4PY

The Partners
Cairn Financial Advisers LLP
61 Cheapside
London
EC2V 6AX

The Directors
Peterhouse Corporate Finance Limited
31 Lombard Street
London
EC3V 9BQ

8 July 2014

Dear Sirs

Re: Statement on the UK patent applications in the name of Optibiotix Health Ltd.

Our Reference: S35061/DJC/JG

We have prepared this statement for the Directors of Ducat Ventures PLC (the "Company") and also for Cairn Financial Advisers LLP and Peterhouse Corporate Finance Limited, the Company's Advisers, for inclusion in the Admission Document to be issued by the Company in connection with the Placing and the Company's admission to trading on AIM. This statement has been prepared pursuant to, as appropriate, the "AIM Rules for Companies" issued by the London Stock Exchange covering certain aspects of the Company's intellectual property rights (IPR). We are responsible for this statement as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this statement is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Statement on the Patent Applications of Optibiotix Health Ltd.

Optibiotix Health Ltd. ("Optibiotix") is aware of the importance of the protection of IPR, both for the defence and exploitation of its research activities and for enhancing the commercial value of products, processes and applications it identifies and develops. To achieve this end, Optibiotix has to date filed patent applications for five of their inventions.

The five patent applications filed by Optibiotix relate to various aspects of the businesses' proprietary technology in prebiotic, probiotic and symbiotic treatments for diseases and disorders of the gastrointestinal

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tract, achieved through the seeding and modification of the human microbiome. All five applications were filed at the UK Intellectual Property Office (UKIPO) on 5 November 2013, and are currently pending. This has been confirmed with the UKIPO patent database (accessed 2 July 2014). None of the five applications claims Convention priority to an earlier application.

All five applications have been prepared as full applications with each including a description, claims, an abstract and drawings (where necessary) and all requirements necessary at the UKIPO to confer a filing date have been completed. As a result, all five applications have an effective priority date of 5 November 2013. This is based on the assumption that each of the five applications is the first patent application that has been filed for the respective subject-matter by Optibiotix, or if filed previously, that the earlier applications have been withdrawn with no rights outstanding.

Patents are national rights and the present UK applications provide the necessary basis for extending protection overseas by filing national or International patent applications with priority claims to the UK filing date of 5 November 2013. Such applications should be filed on or before 5 November 2014. Filing an International application allows the applicant to delay the decision of where to file national or regional phase applications until 30 months from the priority date (5 May 2016).

The UK applications were filed with no requests for search. This is common when applications are destined for use only to establish a priority date. For this reason we are unable to advise on whether there is relevant prior art that would require the scope of protection as currently defined in the claims to be restricted.

We have been advised by Optibiotix that they own the rights to the inventions described in the five patent applications. It will be necessary on filing an international application for Optibiotix to identify the inventors for each of the applications and how Optibiotix acquired the rights from the inventors, for example via employment or assignment.

Turning to the substantive content of the patent applications, each of the five applications has been prepared by a patent attorney with experience in the technical field. Although all the applications relate to a similar underlying concept, there is no obvious overlap in their claimed subject-matter. This is advantageous in that each of the inventions will be assessed independently for novelty and inventiveness, and for sufficiency.

At present, the applications remain unpublished (their content is kept secret by the UKIPO) but in the normal course of events would be expected to be published shortly after 5 May 2015. In view of their unpublished status, it is inappropriate to discuss the detail of the inventions in this statement as this may be prejudicial in respect of future patent applications that contain additional subject matter relating to modifications or improvements to the present inventions which Optibiotix, or their successor in title, may wish to file.

The claims of all five cases have been drafted in a reasonably broad manner. It is possible that amendment to a narrower scope may be necessary to secure grant. This is expected in the normal course of patent prosecution. It is not possible to assess precisely what level of limitation (if any) may be required in the absence of any prior art searches.

The main independent claims of patent application nos. GB1319531.8, GB1319525.0, and GB1319539.1 (attorney ref: P30760GB1/SNB; P30761GB1/SNB; and P30765GB1) all relate to subject-matter that is, in principle, patentable.

Patent application nos. GB1319540.9 and GB1319539.1 (attorney refs: P30762GB1/SNB; and P30763GB1/SNB) have claims that relate to the use of compositions in the treatment of disease or disorder. Although this general subject-matter is patentable across the major jurisdictions, it is dependent on the claim format that is to be used; in the United States, the so-called “method of treatment” claim format is allowable, in the UK and Europe, where the “method of treatment” claim format is not allowed, use-limited composition claims in the format “substance X for use in the treatment of disease Y” are allowed. As is good practice when an applicant is proposing to file in different jurisdictions in due course, the claim-sets of these applications have independent claims relating to methods of use of compositions in the treatment of disease or disorder in both formats.

Patent application nos. GB1319525.0, GB1319538.3, and GB1319539.1 (attorney refs: P30761GB1/SNB, P30763GB1/SNB; and P30765GB1/SNB) each have independent claims relating to a composition, yet do not have claims relating to the method of manufacture of the composition. Claims to a method extend the

scope of protection to the product directly formed by the method, therefore dependent on the prior art position, it can sometimes be possible to obtain patent protection for the direct product via the method claim, even if claims to the product itself are not allowed. Consideration of the addition of claims to the method of manufacture of these compositions in these applications is advised and such claims can be incorporated in the proposed national or International applications.

Patent applications nos. GB1319531.8 and GB1319525.0 (attorney ref: P30760GB1/SNB; and P30761GB1/SNB), currently contain no experimental data, or specific examples in support of the claimed subject-matter. It is common to add such data at the foreign filing stage, and we have been informed that Optibiotix proposes to do so. Optibiotix is aware that "thought experiments" or experimental procedures without data must be identified as such if the application is to subsequently enter the national phase in the United States to avoid potential invalidity of the application before the United States Patent and Trademark Office and the risk that the patent application may be invalidated for lack of enablement.

Finally, the five patent applications are pending and will not be enforceable against third parties until they are granted. Entitlement to damages, or an account of profits, in respect of infringements may accrue from the date of publication of the applications or from the date upon which an alleged infringer is notified of the existence of the patent applications. This applies equally to any overseas applications that are filed,

Statement on the other IPRs of Optibiotix Health Ltd.

Optibiotix is the proprietor of the UK registered trade marks: OPTIBIOTIX (Reg no. UK00003015026), OPTIBIOTIC (UK00003025070/1), OPTIBIOTICS (UK00003025070/2) and OPTISCREEN (Reg. no. UK00003015022). These registrations may be kept in force indefinitely subject to use and the timely payment of renewal fees.

As a biotechnology company, Optibiotix will have confidential know-how, trade secrets and biological matter, such as potentially novel probiotic strains, relating to the products and processes being developed that is either not yet subject to a patent application or cannot be protected via patents. Such proprietary technology nevertheless may have significant value in terms of the commercial advantage the company holds and its potential to strengthen its position in this field.

General comments

We have not conducted relevant prior art, or freedom-to-operate searches in respect of Optibiotix's technology as this was considered to be outside the scope of this report. Accordingly, we cannot comment on whether there are any third party patents that might impact upon the ability to exploit the inventions described in the patent applications.

The scope of protection afforded by the claims currently presented in the patent applications filed by Optibiotix may be revised and/or limited in light of objections that may be raised by patent offices. Such objections may prevent the patent applications from being granted. If the patent applications are not granted, the compositions and processes described in the patent applications would not benefit from patent protection, and would be in the public domain. Where possible, Optibiotix, or their successor in title, would be able pursue new patent applications for such related, ancillary and other compositions and techniques it has developed.

After grant, a patent can still be challenged both in the relevant patent office and in the courts by third parties. For example, third parties can submit new prior art and arguments which the granting patent office may not have considered. Therefore, a granted patent may be revoked, or its claims restricted at the discretion of the relevant patent office or court.

The assertion by Optibiotix, or their successor in title, of its intellectual property rights against third parties, can be costly and time consuming. Potentially unfavourable outcomes in such proceedings could limit the intellectual property rights and activities of Optibiotix, or their successor in title.

For trade-secrets and "know-how" currently held by Optibiotix that is not currently the subject of a patent application, there is no assurance that obligations to maintain the confidentiality of this information would not be breached or otherwise become known in a manner which provides Optibiotix, or their successor in title, with no recourse.

Any claims made against the IPRs of Optibiotix, or their successor in title, even if proven to be without merit, could be time consuming and expensive to defend and could have a materially detrimental effect on the resources and reputation of Optibiotix, or their successor in title. A third party asserting infringing activity against Optibiotix, or their successor in title, could require them to cease the infringing activity and/or require them to enter into licensing and royalty arrangements. In addition, Optibiotix, or their successor in title, may be required to develop alternative non infringing solutions that may require significant time and substantial unanticipated resources. There can be no assurance that such claims would not have a material adverse effect on the business of Optibiotix, or their successor in title, its financial condition or results.

No assurance can be given that third parties will not in the future claim rights in or ownership of the patents and other proprietary rights held by Optibiotix, or their successor in title. As further detailed above, substantial costs may be incurred if Optibiotix, or their successor in title, is required to defend its right of ownership of what it considers to be its intellectual property.

Yours faithfully

Judith Caldwell

Partner, UK and European Patent Attorney
for Keltie LLP

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PART V

A – ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION ON THE COMPANY

18 July 2014

The Directors
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and

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and

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Registered Auditors
Business Advisors
Tax Specialists
Financial Services
Corporate Recovery
Accounting Outsourcing
Corporate Finance

Ducat Ventures PLC ("Ducat" or "Company")

Introduction

We report on the financial information set out in this Part V on pages 41 to 57. This financial information has been prepared for inclusion in the AIM admission document (the "Admission Document") of the Company dated 18 July 2014 on the basis of the accounting policies set out in paragraph 1 of the financial information.

Responsibilities

This report is required by Paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that regulation and for no other purpose.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules for Companies 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 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 Paragraph (a) of Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Admission document.

Basis of preparation

The financial information set out below is based on the audited financial statements of the Company for the years ended 31 July 2011, 31 July 2012 and the sixteen month period ended 30 November 2013 to which no adjustments were considered necessary.

The directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information and in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). It is our responsibility to form an opinion

as to whether the financial information gives a true and fair view, for the purposes of the Admission document, and to report our opinion to you.

Basis of opinion

We conducted our work 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 financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion, the financial information gives, for the purposes of the Admission document a true and fair view of the state of affairs of Ducat as at 30 November 2013, 31 July 2012 and 31 July 2011 and of its results, cash flows and statements of changes in equity for the periods then ended in accordance with the basis of preparation and the applicable reporting framework set out in paragraph 1 of the financial information.

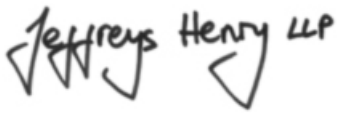
Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM 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. This declaration is included in the Admission document in compliance with Schedule Two of the AIM Rules.

The financial information included herein comprises:

- a statement of accounting policies;
- statements of comprehensive income, statements of financial position, statements of changes in equity, statements of cash flow; and
- notes to the financial information.

Yours faithfully



JEFFREYS HENRY LLP

PART V

B – HISTORICAL FINANCIAL INFORMATION ON THE COMPANY

1. Accounting policies

1.1 ***General information***

Ducat Ventures PLC is a company incorporated and domiciled in the United Kingdom under the Companies Act 2006. The principal activity of the group headed by the Company up to November 2013 was that of the development, production and provision of printing materials to advertising point of sale markets. The Company disposed of its subsidiaries on 18 November 2013 and became an investment holding company. The Company is listed on the AIM market of the London Stock Exchange.

These financial statements are presented in pounds sterling which is the currency of the primary economic environment in which the Company operates.

1.2 ***Basis of preparation***

The financial statements of Ducat Ventures Plc have been prepared in accordance with International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs) and International Financial Reporting Interpretations Committee (IFRIC) interpretations (collectively 'IFRSs') as adopted for use in the European Union and as issued by the International Accounting Standards Board and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

(a) *New and amended standards adopted by the Company*

Amendment to IAS 1 – Presentation of items of other comprehensive income has been adopted.

There are no other IFRSs or IFRIC interpretations that are effective for the first time in this financial period that would be expected to have a material impact on the Company.

(b) *New Standards, amendments and interpretations issued but not effective*

At the date of authorisation of this financial information, the following Standards and Interpretations which have not been applied in this financial information were in issue but not yet effective:

	Effective date: Periods commencing on or after
IFRS 9 Financial Instruments	1 January 2013
IFRS 11 Joint Arrangements	1 January 2013
IFRS 12 Disclosure of Interests in Other Entities	1 January 2013
IFRS 13 Fair Value Measurement	1 January 2013
IAS 19 Employee Benefits (Amendment)	1 January 2013
IAS 27 Separate Financial Statements	1 January 2013
IAS 28 Investments in Associate and Joint Ventures	1 January 2013

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Company.

1.3 ***Taxation***

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) *Current tax*

Current taxes are based on the results shown in the financial information and are calculated according to local tax rules using tax rates enacted or substantially enacted by the statement of financial position date.

Income tax is recognised in the income statement or in equity if it relates to items that are recognised in the same or a different period, directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

(ii) *Deferred tax*

Deferred tax is provided, using the liability method, on temporary differences at the statement of financial position date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differenced, and the carrying forward or unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Conversely, previously unrecognised deferred tax assets are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

1.4 ***Investments***

Investments in subsidiaries are held at cost less any impairment.

1.5 ***Financial instruments***

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

1.6 ***Trade and other receivables***

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to the initial recognition, trade and receivables are measured at amortised cost less impairment losses for bad and doubtful debts, except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

Impairment losses for bad and doubtful debts are measured as the difference between the carrying amount of financial asset and the estimated future cash flows, discounted where the effect of discounting is material.

1.7 ***Cash and cash equivalents***

Cash and cash equivalents comprised of cash at bank and in hand.

1.8 ***Fair values***

The carrying amounts of the financial assets and liabilities such as cash and cash equivalents, receivables and payables of the company at the statement of financial position date approximated their fair values, due to relatively short term nature of these financial instruments

1.9 ***Trade and other payables***

Trade and other payables are initially recognised at fair value and thereafter stated in amortised cost, except where the payables are interest free loans made by related parties without any fixed repayment terms or the effect of discounting would be immaterial, in which case they are stated at cost.

1.10 ***Impairment of non-financial assets***

At each statement of financial position date, the Company reviews the carrying amounts of its investments 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). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell 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. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.11 ***Capital management***

Capital is made up of stated capital, premium and retained earnings. The objective of the Company's capital management is to ensure that it maintains strong credit ratings and capital ratios. This will ensure that the business is correctly supported and shareholder value is maximised.

The Company manages its capital structure through adjustments that are dependent on economic conditions. In order to maintain or adjust the capital structure, the Company may choose to change or amend dividend payments to shareholders or issue new share capital to shareholders. There were no changes to the objectives, policies or processes during the period ended 30 November 2013.

1.12 ***Equity instruments***

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

1.13 ***Share-based compensation***

The fair value of the employee and suppliers services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting year is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each statement of financial position date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The fair value of share-based payments recognised in the income statement is measured by use of the Black Scholes model, which takes into account conditions attached to the vesting and exercise of the equity instruments. The expected life used in the model is adjusted; based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The share price volatility percentage factor used in the calculation is based on management's best estimate of future share price behaviour and is selected based on past experience, future expectations and benchmarked against peer companies in the industry.

1.14 ***Critical accounting judgments and key sources of estimation uncertainty***

The preparation of financial statements requires management to make estimates and assumptions concerning the future that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods.

The resulting accounting estimates will, by definition, differ from the related actual results.

- *Share based payments*

  The fair value of share based payments recognised in the income statement is measured by use of the Black Scholes model, which takes into account conditions attached to the vesting and exercise of the equity instruments. The expected life used in the model is adjusted; based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The share price volatility percentage factor used in the calculation is based on management's best estimate of future share price behaviour and is selected based on past experience, future expectations and benchmarked against peer companies in the industry.

- *Contingent consideration*

  On 18 November 2013 the Company disposed of its subsidiary Ceres Media Plc for a contingent consideration equal to certain percentages of all gross sales by Ceres Media Plc and its subsidiaries, for certain products, during the period of 24 months following the completion of the sale. The contingent consideration has been calculated based on the directors' best estimate of the Ceres Media Plc's future performance.

2. Statements of Comprehensive Income

	Notes	*16 mths ended 30 November 2013 £'000*	*Year ended 31 July 2012 £'000*	*Year ended 31 July 2011 £'000*
Revenue	7.1	–	–	–
Cost of sales		–	–	–
Gross profit		–	–	–
Administrative expenses				
– Normal		(342)	(303)	(604)
– Impairment of investments		–	(3,717)	–
– Impairment of group loans		(1,394)	–	–
– Loss on disposal of investments		(500)	–	–
– Surplus arising on settlements with trade creditors		64	–	–
Total administrative expenses		(2,172)	(4,020)	(604)
Operating loss	7.4	(2,172)	(4,020)	(604)
Finance costs	7.3	(4)	(6)	(12)
Loss before tax		(2,176)	(4,026)	(616)
Tax	7.5	–	–	–
Loss for the period and total comprehensive income		(2,176)	(4,026)	(616)
Loss per share				
– Basic and diluted	7.6	(2.32)p	(10.69)p	(2.93)p

3. Statements of Financial Position

	Notes	*As at 30 November 2013 £'000*	*As at 31 July 2012 £'000*	*As at 31 July 2011 £'000*
Assets				
Non-current assets				
Investments	7.7	–	500	4,216
		–	500	4,216
Current assets				
Trade and other receivables	7.8	301	1,258	576
Cash and cash equivalents	7.9	–	–	27
		301	1,258	603
Total assets		301	1,758	4,819
Equity				
Called-up share capital	7.12	5,722	5,574	5,200
Share premium account	7.13	1,303	839	–
Other reserves	7.14	27	27	27
Accumulated losses	7.15	(6,956)	(4,780)	(754)
		96	1,660	4,473
Liabilities				
Current liabilities				
Trade and other payables	7.10	205	98	346
Total current liabilities		205	98	346
Total Equity and Liabilities		301	1,758	4,819

4. Statements of Cash flow

	Notes	*16 mths ended 30 November 2013 £'000*	*Year ended 31 July 2012 £'000*	*Year ended 31 July 2011 £'000*
Cash flows from operating activities				
Cash outflow from operations	6.1	(498)	(1,129)	(839)
Net finance charges paid		(4)	(6)	1
Net cash used in operating activities		(502)	(1,135)	(838)
Cash flows from investing activities				
Acquisition of subsidiaries		–	–	(23)
Movement in balance with other group companies		–	–	108
Net cash generated by investing activities		–	–	85
Cash flows from financing activities				
Issue of equity shares		502	1,108	1
Net cash from financing activities		502	1,108	1
Decrease in cash and cash equivalents		–	(27)	(753)
Cash and cash equivalents at beginning of period		–	27	780
Cash and cash equivalents at end of period		–	–	27

Cash and cash equivalents comprise bank account balances.

5. Statements of Changes in Equity

	Called up Share capital £	*Accumulated Losses* £	*Share Premium* £	*Share-based payment reserve* £	*Total equity* £
Balance at 1 August 2010	885	(138)	–	27	774
Loss for the year	–	(616)	–	–	(616)
Shares issued in the year	4,315	–	–	–	4,315
Balance at 1 August 2011	5,200	(754)	–	27	4,473
Loss for the year	–	(4,026)	–	–	(4,026)
Shares issued in the year	374	–	839	–	1,213
Balance at 31 July 2012	5,574	(4,780)	839	27	1,660
Loss for the period	–	(2,176)	–	–	(2,176)
Shares issued in the period	148	–	464	–	612
Balance at 30 November 2013	5,722	(6,956)	1,303	27	96

6. Notes to the Statements of Cash flow

6.1 *Cash outflow from operations*

	16 mths ended 30 November 2013 £'000	*Year ended 31 July 2012 £'000*	*Year ended 31 July 2011 £'000*
Operating loss	(342)	(303)	(604)
Finance costs	–	–	1
Operating cash flows before movement in working capital	(342)	(303)	(603)
Decrease/(Increase) in trade and other receivables	(437)	(682)	(572)
Increase/(Decrease) in trade and other payables	281	(144)	336
Net cash used in operating activities	(498)	(1,129)	(839)

7. Notes to the Financial Information

7.1 *Segmental Reporting*

The company is a holding company with no current investments; consequently it does not have any operations that qualify as segments that are required to be reported under International Financial Reporting Standard 8.

7.2 *Employees and Directors*

	16 mths ended 30 November 2013 £'000	*Year ended 31 July 2012 £'000*	*Year ended 31 July 2011 £'000*
Directors' remuneration	162	73	162
Social security costs	–	13	–
	162	86	162

Staff costs, including executive directors' remuneration, are included within administrative expenditure in the Statements of Comprehensive Income. The executive directors are considered to also be the key management personnel of the Company.

The average monthly number of employees, including executive directors, during the year:

	Year ended 30 November 2013 No.	*Year ended 31 July 2012 No.*	*Year ended 31 July 2011 No.*
Management	3	3	3

Details of charges incurred with related parties with respect to management services are set out in note 7.17.

None of the directors are accruing benefits under Company pension schemes (2012: none; 2011: none).

During the year the remuneration of the highest paid director was £130,000 (2012: £73,000; 2011: £49,000).

Key management personnel received £162,000 (2012: £86,000; 2011: £162,000) in short term employee benefits in the period.

7.3 ***Net Finance Costs***

	16 mths ended 30 November 2013 £'000	*Year ended 31 July 2012 £'000*	*Year ended 31 July 2011 £'000*
Finance costs:			
Bank interest and finance fees	4	6	(1)
Loan redemption charge	–	–	13
Net finance costs	4	6	12

7.4 ***Operating Loss***

The operating loss is stated after charging:

	16 mths ended 30 November 2013 £'000	*Year ended 31 July 2012 £'000*	*Year ended 31 July 2011 £'000*
Loss on disposal of investments	(500)	–	–
Impairment of investments	–	(3,717)	–
Impairment of group loans	(1,394)	–	–
Auditors' remuneration	8	17	18
Directors' emoluments	162	86	162
Surplus arising on settlements with trade creditors	64	–	–

7.5 ***Tax***

Analysis of the tax charge

	16 mths ended 30 November 2013 £'000	*Year ended 31 July 2012 £'000*	*Year ended 31 July 2011 £'000*
Current tax:			
Corporation tax	–	–	–
Total	–	–	–

Corporation tax

No tax charge arises on the results for the periods. Tax losses carried forward amount to approximately £780,000 (2012: £570,000; 2011: £566,000).

Factors affecting the tax charge

The UK standard rate of corporation tax is 20 per cent. (2012: 20 per cent.; 2011: 21 per cent.). Current tax assessed for the financial period as a percentage of the loss before taxation is nil (2012: nil; 2011: nil).

The differences are explained below:

	16 mths ended 30 November 2013 £'000	*Year ended 31 July 2012 £'000*	*Year ended 31 July 2011 £'000*
Loss on ordinary activities before income tax	(2,176)	(4,026)	(616)
Loss on ordinary activities multiplied by the standard rate of corporation tax in UK of 20 per cent. (2012: 20 per cent.; 2011: 21 per cent.))	(435)	(805)	(127)
Effects of:			
Impairment of investments	–	743	–
Impairment of group loans	279	–	–
Losses on disposal of investments	100	–	–
Disallowable expenses	–	–	20
Unused tax losses	56	62	107
Tax expense	–	–	–

The Company has not provided deferred tax on the unused excess management expenses and capital losses carried forward due to the uncertainty of its recoverability in the future.

7.6 ***Loss per share***

	16 mths ended 30 November 2013	*Year ended 31 July 2012*	*Year ended 31 July 2011*
Loss per ordinary share (pence) – basic and diluted	(2.32)	(10.69)	(2.93)

Loss per share has been calculated on the net basis on the loss after tax of £2,176,074 (2012: loss £4,025,837 and 2011: loss £615,659) using the weighted average number of ordinary shares in issue of 93,832,312 (2012: 37,657,279 and 2011: 21,002,800).

Due to the losses arising in each period there is no dilution of the loss per share arising from the existence of options.

7.7 ***Investments***

	30 November 2013 £'000	*31 July 2012 £'000*	*31 July 2011 £'000*
Carrying amount:			
Opening balance	–	4,216	–
Closing balance	–	500	4,216

The investment in subsidiary companies comprised the following:

Name	*Holding*	*Business activity*	*Country of incorporation*
Threadcrean Limited	100%	Dormant	United Kingdom
Ceres Media plc	100%	Intermediate holding company	United Kingdom
Natural Adcampaign Limited	100%	Printing materials	United Kingdom
Ceres Natural Media Limited	100%	Dormant	United Kingdom
Natural Adcampaign Inc.	100%	Dormant	United States of America

On 18 November 2013 the company disposed of all its subsidiaries for deferred consideration based on future profits estimated at £50,000. An impairment charge of £3,717,000 was recognised in the financial statements in the year ended 31 July 2012 and a loss on disposal for the remaining £500,000 in the period to 30 November 2013.

7.8 ***Trade and other receivables***

	30 November 2013 £'000	*31 July 2012 £'000*	*31 July 2011 £'000*
Current:			
Amounts owed by group undertakings	–	1,258	564
Other receivables and prepayments	301	–	12
	301	1,258	576

The directors consider that the carrying value of trade and other receivables approximates to the fair value.

There are no debts impaired at 30 November 2013, 31 July 2012 or 31 July 2011.

7.9 ***Cash and Cash Equivalents***

	30 November 2013 £'000	*31 July 2012 £'000*	*31 July 2011 £'000*
Short term bank deposits	–	–	27

The carrying amount of these short term bank deposits approximates to the fair value.

7.10 ***Trade and Other Payables***

	30 November 2013 £'000	*31 July 2012 £'000*	*31 July 2011 £'000*
Current:			
Trade payables	122	39	76
Other payables	23	9	97
Contingent consideration	20	–	–
Accruals and deferred income	20	50	173
	185	98	346
Non-current			
Contingent consideration	20	–	–
	205	98	346

The directors consider that the carrying value of trade and other payables approximates to their fair value.

7.11 ***Financial Assets and Liabilities***

	Notes	*30 November 2013 £'000*	*31 July 2012 £'000*	*31 July 2011 £'000*
Financial assets				
Other receivables	7.8	301	–	12
Cash and cash equivalents	7.9	–	–	27
		301	–	39
Financial liabilities				
Financial liabilities measured at amortised cost				
Non -current:				
Other payables	7.10	20	–	–
Current:				
Trade and other payables	7.10	185	98	346
		205	98	346

Maturity of financial liabilities

The maturity profile of the Company's financial liabilities at 30 November was as follows:

	30 November 2013 £'000	*31 July 2012 £'000*	*31 July 2011 £'000*
In one year or less, or on demand	185	98	346
In more than one year but not more than two years	20	–	–
	205	98	346

7.12 ***Called Up Share Capital***

	30 November 2013 £'000	*31 July 2012 £'000*	*31 July 2011 £'000*
Allotted and called up			
895,237,295 0.01p ordinary shares	90	–	–
26,001,739 19p deferred shares	4,940	4,940	–
63,373,961 0.9p deferred shares	570	–	–
135,587,295 0.09p deferred shares	122	–	–
63,373,961 1p Ordinary shares	–	634	–
26,001,739 20p Ordinary shares	–	–	5,200
	5,722	5,574	5,200

During the period from 1 August 2012 to 30 November 2013 the following shares were issued by the Company:

On 14 March 2013, the issued ordinary shares of £0.01 each were reorganised in to 63,373,961 ordinary shares of 0.1p each and 63,373,961 deferred shares of 0.9p each.

On the same date 55,000,000 new ordinary shares of 0.1p each were issued at 0.5p each for cash and a further 7,013,334 ordinary shares of 0.1p each were issued at a price of 0.5p each to satisfy certain trade creditors.

On 2 August 2013 loans totalling £51,000 due to directors were discharged by the issue of 10,200,000 ordinary shares of 0.1p each.

On 18 November 2013 the issued ordinary shares of 0.1p each were reorganised into 135,587,295 ordinary shares of 0.01p and 135,587,295 deferred shares of 0.09p each. A further 712,500,000 ordinary shares of 0.01p each were issued for cash at a price of 0.04p each and 47,150,000 ordinary shares of 0.01p each were issued at a price of 0.5p each in satisfaction of further directors' loans.

During the year ended 31 July 2012 the following shares were issued by the Company:

On 26 August 2011 the existing 20p ordinary shares were converted to 26,001,739 ordinary shares of 1p each and 26,001,739 deferred shares of 19p each. In addition the following 1p ordinary shares were issued fully paid:

5,972,222 at 18p each
21,000,000 at par
8,400,000 at par to satisfy directors' accrued remuneration and unpaid expenses
2,000,000 at par to satisfy certain trade creditors

During the year ended 31 July 2011 the following shares were issued by the Company:

On 12 April 2011 1,333,333 1p ordinary shares were issued to satisfy outstanding professional fees.

On 9 May 2011 the existing 89,833,333 issued 1p ordinary shares were reorganised into 4,491,667 20p ordinary shares. In addition the following 20p Ordinary shares were issued fully paid:

540,248 at par in settlement of certain liabilities of Ceres Media plc

757,332 at par to certain directors of the Company as consideration for an introduction fee for the acquisition of Ceres Media plc.

20,212,492 at par as consideration for the acquisition of Ceres Media plc.

7.13 ***Share Premium Account***

	30 November 2013 £'000	*31 July 2012 £'000*	*31 July 2011 £'000*
Opening balance	839	–	–
Premium on shares issued in the period	464	839	–
Closing balance	1,303	839	–

7.14 ***Share Based Payment Reserve***

	30 November 2013 £'000	*31 July 2012 £'000*	*31 July 2011 £'000*
Opening balance	27	27	27
Movement in the period	–	–	–
Closing balance	27	27	27

On 21 June 2007 the Company granted a warrant to subscribe for 8,500,000 ordinary shares at an exercise price of 1p which vested on issue consequently a charge of £27,200 was recognised.

7.15 ***Accumulated Losses***

	30 November 2013 £'000	*31 July 2012 £'000*	*31 July 2011 £'000*
Opening balance	(4,780)	(754)	(138)
Loss for the period	(2,176)	(4,026)	(616)
Closing balance	(6,956)	(4,780)	(754)

7.16 ***Capital Commitments***

The Company had no capital commitments at 30 November 2013 (2012: £nil; 2011: £nil).

7.17 ***Related Party Disclosures***

Related party transactions

The amounts advanced to subsidiaries are as follows:

	30 November 2013 £'000	*31 July 2012 £'000*	*31 July 2011 £'000*
Ceres Media plc	–	143	106
Natural AdCampaign Limited	–	1,115	458
	–	1,258	564

Disclosures required in respect of IAS 24 regarding remuneration of key management personnel are covered by the disclosure of directors' remuneration on note 7.2.

Transactions with other related parties are set out below:

16 months to 30 November 2013

The company issued 10,200,000 ordinary shares and 47,150,000 ordinary shares of 0.01p at 0.5p each to the former directors to settle all their outstanding fees.

A total of £10,493 was charged by DAC Beachcroft LLP, a partnership in which Mr C Garston, a former director, is a consultant. This was discharged in December 2013.

During the period, Alexander Dowdeswell, a former director, waived £26,774 due to him.

On 18 November 2013, as agreed at a General meeting, Alexander Dowdeswell acquired the entire issued share capital of Ceres Media plc. The consideration (subject to a maximum amount of £375,000) is equal to certain percentages of all gross sales (excluding VAT) by Ceres Media plc and its subsidiaries, for certain products, during the period of 24 months following the completion of the sale. The contingent consideration has been calculated based on the directors' best estimate of Ceres Media plc's future performance and included in the financial statements.

Year ended 31 July 2012

The Company issued 3,000,000 ordinary shares and 4,500,000 ordinary shares of 1p each to the directors Mr A Dowdeswell and Mr L Barber respectively to settle their outstanding fees.

A total of £43,684 was charged by DAC Beachcroft LLP, a partnership in which Mr C Garston, a former director, is a consultant.

Year ended 31 July 2011

A total of £143,933 was charged by David Arnold Cooper LLP, a partnership in which Mr C Garston, a former director, is a consultant.

7.18 ***Financial Risk Management, Objectives and Policies***

Liquidity risk

Liquidity risk is managed by regular monitoring, levels of cash and cash equivalents, and expected future cash flows, and availability of loans from shareholders.

Market price risk

The Company's exposure to market price risk comprises interest rate and currency risk exposures. It monitors these exposures primarily through a process known as sensitivity analysis. This involves estimating the effect on results before tax over various periods of a range of possible changes in interest rates and exchange rates. The sensitivity analysis model used for this purpose makes no assumptions about any interrelationships between such rates or about the way in which such changes may affect the economies involved. As a consequence, figures derived from the Company's sensitivity analysis model should be used in conjunction with other information about the Company's risk profile.

The Company's policy towards currency risk is to eliminate all exposures that will impact on reported results as soon as they arise. This is reflected in the sensitivity analysis, which estimates that five and ten percentage point increases in the value of sterling against all other currencies would have had minimal impact on results before tax.

On the other hand, the Company's policy is to accept a degree of interest rate risk as long as the effects of various changes in rates remain within certain prescribed ranges. On the basis of the Company's analysis, the only financial liabilities held by the Company are loans which are subject to a fixed rate of interest. As such it is considered that any increases in interest rates would not have had an impact on the Company's loss before tax for the period.

Capital risk management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Company seeks to enhance shareholder value by capturing business opportunities as they develop. To achieve this goal, the Company maintains sufficient capital to support its business.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions.

The Company looks to maintain a reasonable debt position by repaying debt or issuing equity, as and when it is deemed to be required.

No changes were made in the objectives, policies or processes for managing capital during the periods ended 30 November 2013, 31 July 2012 and 31 July 2011.

7.19 ***Share Based Payments***

Share Options

The company has introduced a share option programme to grant share options as an incentive for employees of the former subsidiaries.

Each share option converts into one ordinary share of the company on exercise. No amounts are paid or payable by the recipient on receipt of the option and the company has no legal obligation to repurchase or settle the options in cash. The options carry neither rights to dividends nor voting rights prior to the date on which the options are exercised. Options may be exercised at any time from the date of vesting to the date of expiry.

Number of outstanding share options as at 30 November 2013:

Date of grant	*Granted*	*Exercised/ vested*	*Forfeits*	*At 30.11.13*	*Exercise price £*	*Exercise/ Vesting date From*	*To*
14.04.11	390,026	–	–	390,026	0.2214	14.04.11	05.05.14
18.06.12	4,460,000	–	–	4,460,000	0.0100	18.06.12	13.09.22

The share options outstanding at 30 November 2013 had a weighted average remaining contractual life of 2,970 days (31 July 2012: 3,457 days).

Warrants

(a) On 21 June 2007 the Company granted a warrant to subscribe for 8,500,000 ordinary shares at an exercise price of £0.01 per share in four years' time. The warrants vested on issue and consequently a charge of £27,000 was recognised in the Statement of Comprehensive Income. On 9 May 2011 the Company consolidated its share capital and accordingly amended the terms of the warrant to 425,000 warrants at 20p and extended the life of the warrant to six years. There have been no further amendments to the terms of warrants subsequent to the conversion of shares on 26 August 2011. These lapsed as a result of the disposal of the subsidiaries on 18 November 2013.

(b) At the General Meeting on 18 November 2013, 712,500,000 warrants to acquire ordinary shares of 0.01p each at 0.04p, to the subscribers to the 712,500,000 new ordinary shares of 0.01p.

(c) At the General Meeting on 18 November 2013, an open offer was made to the potential investors to subscribe for 203,380,942 new ordinary shares of 0.01p each at par. On a 1:1 basis, warrants attach to any shares issued under the open offer convertible at any time to 30 November 2016 at 0.04p per share.

No of warrants as at 30 November 2013:

Date of grant	*Granted*	*Exercised/ vested*	*Forfeits*	*At 30.11.13*	*Exercise price £*	*Exercise/ Vesting date From*	*To*
09.05.11	425,000	–	–	425,000	0.2000	09.05.11	21.06.17
09.05.11	85,000	–	–	85,000	0.2000	09.05.11	21.06.13
18.11.13	712,500,000	–	–	712,500,000	0.0004	18.11.13	30.11.16

7.20 ***Reconciliation of Movement in Equity***

	30 November 2013 £'000	*31 July 2012 £'000*	*31 July 2011 £'000*
Loss for the financial period	(2,176)	(4,026)	(616)
Issued share capital	148	374	4,315
Share premium arising on new share capital subscribed	464	839	–
Net additions/(deductions) from equity	(1,564)	(2,813)	3,669
Opening equity	1,660	4,473	774
Closing equity	96	1,660	4,473

7.21 ***Subsequent Events***

On 17 July 2014, Ducat Ventures plc conditionally acquired the total shareholding of OptiBiotix Health Limited.

7.22 ***Controlling Party***

There is no ultimate controlling party.

7.23 ***Auditors***

The auditors who reported on the years ended 31 July 2012 and 2011 financial statements were UHY Hacker Young of Quadrant House, 4 Thomas More Square, London E1W 1YW. Jeffreys Henry LLP reported on the 30 November 2013 financial statements.

PART V

C – UNAUDITED HISTORICAL FINANCIAL INFORMATION ON THE COMPANY FOR THE 6 MONTHS TO 31 MAY 2014

Consolidated Statement of Comprehensive Income

For the six months ended 31 May 2014

	Six months to 31 May 2014 (Unaudited) £	*Six months to 31 May 2013 (Unaudited)* £
Continuing operations		
Revenue	–	–
Cost of Sales	–	–
Gross Loss	–	–
Administrative expenses	(57,643)	(166,453)
Operating Loss	(57,643)	(166,453)
Non Operating Items		
Impairment of investments	–	(500,000)
Impairment of intercompany loans	–	(1,384,068)
Surplus arising on settlements with trade creditors	–	–
	(57,643)	(2,050,521)
Finance Costs	–	–
Loss Before Tax	(57,643)	(2,050,521)
Taxation	–	–
Total comprehensive income for the period	(57,643)	(2,050,521)
Loss per share	0.006p	2.29p

Consolidated Balance Sheet

For the six months ended 31 May 2014

	Six months to 31 May 2014 (Unaudited) £	*Six months to 31 May 2013 (Unaudited)* £
ASSETS		
CURRENT ASSETS		
Trade and other receivables	10,034	49,077
Cash and cash equivalents	105,221	4,945
	115,255	54,022
Total Assets	115,255	54,022
EQUITY		
Shareholders' Equity		
Called-up share capital	5,742,586	5,636,083
Share premium	1,355,502	1,086,875
Share based payment reserve	27,200	27,200
Retained earnings	(7,013,950)	(6,830,754)
Total Equity	111,338	(80,596)
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	3,917	134,618
	3,917	134,618
Total Equity and Liabilities	115,255	54,022

Consolidated statement of changes in equity

For the six months ended 31 May 2014

	Called up Share Capital £	*Share Premium* £	*Share-Based Payment Reserve* £	*Retained Earnings* £	*Total Equity* £
Balance at 1 August 2012	5,574,070	838,822	27,200	(4,780,233)	1,659,859
Loss for period	–	–	–	(2,050,521)	(2,050,521)
Issue of shares	62,013	248,053	–	–	310,066
Balance at 31 May 2013	5,636,083	1,086,875	27,200	(6,830,754)	(80,596)
Loss for the period	–	–	–	(125,553)	(125,553)
Issue of shares	86,165	215,936	–	–	302,101
Balance at 30 November 2013	5,722,248	1,302,811	27,200	(6,956,307)	95,952
Loss for the period	–	–	–	(57,643)	(57,643)
Issue of ordinary shares at £0.0004 per shares less cost	20,338	52,691	–	–	73,029
Balance at 31 May 2014	5,742,586	1,355,502	27,200	(7,013,950)	113,338

Consolidated Statement of Cash Flows

As at 31 May 2014

	Six months to 31 May 2014 (Unaudited) £	*Six months to 31 May 2013 (Unaudited)* £
Cash flows from operating activities		
Loss before tax	(57,643)	(166,453)
(Increase)/decrease in trade and other receivables	291,233	(81,262)
Increase)/decrease in trade and other payables	(201,548)	(57,416)
Net cash from operating activities	32,042	(305,131)
Cash flows from financing activities		
Issue of equity net of costs	73,029	310,067
Finance interest paid	–	–
Net cash from financing activities	73,029	310,067
Increase/(decrease) in cash and cash equivalents	105,071	4,936
Cash and cash equivalents at the beginning of period	150	9
Cash and cash equivalents at the end of period	105,221	4,945

PART VI

A – ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION ON OPTIBIOTIX

18 July 2014

The Directors
Ducat Ventures PLC
145-147 St John Street
London
EC1V 4PY

and

The Partners
Cairn Financial Advisers LLP
61 Cheapside
London
EC2V 6AX

and

The Directors
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31 Lombard Street
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JEFFREYS HENRY LLP

Chartered Accountants

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Registered Auditors
Business Advisors
Tax Specialists
Financial Services
Corporate Recovery
Accounting Outsourcing
Corporate Finance

OptiBiotix Health Limited ("OptiBiotix")

We report on the financial information set out in this Part VI pages 64 to 74. This financial information has been prepared for inclusion in the AIM admission document (the "Admission Document") of Ducat Ventures Plc dated 18 July 2014 on the basis of the accounting policies set out in paragraph 1 of the financial information.

Responsibilities

This report is required by Paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that regulation and for no other purpose.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules for Companies 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 other person 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 Paragraph (a) of Schedule Two of the AIM Rules for Companies, consenting to its inclusion in this Admission Document.

Basis of Preparation

The financial information has been based on audited financial statements for the period from 15 March 2012 to 31 March 2013 and the year ended 31 March 2014 to which no adjustments were considered necessary.

The Directors of OptiBiotix are responsible for preparing the financial information on the basis of preparation set out in paragraph 1 to the financial information and in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

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

Basis of opinion

We conducted our work 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 financial information. It also included an assessment of the significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of OptiBiotix as at 31 March 2014 and 31 March 2013 of its results, financial position, cash flows and changes in equity for the periods then ended in accordance with the basis of preparation and the applicable reporting framework set out in paragraph 1 of the financial information.

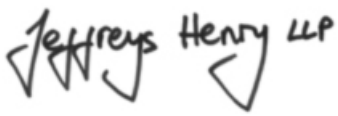
Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies 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. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

The financial information included herein comprises:

- a statement of accounting policies;
- statements of comprehensive income, statements of financial position, statements of changes in equity, statements of cash flow; and
- notes to the financial information.

Yours faithfully



JEFFREYS HENRY LLP

PART VI

B – HISTORICAL FINANCIAL INFORMATION ON OPTIBIOTIX

1. Accounting policies

OptiBiotix is a company incorporated in England under the Companies Act 2006 under company number 08436676. Its registered office is at Innovation Centre, Innovation Way, Heslington, York YO10 5DG. The principal activity of OptiBiotix is that that of research and development into prebiotics, probiotics and synbiotics.

1.1 ***Basis of accounting***

This financial information has been prepared in accordance with International Financial Reporting Standards (IFRS), including IFRIC interpretations issued by the International Accounting Standards Board (IASB) as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These policies have been consistently applied.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying OptiBiotix's accounting policies. Those areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial information are disclosed in Note 3.

(a) *New and amended standards adopted by OptiBiotix*

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial period beginning on or after 1 April 2014 that would be expected to have a material impact on OptiBiotix.

(b) *Standards, interpretations and amendments to published standards that are not yet effective*

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on OptiBiotix.

1.2 ***Revenue***

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all terms and conditions relating to the grants have been complied with. When the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Where the grant relates to income, the government grant shall be recognised in profit or loss on a systematic basis over the periods in which OptiBiotix recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income may be presented as a credit in profit or loss, either separately or under a general heading such as "Other income". Alternatively, they are deducted in reporting the related expenses.

1.3 ***Cash and cash equivalents***

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

1.4 ***Share capital***

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.5 ***Research and development***

Research expenditure is written off to the statement of comprehensive income in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which OptiBiotix is expected to benefit.

1.6 ***Leasing***

Rentals payable under operating leases are charged against the statement of comprehensive income on a straight line basis over the lease term.

1.7 ***Tax and deferred taxation***

The tax expense in the profit and loss represents the sum of expected tax payable on taxable profit for the period, any adjustments to tax payable in respect of previous periods and the income statement deferred tax charge or credit for the period.

Current tax is the taxable profit, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred income tax is provided in full, using the liability method, on timing differences arising between the tax bases of assets and liabilities and their carrying amounts in the combined financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the timing differences can be utilised.

1.8 ***Foreign currency translation***

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the statement of comprehensive income.

1.9 ***Financial instruments***

A financial instrument is recognised in the financial statements when, and only when, OptiBiotix becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus directly attributable transaction costs.

(a) *Financial assets*

OptiBiotix determines the classification of its financial assets as loans and receivables and they comprise debt instruments that are not quoted on an active market, trade and other receivables and cash and cash equivalents.

(i) Subsequent measurement

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

(ii) De-recognition

A financial asset or part of it is derecognised when, and only when, the contractual right to receive cash flows from the asset has expired or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset.

(iii) Impairment of financial assets

At each reporting date OptiBiotix assesses whether there is objective evidence that a financial asset is impaired. A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset and it can be reliably measured.

(b) *Financial liabilities*

OptiBiotix determines the classification of its financial liabilities as other financial liabilities and they comprise trade and other payables.

Other financial liabilities are subsequently measured at amortised cost.

A financial liability or part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On de-recognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Statement of Comprehensive Income.

2. Risks and sensitivity analysis

OptiBiotix's activities expose it to a variety of financial risks: interest rate risk, liquidity risk, and capital risk. OptiBiotix's activities also expose it to non-financial risks: market risk, regulatory and legislative risk. OptiBiotix's overall risk management programme focuses on unpredictability and seeks to minimise the potential adverse effects on OptiBiotix's financial performance. The Board, on a regular basis, reviews key risks and, where appropriate, actions are taken to mitigate the key risks identified.

2.1 ***Interest rate risk***

OptiBiotix does not have formal policies on interest rate risk. However, OptiBiotix's exposure in these areas (as at the date of the statement of financial position) was minimal.

2.2 ***Liquidity risk***

OptiBiotix prepares periodic working capital forecasts for the foreseeable future, allowing an assessment of its cash requirements to manage liquidity risk. Cash resources are managed in accordance with planned expenditure forecasts and the directors have regard to the maintenance of sufficient cash resources to fund OptiBiotix's immediate operating activities.

3. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key estimate – Deferred tax assets

Management judgment is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits.

Key estimate – Research and development

Management judgment is required to determine whether any of OptiBiotix's individual research and development projects reached the development stage during the year in accordance with IAS 38 and whether any amounts should be capitalised as intangible assets based on management's assessment of the technical, commercial and financial viability of the individual projects.

4. Statements of Comprehensive Income

	Notes	*Year ended 31 March 2014 £'000*	*Period ended 31 March 2013 £'000*
Administrative expenses		(237)	(146)
Other operating income	9.1	24	5
Operating loss before taxation	9.3	(213)	(141)
Income tax expense	9.4	23	25
Loss for the period		(190)	(116)
Other comprehensive income for the period		–	–
Total comprehensive loss for the period attributable to the owners		(190)	(116)
Loss per share			
Basic	9.5	£74. 42	£57.48

5. Statements of Financial Position

	Notes	*31 March 2014 £'000*	*31 March 2013 £'000*
Current assets			
Trade and other receivables	9.6	29	38
Current tax asset	9.6	26	25
Cash and cash equivalents	9.7	33	138
		88	201
Current Liabilities			
Trade and other payables	9.8	(104)	(27)
Net assets/(liabilities)		(16)	174
Equity			
Called-up share capital	9.9	–	–
Share premium	9.9	290	290
Accumulated deficit	9.10	(306)	(116)
Total equity		(16)	174

6. Statements of Changes in Equity

	Share Capital £'000	*Share premium £'000*	*Accumulated deficit £'000*	*Total £'000*
Balance at 15 March 2012	–	–	–	–
Proceeds from shares issued	–	290	–	290
Loss for the period	–	–	(116)	(116)
Balance at 31 March 2013	–	290	(116)	174
Loss for the year	–	–	(190)	(190)
Balance at 31 March 2014	–	290	(306)	(16)

Share capital	Amount subscribed for shares at nominal value.
Share premium	Amount subscribed for share capital in excess of nominal value.
Accumulated deficit	Cumulative surplus of OptiBiotix attributable to equity shareholders.

7. Statements of Cash Flows

	Notes	*Year ended 31 March 2014 £'000*	*Period ended 31 March 2013 £'000*
Cash flows from operating activities			
Cash used in operations	8.1	(127)	(152)
Taxation		22	–
Net cash generated by operating activities		(105)	(152)
Cash flows from financing activities			
Issue of shares		–	290
Net cash from financing activities		–	290
Net increase in cash and cash equivalents		(105)	138
Cash and cash equivalents at beginning of period		138	–
Cash and cash equivalents at end of period		33	138
Represented by:			
Bank balances and cash		33	138

8. Notes to the Statements of Cash Flows

8.1 *Cash outflow from operations*

	Notes	Year ended 31 March 2014 £'000	Period ended 31 March 2013 £'000
Loss before tax and Operating cash flows before movement in working capital		(213)	(141)
(Increase)/decrease in trade and other receivables		9	(38)
Increase in trade and other payables		77	27
Net cash (used in) operating activities		(127)	(152)

9. Notes to the financial information

9.1 *Other operating income*

	Year ended 31 March 2014 £'000	Period ended 31 March 2013 £'000
Grant income	24	5

9.2 *Employees and directors*

	Year ended 31 March 2014 £'000	Period ended 31 March 2013 £'000
Salaries	74	60
Social security costs	7	1
Investment arrangement fees paid to director	–	8
	81	69

The average monthly number of employees during both periods was 3. Key management personnel received £81,494 (2013: 68,924) in short term employee benefits in the year.

9.3 *Operating loss*

The operating loss is stated after charging:

	Year ended 31 March 2014 £'000	Period ended 31 March 2013 £'000
Research and development	101	51
Operating lease rentals	1	1
Auditors' remuneration – audit	3	3

9.4 ***Tax***

	Year ended 31 March 2014 £'000	*Period ended 31 March 2013 £'000*
U.K. corporation tax credit	(26)	(25)
Adjustment to prior year tax credit	3	–
Total current tax credit for the year	(23)	(25)

Factors affecting the tax charge for the year

	£'000	*£'000*
Loss on ordinary activities before taxation	(213)	(141)
UK corporation tax of 20.00% (2013: 20%)	(43)	(28)
Effects of:		
Non-deductible expenses	–	2
R & D tax credit	(26)	(25)
Tax losses carried forward	23	6
Other tax adjustments	20	20
Current tax credit	(26)	(25)

The tax losses carried forward at 31 March 2014 were £115,000 (2013: £29,000). A deferred tax asset arising from the losses of £23,000 (2013: 6,000) has not been recognised as recovery cannot be foreseen with reasonable certainty in the foreseeable future.

9.5 ***Earnings per share***

	Year ended 31 March 2014 £'000	*Period ended 31 March 2013 £'000*
Loss per ordinary share (£)		
Basic and diluted	74.42	57.48

Earnings per share has been calculated on the net basis of the loss after tax of £190,000 (2013: £116,000) using the weighted average number of ordinary shares in issue of 2,553 (2013: 2,018).

9.6 ***Trade and other receivables***

	31 March 2014 £'000	*31 March 2013 £'000*
Other receivables	9	13
Accrued income	–	5
Prepayments	20	20
	29	38
Current tax asset		
Research and development tax credit claimed	26	25

The directors consider that the carrying value of other receivables approximates to the fair value.

9.7 ***Cash and cash equivalents***

	31 March 2014 £'000	*31 March 2013 £'000*
Current account	33	138
	33	138

9.8 ***Trade and other payables***

	31 March 2014 £'000	*31 March 2013 £'000*
Trade payables	52	15
Other tax and social security	–	5
Accruals and deferred income	52	7
	104	27

The directors consider that the carrying value of trade and other payables approximates to their fair value.

9.9 ***Called up share capital***

	31 March 2014 £	*31 March 2013 £*
Issued share capital		
2,553 ordinary shares of £0.01 each	26	26

Ordinary shares, which have a par value of £0.01, carry one vote per share and carry a right to dividends.

Upon incorporation 1 ordinary share was issued at par value of £1. On 17 April 2012, OptiBiotix subdivided this into 100 ordinary shares of £0.01 each.

On 17 April 2012, OptiBiotix issued 1,090 ordinary shares at par value of £0.01 each.

On 18 April 2012, OptiBiotix issued 282 ordinary shares of £0.01 at £212.76 each.

On 12 September 2012, OptiBiotix issued 1,081 ordinary shares of £0.01 at £212.76 each.

9.10 ***Accumulated deficit***

	31 March 2014 £'000	*31 March 2013 £'000*
At the beginning of the period	(116)	–
Loss for period	(190)	(116)
At the end of the period	(306)	(116)

9.11 ***Financial commitments***

At the year end OptiBiotix was committed to making the following payments under contractual commitments:

	31 March 2014 £'000	*31 March 2013 £'000*
Total amounts payable		
Within 1 year	42	42
Between 2-5 years	5	46
	47	88

9.12 ***Related party disclosures***

At the year end OptiBiotix owed £19 (£51) to S. P. O'Hara for expenses incurred on behalf of OptiBiotix.

Refer to Note 9.2 for details of salaries and fees paid to key management personnel.

9.13 ***Financial risk management, objectives and policies***

OptiBiotix's activities expose it to a number of financial risks that include liquidity risk and cash flow interest rate risk. These risks and OptiBiotix's policies for managing them, which have been applied consistently throughout the period, are set out below:

Interest rate risk

OptiBiotix's interest rate risk arises from interest bearing assets and liabilities. OptiBiotix has in place a policy of maximising finance income by ensuring that cash balances earn a market rate of interest; offsetting where possible, cash balances and by forecasting and financing its working capital requirements.

Liquidity risk

OptiBiotix's working capital requirements are managed through regular monitoring of the overall position and regularly updated cash flow forecasts to ensure there are funds available for its operations.

Capital risk

OptiBiotix's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide optimal returns for shareholders and to maintain an efficient capital structure to reduce the cost of capital.

9.14 ***Controlling party***

During the period, the directors controlled OptiBiotix.

9.15 ***Subsequent Events***

Prior to admission, OptiBiotix issued a convertible loan note of £250,000 to Enterprise Ventures Limited in exchange for cash, to be converted to equity on acquisition by Ducat Ventures plc.

PART VII

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE ENLARGED GROUP

Set out below is an unaudited pro forma statement of net assets based on the net assets of Ducat and OptiBiotix. This unaudited pro forma statement of net assets is provided for illustrative purposes only to show the effect of the Acquisition and Placing as if they had occurred on 30 November 2013.

Because of the nature of pro forma information, this information addresses a hypothetical situation and does not therefore represent the actual financial position or results of Ducat Ventures plc or the Enlarged Group.

The statement of pro forma net assets set out below is based on the audited balance sheet of Ducat as at 30 November 2013 (as extracted without material adjustment from Ducat's financial information in Part V of this document and OptiBiotix (as extracted without material adjustment from OptiBiotix's financial information as at 31 March 2014 in Part VI of this document), and other adjustments on the basis described in the notes below. The Enlarged Group will adopt OptiBiotix's accounting policies.

Unaudited pro forma statement of net assets

	Ducat £'000 *Note 1*	*OptiBiotix* £'000 *Note 2*	*New convertible loan* £'000 *Note 3*	*Loan conversion* £'000 *Note 3*	*Placing* £'000 *Note 4*	*Consolidated position enlarged group* £'000
Current assets						
Trade and other receivables	301	29	–	–	–	330
Current tax asset	–	26	–	–	–	26
Cash and cash equivalents	–	33	250	–	2,834	3,117
	301	88	250	–	2,834	3,473
Total assets	301	88	250	–	2,834	3,473
Current liabilities						
Trade and other payables	(205)	(104)	–	–	–	(309)
Borrowings	–	–	(250)	250	–	–
	(205)	(104)	(250)	250	–	(309)
Total liabilities	(205)	(104)	(250)	250	–	(309)
Net assets	96	(16)	–	250	2,834	3,164

Notes:

1. The financial information in respect of Ducat as at 30 November 2013 has been extracted, without material adjustment, from the financial information, as set out in Part V of this document.
2. The financial information in respect of OptiBiotix at 31 March 2014 extracted, without material adjustment, from the consolidated financial information, as set out in Part VI of this document.
3. Prior to Admission, OptiBiotix will issue a convertible loan note to Enterprise Ventures which will be converted to equity immediately prior to Admission.
4. The Placing receipts (after estimated expenses) of £2,834,000 are conditional on Admission.
5. The proforma net asset statement has been prepared on the basis that the acquisition by the shareholders of OptiBiotix of a majority interest in Ducat is not accounted for as a business combination under IFRS 3 but as a reverse acquisition.
6. The pro forma financial information does not constitute statutory accounts within the meaning of section 485 of CA 2006.
7. Apart from the above, no other adjustments have been made to reflect any trading, changes in working capital or other movements since 30 November 2013 or 31 March 2014 for either Ducat or OptiBiotix.

PART VIII

ADDITIONAL INFORMATION

1. RESPONSIBILITY STATEMENT

1.1 The Directors and the Proposed Directors, whose names appear on page 6 of this document, and the Company, accept individual and collective responsibility for the information contained in this document, including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Company, the Directors and the Proposed Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

1.2 The members of the Concert Party, whose names are set out in paragraph 1 of Part III of this document, accept responsibility, both collectively and individually, for the information contained in this document relating to themselves. To the best of the knowledge and belief of each member of the Concert Party (who have each taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

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

2. THE COMPANY

2.1 The Company was incorporated and registered in England and Wales on 19 July 2006 under the Companies Act 1985 (as amended) with registered number 05880755 as a private company limited by shares with the name of "Hartfield Securities Limited".

2.2 On 7 March 2007 the Company re-registered as a public limited company and the name of the Company was changed to "Hartfield Securities plc".

2.3 On 21 June 2007 the Company was admitted to the PLUS-quoted market operated by PLUS Markets Group plc.

2.4 On 9 May 2011, the Company withdrew from the PLUS-quoted market and changed its name to "Ceres Media International plc".

2.5 The Company was admitted to AIM on 9 September 2011.

2.6 On 18 November 2013 the Company resolved to change its name to "Ducat Ventures plc".

2.7 The principal legislation under which the Company operates is the Act and the regulations made thereunder. The Company is domiciled in England.

2.8 The liability of the members of the Company is limited.

2.9 The Company's registered office is at 145-147 St John Street, London EC1V 4PY and will be changed to Innovation Centre, Innovation Way, Heslington, York YO10 5DG on Admission. The telephone number of the Company is 01904 435100. The Company's head office, principal place of business and principal establishment is at 145-147 St John Street, London EC1V 4PY and will change to Innovation Centre, Innovation Way, Heslington, York YO10 5DG on Admission.

2.10 The accounting reference date of the Company is 30 November and will remain so on Admission.

2.11 The Company's auditors were until 17 December 2013 UHY Hacker Young, who are a member of the Institute of Chartered Accountants in England and Wales. On 17 December 2013, Jeffreys Henry LLP (who are also a member of the Institute of Chartered Accountants in England and Wales) were appointed as the auditors of the Company.

2.12 The Company currently owns the entire issued share capital of Threadcran Limited (registered number 06539388), being 2 ordinary shares of £1 each. Threadcran Limited is a dormant private limited company which never traded. Its registered office is at 1 Charterhouse Mews, London EC1M 6BB.

2.13 On completion of the Acquisition, OptiBiotix will become a wholly-owned subsidiary of the Company.

2.14 Save as set out in this paragraph 2, the Company has no subsidiaries and there are no undertakings in which the Company holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profit and losses.

2.15 The principal activity of the Company is that of an investing company. Immediately following completion of the Acquisition, the Company's principal activity will be that of a holding company, whilst the principal activity of its new wholly-owned subsidiary, OptiBiotix, will be the discovery and development of microbial strains, compounds, and formulations which modulate the human microbiome and can be used as food ingredients, supplements, or active compounds for the prevention and management of human metabolic diseases.

3. INVESTING POLICY AND INVESTMENTS

3.1 The existing investing policy of the Company, as first set out in the circular to shareholders dated 1 November 2013, is as follows:

"The Company's proposed Investing Policy is that the Company will either acquire or invest in a business or businesses which have some or all of the following characteristics:

- *strong management with a proven track record;*
- *ready for investment without the need for material re-structuring by the Company;*
- *generating positive cash flows or imminently likely to do so;*
- *via an injection of new finances or specialist management, the Company can enhance the prospects and therefore the future value of the investment;*
- *able to benefit from the Proposed Directors existing network of contacts; and*
- *the potential to deliver significant returns for the Company.*

The Company will focus on opportunities within a range of high growth sectors worldwide such as natural resources, technology and life sciences.

Moreover, the criteria set out above are not intended to be exhaustive and the Proposed Directors may make an investment which does not fulfil any or all of the investment criteria if they believe it is in the best interests of Shareholders as a whole.

Whilst the Proposed Directors will be principally focused on making an investment in private businesses, they would not rule out investment in listed businesses if this presents, in their judgment, the best opportunity for Shareholders.

The Company intends to be an active investor in situations where the Company can make a clear contribution to the progress and development of the investment. In respect of other, more substantial investment opportunities, the Proposed Directors expect that the Company will be more of a passive investor

The Proposed Directors believe that their broad collective experience together with their extensive network of contacts will assist them in the identification, evaluation and funding of appropriate investment opportunities. When necessary, other external professionals will be engaged to assist in the due diligence on prospective targets and their management teams. The Proposed Directors will also consider appointing additional directors with relevant experience if required.

There will be no limit on the number of projects into which the Company may invest, and the Company's financial resources may be invested in a number of propositions or in just one investment, which may be deemed to be a reverse takeover pursuant to Rule 14 of the AIM Rules. Where the

Company builds a portfolio of related assets it is possible that there may be cross-holdings between such assets. The Company does not currently intend to fund any investments with debt or other borrowings but may do so if appropriate.

Investments may be made in all types of assets and there will be no investment restrictions.

The Company's primary objective is that of securing for the Shareholders the best possible value consistent with achieving, over time, both capital growth and income for Shareholders through developing profitability coupled with dividend payments on a sustainable basis."

3.2 for the Acquisition, there are no principal investments of the Company that are in progress or in relation to which the Company has made any firm commitment.

4. THE DIRECTORS OF THE COMPANY AND OPTIBIOTIX

4.1 The Company

The full names of the Directors and the Proposed Directors and their respective positions are as follows:

Name	*Function*	*Age*
David Eric Evans*	Non-Executive Chairman	54
Stephen Patrick O'Hara*	Chief Executive Officer	54
Adam Reynolds	Non-Executive Director	51
Mark Andrew Wyatt*	Non-Executive Director	41
Nicholas Christian Paul Nelson**	Executive Director	48

* Appointment conditional upon completion of the Acquisition
** To resign on completion of the Acquisition

4.2 OptiBiotix

The full names of the directors and their respective positions are as follows:

Name	*Function*	*Age*
David Eric Evans	Non-Executive Chairman	54
Stephen Patrick O'Hara	Chief Executive Officer	54
Mark Andrew Wyatt	Non-Executive Director	41

4.3 Following Admission, the business address of Adam Reynolds and each of the Proposed Directors will be Innovation Centre, Innovation Way, Heslington, York YO10 5DG . Further details in relation to the Directors and the Proposed Directors are set out in paragraphs 8 to 10 of this Part VIII.

5. SHARE CAPITAL

5.1 The Company's shares are in registered form and are capable of transfer in both certificated form and uncertificated form.

5.2 As permitted under the Act, the Company does not have an authorised share capital.

5.3 There have been the following changes in the issued share capital of the Company since incorporation:

Date of issue	*Number of shares (fully paid)*	*Cumulative total*	*Nominal value of each share (£)*	*Amount paid per share (£)*
On incorporation	1	1	1.00	1.00
13 November 2006	3	4	1.00	1.00
5 March 2007	15,999,996	16,000,000	0.01	0.01
10 April 2007	36,000,000	52,000,000	0.01	0.01
14 May 2007	34,000,000	86,000,000	0.01	0.01
5 July 2007	2,500,000	88,500,000	0.01	0.01
12 April 2011	1,333,333	89,833,333	0.01	0.01
9 May 2011 – consolidation of 89,833,333 ordinary shares of £0.01 each into 4,491,667 ordinary shares of £0.20 each on a 20:1 basis				
9 May 2011	21,510,072	26,001,739	0.20	0.20
26 August 2011 – sub-division of each ordinary share of £0.20 into one new ordinary share of £0.01 and one deferred share of £0.19				
9 September 2011	222,222	26,223,961	0.01	0.18
9 September 2011	5,555,556	31,779,517	0.01	0.18
13 February 2012	194,444	31,973,961	0.01	0.18
28 May 2012	10,000,000	41,973,961	0.01	0.01
	11,000,000	52,973,961	0.01	0.01
	8,400,000	61,373,961	0.01	0.01
	2,000,000	63,373,961	0.01	0.01
14 March 2013 – sub-division of each ordinary share of £0.01 into one new ordinary share of £0.001 and one B deferred share of £0.009				
15 March 2013	55,000,000	118,373,961	0.001	0.005
15 March 2013	7,013,334	125,387,295	0.001	0.005
8 August 2013	10,200,000	135,587,295	0.001	0.005
18 November 2013 – sub-division of each ordinary share of £0.001 into one new ordinary share of £0.0001 and one C deferred share of £0.0009				
19 November 2013	712,500,000	848,087,295	0.0001	0.0004
19 November 2013	47,150,000	895,237,295	0.0001	0.0004
21 February 2014	203,380,942	1,098,618,237	0.0001	0.0004
18 June 2014	2,288,482[1]	1,100,906,719	0.001	0.004

1 An application has not yet been made to admit these Ordinary Shares to trading on AIM as trading in the Company's Ordinary Shares is currently suspended. The Company intends to make the necessary application as soon as reasonably practicable after the suspension has been lifted.

5.4 As at 17 July 2014 (the latest practicable date prior to the date of this document), the issued share capital of the Company (each share being fully paid) was as follows:

Class of shares	*Number*	*Nominal value (£)*
Existing Ordinary Shares	1,100,906,719	110,090.67
A Deferred Shares	26,001,739	4,940,330.41
B Deferred Shares	63,373,961	570,365.65
C Deferred Shares	135,587,295	122,028.57
Total:	1,325,869,714	5,742,815.30

5.5 Immediately following the Share Consolidation, Admission and completion of the Acquisition and the Placing, the issued share capital of the Company, assuming that all of the New Ordinary Shares are issued (but none of the outstanding Options and Warrants are exercised), will be as follows:

Class of shares	*Number*	*Nominal value (£)*
New Ordinary Shares	71,754,534	1,435,090.68
A Deferred Shares	26,001,739	4,940,330.41
B Deferred Shares	63,373,961	570,365.65
C Deferred Shares	135,587,295	122,028.57
Total:	296,717,529	7,067,815.31

5.6 Further to the Company's circular to Shareholders dated 1 November 2013 setting out details of a conditional placing to raise £285,000 (before expenses) undertaken by the Company in October 2013, the Company, on 21 February 2014 and pursuant to a warrant instrument dated 28 January 2014, granted warrants over 712,500,000 Ordinary Shares to placees who subscribed for Ordinary Shares pursuant to that placing. One warrant was issued for every one Ordinary Share subscribed for in the placing. These warrants may be exercised at any time up to 21 February 2017.

5.7 Further to the Company's circular to Shareholders dated 30 January 2014 setting out details of an open offer at a price of £0.0004 per share, the Company, on 21 February 2014 and pursuant to a warrant instrument dated 19 February 2014, granted warrants over 203,380,942 Ordinary Shares to Shareholders who subscribed for Ordinary Shares pursuant to the open offer. One warrant was issued for every one Ordinary Share subscribed for in the placing. These warrants may be exercised at any time up to 21 February 2017.

5.8 As at 17 July 2014 (being the latest practicable date prior to the date of this document), there were outstanding Options over a total of 4,460,000 Ordinary Shares. The Options are held by previous directors and senior managers of the Company and are exercisable at a price of £0.01 at any time before 18 June 2022. Further details of the Options are set out in paragraph 20 of this Part VIII.

5.9 As at the date of this document, the Company has a total of 913,592,460 Warrants in issue and a total of 4,460,000 Options in issue.

5.10 On 17 July 2014, the Company granted warrants over 538,159 New Ordinary Shares to Cairn. Further details are set out in paragraph 14.7.3 of Part VIII of this document.

5.11 The Consideration Shares and the Placing Shares be allotted fully paid and will be in registered form and may be held in either certificated or in uncertificated form. Application will be made to the London Stock Exchange for the Enlarged Ordinary Share Capital (including the Consideration Shares and the Placing Shares) to be admitted to trading on AIM. All Ordinary Shares may be transferred into the CREST system for which there will be no charge to stamp duty or stamp duty reserve tax on the transfer (unless made for consideration). When admitted to trading, the New Ordinary Shares will be registered with the new ISIN GB00BP0RTP38. The Consideration Shares and the Placing Shares were created under, and are subject to, the provisions of the Act and are denominated in pound sterling.

5.12 All the Ordinary Shares rank *pari passu* and no Shareholders enjoy different or enhanced voting rights. The Consideration Shares and the Placing Shares will be allotted and, on issue, will rank for all dividends and other distributions (if any) declared, made or paid in respect of Ordinary Shares after the date of issue and will otherwise rank *pari passu* in all respects with the Existing Ordinary Shares following the Share Consolidation.

5.13 Save as disclosed in paragraphs 5.6 to 5.10 above, in paragraphs 6, 13 and 14 in Part I of this document and in relation to the Ordinary Shares proposed to be issued pursuant to the Acquisition and the Placing:

5.13.1 no share or loan capital of the Company or any of its subsidiaries has been issued or been agreed to be issued fully or partly paid, either for cash or for consideration other than cash and no issue is now proposed; and

5.13.2 there are no shares in the Company or any of its subsidiaries not representing capital and no shares in the Company are held by or on behalf of the Company itself;

5.13.3 neither the Company nor any of its subsidiaries has granted any options, warrants, exchangeable securities or convertible loan notes over its shares or loan capital which remain outstanding, or has agreed, conditionally or unconditionally, to grant any such options, warrants, exchangeable securities or convertible loan notes.

5.14 Save as set out in this document, no Shareholders in the Company enjoy different or enhanced voting rights.

5.15 On completion of the Acquisition and the Placing the existing issued share capital of the Company will be increased by 71,754,534 Ordinary Shares, resulting in an immediate dilution of holders of Existing Ordinary Shares who do not participate in the Placing of 57.5 per cent. in aggregate, excluding Ordinary Shares to be issued pursuant to the exercise of the Options and Warrants referred to in paragraph 20 of this Part VIII.

5.16 The nominal value of the Placing Shares to be issued under the Placing is 2 pence (assuming the Share Consolidation has taken place). The issue price of the Placing Shares will be 8 pence which represents a premium of 400 per cent. over their nominal value. The difference between the issue price and the nominal value will be credited to the share premium account.

6. SHARE CONSOLIDATION

6.1 The Share Consolidation, which is expected to take place after close of business on the Record Date, will involve every 200 Existing Ordinary Shares being consolidated into 1 New Ordinary Share. Accordingly, the Board will issue 1 New Ordinary Share in exchange for every 200 Existing Ordinary Shares held. The rights attached to the New Ordinary Shares shall be the same as the rights attaching to the Existing Ordinary Shares.

6.2 Following the Share Consolidation, Shareholders will own the same proportion of Ordinary Shares in the Company as they did previously (subject to fractional entitlements).

6.3 In order to ensure that a whole number of New Ordinary Shares is created, it is proposed that the Company issues 81 Existing Ordinary Shares which will result in the total number of Existing Ordinary Shares being exactly divisible into New Ordinary Shares in accordance with the consolidation ratio.

6.4 Shareholders with only a fractional entitlement to a New Ordinary Share (i.e. those Shareholders holding fewer than 200 Existing Ordinary Shares at the Record Date) will cease to be a Shareholder following the Share Consolidation. Any fractions of New Ordinary Shares created by the Share Consolidation will be aggregated and sold for the benefit of the Company. Accordingly, Shareholders currently holding fewer than 200 Existing Ordinary Shares who wish to remain Shareholders following the Share Consolidation would need to increase their shareholding to at least 200 Existing Ordinary Shares prior to the Record Date. Shareholders in this position are encouraged to obtain independent financial and legal advice before taking any action.

7. ARTICLES OF ASSOCIATION

7.1 Objects

The Articles contain no specific restrictions on the Company's objects and therefore, by virtue of section 31(1) of the Act, the Company's objects are unlimited.

7.2 Allotment of shares

Subject to the provision of the Act regarding pre-emption rights and any resolution of the Company relating thereto or to any authority to allot any shares in the Company or to grant any right to subscribe for or convert any securities into shares of the Company, the directors may allot (with or without conferring a right of renunciation), grant options over, offer or otherwise deal with or dispose of shares

of the Company to or in favour of such persons, on such terms and conditions, at a premium or at par and at such times as the directors think fit.

7.3 **Share rights**

Subject to the provisions of the Act (and any other regulation affecting the Company), any new shares in the capital of the Company may be allotted with such preferential right to dividend and such priority in the distribution of assets or subject to such postponement of dividends or in the distribution of assets and with or subject to such preferential or limited or qualified right of voting at general meetings as the Company may from time to time by ordinary resolution determine, but so that the rights attached to any shares as a class shall not be varied except with the consent of the holders thereof duly given under the provisions of the Articles.

7.4 **Rights attaching to A Deferred Shares**

7.4.1 Holders of A Deferred Shares are not entitled to receive any dividend or other distribution and, on a return of capital on a winding up, each holder of an A Deferred Share is entitled to receive a sum equal to the nominal capital paid up or credited as paid up thereon but only after the aggregate sum of £10,000,000 has been paid to the holders of the Ordinary Shares and in proportion to the number of Ordinary Shares held and the holders of the A Deferred Shares shall not be entitled to any further participation in the assets or profits of the Company.

7.4.2 The holders of the A Deferred Shares have no right to receive notice of any general meeting of the Company nor any right to attend, speak or vote at any such general meeting and the A Deferred Shares shall not be capable of being transferred.

7.4.3 Neither the passing by the Company of any special resolution for the cancellation of the A Deferred Shares for no consideration by means of a reduction of capital requiring the confirmation of the court nor the obtaining by the Company nor the making by the court of any order confirming any such reduction of capital nor the becoming effective of any such order shall constitute a variation, modification or abrogation of the rights attaching to the A Deferred Shares. Accordingly, the A Deferred Shares may at any time be cancelled for no consideration by means of a reduction of capital effected in accordance with the Act without sanction on the part of the holders of the A Deferred Shares.

7.5 **Rights attaching to B Deferred Shares**

7.5.1 Holders of B Deferred Shares are not entitled to receive any dividend or other distribution and, on a return of capital on a winding up, each holder of a B Deferred Share is entitled to receive a sum equal to the nominal capital paid up or credited as paid up thereon but only after the aggregate sum of £20,000,000 has been paid to the holders of the Ordinary Shares and in proportion to the number of Ordinary Shares held and the holders of the B Deferred Shares shall not be entitled to any further participation in the assets or profits of the Company.

7.5.2 The holders of the B Deferred Shares have no right to receive notice of any general meeting of the Company nor any right to attend, speak or vote at any such general meeting and the B Deferred Shares shall not be capable of being transferred.

7.5.3 Neither the passing by the Company of any special resolution for the cancellation of the B Deferred Shares for no consideration by means of a reduction of capital requiring the confirmation of the court nor the obtaining by the Company nor the making by the court of any order confirming any such reduction of capital nor the becoming effective of any such order shall constitute a variation, modification or abrogation of the rights attaching to the B Deferred Shares. Accordingly, the B Deferred Shares may at any time be cancelled for no consideration by means of a reduction of capital effected in accordance with the Act without sanction on the part of the holders of the B Deferred Shares.

7.6 **Rights attaching to C Deferred Shares**

7.6.1 Holders of C Deferred Shares are not entitled to receive any dividend or other distribution and, on a return of capital on a winding up, each holder of a C Deferred Share is entitled to receive a sum equal to the nominal capital paid up or credited as paid up thereon but only after the aggregate sum of £30,000,000 has been paid to the holders of the Ordinary Shares and in proportion to the number of Ordinary Shares held and the holders of the C Deferred Shares shall not be entitled to any further participation in the assets or profits of the Company.

7.6.2 The holders of the C Deferred Shares have no right to receive notice of any general meeting of the Company nor any right to attend, speak or vote at any such general meeting and the C Deferred Shares shall not be capable of being transferred.

7.6.3 Neither the passing by the Company of any special resolution for the cancellation of the C Deferred Shares for no consideration by means of a reduction of capital requiring the confirmation of the court nor the obtaining by the Company nor the making by the court of any order confirming any such reduction of capital nor the becoming effective of any such order shall constitute a variation, modification or abrogation of the rights attaching to the C Deferred Shares. Accordingly, the C Deferred Shares may at any time be cancelled for no consideration by means of a reduction of capital effected in accordance with the Act without sanction on the part of the holders of the C Deferred Shares.

7.7 **Voting rights attaching to Ordinary Shares**

Subject to any special terms as to voting upon which any shares may have been issued or may for the time being be held or a suspension or abrogation of voting rights pursuant to the Articles, every member present in person, by a duly authorised corporate representative or by proxy shall, upon a show of hands, have one vote and every member so present shall, upon a poll, have one vote for every share of which he is a holder or, in the case of a corporate representative or proxy, every share in respect of which the relevant member has appointed him to act as his corporate representative or proxy. A proxy need not be a member of the Company.

7.8 **Variation of rights attaching to Ordinary Shares**

Subject to the provisions of the Act (and any other regulation affecting the Company), if at any time the capital of the Company is divided into different classes of shares all or any of the rights or privileges attached to any class may be varied or abrogated (a) in such manner (if any) as may be provided by such rights or (b) in the absence of any such provision, either with the consent in writing of the holders of at least seventy-five per cent. of the nominal amount of the shares of that class with the sanction of a special resolution at a separate meeting of the holders of the shares of that class. At every such separate general meeting the quorum shall be two persons at least present holding or representing by proxy at least one-third in nominal value of the shares of the class and, at an adjourned meeting, one person holding shares of the class in question present in person or his proxy.

7.9 **Alteration of share capital**

Subject to the Act (and any other regulation affecting the Company) and the rights attaching to existing shares, the Company may by ordinary resolution increase its share capital, consolidate and divide all or any of its share capital or purchase its own shares (including redeemable shares).

7.10 **Transfer of Ordinary Shares**

7.10.1 A member may transfer all or any of his shares (a) in the case of certificated shares, by transfer in writing in any usual or common form or in any other form acceptable to the directors and (b) in the case of uncertificated shares, in accordance with and subject to the Uncertificated Securities Regulations and the facilities and requirements of the relevant system concerned.

7.10.2 The instrument of transfer of a certificated share shall be executed by or on behalf of the transferor and, if not fully paid, by or on behalf of the transferee.

7.10.3 The directors may, in their absolute discretion (but subject to any rules and regulations of the London Stock Exchange or any rules published by the FSA applicable to the Company from time to time) and without assigning any reason therefore, refuse to register any transfer of shares:

(a) unless the transfer is (i) in respect of a fully paid share, (ii) in respect of a share which does not have a lien, (iii) in respect of only one class of shares, (iv) in favour of a single transferee or not more than four joint holders as transferees, (v) is duly stamped or shown to be exempt from stamping and (vi) accompanied by the certificate(s) of title for the shares to which it relates or other evidence of title required by the directors;

(b) in respect of a transfer of uncertificated shares in such other circumstances (if any) as may be permitted by the Uncertificated Securities Regulations and the requirements of the relevant system concerned; or

(c) where the transfer relates to shares which are the subject of such a notice as described in paragraph 7.12.1 (and in respect of which the required information has not been received by the Company), provided that the provision set out in this paragraph 7.10.3(c) shall not apply in respect of a transfer which is a "**Permitted Sale**" (as defined in paragraph 7.12.2) or a transfer of shares by a transferor whose holding of shares immediately prior to the proposed transfer represents less than 0.25 per cent. of the shares of the relevant class.

7.10.4 The directors must provide the transferee with a notice of refusal within two months of the date on which the transfer was lodged.

7.11 **Dividends**

7.11.1 Subject to the Articles and the Act (and any other regulation affecting the Company), the Company may by ordinary resolution in general meeting declare a dividend to be paid to the members according to their respective rights and interests in profits but no larger dividend shall be declared than is recommended by the directors. The directors may from time to time pay such interim dividends as appear to the directors to be justified.

7.11.2 Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid but no amount paid up on a share in advance of call shall be treated for the purpose of the payment of a dividend as paid up on a share. Subject to the aforesaid, all dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. If any share carries any particular rights as to dividends, such share shall rank for dividend accordingly. No dividends payable in respect of a share shall bear interest unless otherwise provide by the rights attached to the share.

7.11.3 All dividends or other sums payable on or in respect of a share unclaimed for one year after having been declared may be invested or otherwise made use of by the directors for the benefit of the Company until claimed. All dividends unclaimed for a period of twelve years from the date they became due for payment shall be forfeited and shall revert to the Company absolutely.

7.11.4 With the sanction of an ordinary resolution of the Company in general meeting, any dividend may be paid and satisfied either wholly or in part by the distribution of specific assets (including, without limitation, paid up shares) and the directors shall give effect to any such resolution, provided that no such distribution shall be made unless recommended by the directors.

7.12 **Suspension of rights**

7.12.1 No member shall, unless the directors otherwise determine, be entitled to be present or to vote, either in person or by proxy, at any general meeting or at a separate meeting of the holders of any class of shares or to exercise any privilege as a member in relation to meeting of the Company in respect of any shares held by him ("**Relevant Shares**") if either (a) any calls or other moneys due or payable in respect of the Relevant Shares remain unpaid or (b) he or any other person appearing to be interested in the Relevant Shares ("**Other Person**") has been duly served, pursuant to any provision of the Act (and any other regulation affecting the Company) concerning the disclosure of interests in voting shares, with a notice ("**Statutory Notice**") lawfully requiring the provision to the Company (within such period (not being less than fourteen days) after service of the Statutory Notice as is specified in such notice) of information regarding any such Relevant Shares and he or such Other Person is in default of complying with the Statutory Notice.

7.12.2 The prohibitions set out in paragraph 7.12.1 on attendance and voting at any general meeting and on exercising any privilege as a member in relation to meetings of the Company in respect of shares held by him shall cease to apply in respect of the circumstances described in paragraph 7.10.3(b) upon the expiry of seven days after the earlier of (a) receipt by the Company of notification that the Relevant Shares have been transferred pursuant to a Permitted Sale and (b) due compliance, to the Company's satisfaction, with the Statutory Notice. For these purposes, "**Permitted Sale**" means a sale of the Relevant Shares to a bona fide third party who is not connected with the member concerned or any Other Person, being a sale which is effected through the London Stock Exchange, through an overseas investment exchange (as defined in section 313 of FSMA) or by acceptance of a takeover offer (as defined in section 974 of the Act).

7.13 **Return of capital**

Subject to the provisions of the Act and any other relevant statutes and any special rights attached to any class of shares, on a winding-up or other return of capital the holders of shares shall be entitled to share in any surplus assets pro rata to the amount paid up on their shares. A liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members in specie or in kind the whole or any part of the assets of the Company, those assets to be set at such value as he deems fair.

7.14 **Pre-emption rights**

There are no rights of pre-emption under the Articles in respect of the transfers of issued shares. In certain circumstances, the Company's 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.

7.15 **Shareholder meetings**

7.15.1 A general meeting shall be held in every year as the annual general meeting of the Company at such time (within a period of not more than six months beginning with the day following the Company's accounting reference date) and place as may be determined by the directors. Such general meeting shall be called annual general meeting and all other general meetings shall be called general meetings. The directors may call a general meeting whenever they think fit and shall, in any event, do so when and in the manner required by the Act.

7.15.2 An annual general meeting shall be called by not less than twenty one days' notice in writing and all other general meetings shall be called by not less than fourteen days' notice in writing, in each case, exclusive of the day on which it is served or deemed to be served and of the day for which it is given and shall specify the place, day and hour of the meeting

and, in the case of special business, the general nature of such business. The notice shall be given to the members (other than those who, under the provisions of the Articles or the terms of issue of the shares they hold, are not entitled to receive notice from the Company) to the directors and the Company's auditors.

7.15.3 In every notice calling a meeting of the Company or of any class of members of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend, speak and vote instead of him and that that proxy need not also be a member.

7.15.4 Two members present in person or by proxy or duly authorised corporate representative and entitled to vote shall constitute a quorum for all purposes. If no quorum is present within thirty minutes form the time appointed for the meeting then, if convened by or upon requisition of members, the meeting shall be dissolved but, in any other case, it shall be adjourned to such day and such time and place as the chairman (or, in default, the board) shall appoint. At any such adjourned meeting, the member or members present in person, by proxy or duly authorised corporate representative to vote shall constitute a quorum.

7.16 **Directors**

7.16.1 Unless and until otherwise determined by the Company in general meeting, the number of directors shall not be less than two and the maximum shall be eight. Three directors present in person or by his alternate shall constitute a quorum (unless determined otherwise).

7.16.2 The directors may regulate their meetings as they think fit and questions arising at any meeting of the directors shall be determined by a majority of votes and, in the case of an equality of votes, the chairman shall have a second or casting vote.

7.16.3 At every annual general meeting any directors who either have been appointed by the directors since the last annual general meeting or who were not appointed or reappointed at one of the preceding two annual general meetings, must retire from office and may offer themselves for reappointment by the Company's shareholders.

7.16.4 There shall be paid out of the funds of the Company by way of remuneration of directors who are not managing or executive directors fees at such rates as the directors may from time to time determine, provided that such fees do not, in aggregate, exceed a sum determined from time to time by the board's remuneration committee or such other figure as the Company may in general meeting from time to time determine. The directors (including alternate directors) shall be entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them.

7.16.5 A director shall not be required to hold any shares in the Company by way of qualification. A director who is not a member of the Company shall be entitled to receive notice of and attend and speak at all general meetings of the Company and at all separate general meetings of the holders of any class of shares in the capital of the Company.

7.16.6 Subject to the provisions of the Act (and any other regulation affecting the Company), the directors may, from time to time, appoint one or more of their body to be executive chairman or chief executive or joint chief executive, managing director or joint managing director of the Company or any one or more of such offices or to hold such other executive office in relation to the management of the business of the Company as they may decide. The salary or remuneration of any such executive director shall, subject as provided in any contract, be such as the directors may from time to time determine.

7.16.7 The business of the Company shall be managed by the directors who, in addition to the powers and authorities granted by the Articles or otherwise expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the Company and as are not by the Act (and any other regulation affecting the Company) or Articles required to be exercised or done by the Company in general meeting.

7.16.8 Save as provided by the Articles, a director may hold any other office or place of profit in the Company (except that of auditor) in conjunction with the office of director and may act by himself or through his firm in a professional capacity to the Company and, in any such case, on such terms as to remuneration and otherwise as the directors may arrange. Any such remuneration shall be in addition to any remuneration provided by any other provision of the Articles.

7.16.9 No director shall be disqualified by his office from entering into any contract, arrangement, transaction or proposal with the Company either in regards to such other office or place of profit or acting in a professional capacity for the Company or as seller, purchaser or otherwise. Subject to the provisions of the Act (and any other regulation affecting the Company) and save as therein provided, no such contract, arrangement, transaction or proposal entered into by or on behalf of the Company in which any director or any person connected with him is interested, whether directly or indirectly, shall be avoided nor shall any director who enters into any such contract, arrangement, transaction or proposal or who is so interested be liable to account to the Company for any profit realised by any such contract, arrangement, transaction or proposal by reason of such director holding that office or of the fiduciary relationship thereby established but the nature and extent of his interest shall be disclosed by him in accordance with the provisions of the Articles and/or of the Act (and any other regulation affecting the Company).

7.16.10 Save as provided in the Articles or by the terms of any authorisation given by the directors, a director shall not vote as a director in respect of any contract, transaction or arrangement or proposed contract, transaction or arrangement or any other proposal whatsoever in which he (or any person connected with him) has any interest (otherwise than by virtue of an interest in shares or debentures or other securities of or otherwise in or through the Company).

7.16.11 The directors may authorise a director to be involved in a situation in which the director has or may have a direct or indirect interest which conflicts or may conflict with the interests of the Company and may impose such terms or conditions on the grant of such authorisation as they think fit and in doing so will act in such a way, in good faith, as they consider will be most likely to promote the success of the Company.

7.16.12 A director shall (in the absence of some other interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution relating to any of the following matters namely:

(a) giving of any security, guarantee or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings; or

(b) the giving of any security, guarantee or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which the director himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security; or

(c) an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings for subscription or purchase in which offer he is or is to be or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate; or

(d) any other company in which he or any person connected with him is interested, directly or indirectly, and whether as an officer or shareholder or otherwise howsoever, provided that he and any persons connected with him are not to his knowledge the holder (otherwise than as a nominee for the Company or any of its subsidiary undertakings) of or beneficially interested in one per cent. or more of any class of the equity share capital of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for the purpose of the relevant Article to be a material interest in all circumstances); or

(e) an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates; or

(f) the purchase and/or maintenance of any insurance policy for the benefit of the directors or for the benefit of persons including the directors.

7.16.13 A director shall not vote or be counted in the quorum on any resolution concerning his own appointment as the holder of any office or place of profit with the Company or any company in which the Company is interested (including, without limitation, fixing or varying the terms of his appointment or the termination or extension thereof).

7.16.14 The directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property, assets both present and 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 its parent undertaking (if any) or any subsidiary undertaking of the Company or of any third party.

7.16.15 The directors may exercise all powers of the Company to borrow or raise money upon or by the issue or sale of any bonds, debentures or securities and upon such terms as to time of repayment, rate of interest, price of issue or sale, payment of premium or bonus upon redemption or repayment or otherwise as they may think proper, including the right for the holders of bonds, debentures or securities to exchange the same for shares in the Company or any class authorised to be issued.

7.17 **Indemnity**

Provided that such indemnity is not prohibited or rendered void by the Act, the Articles or any other provision of law, each director or other officer or former officer or former director or other officer of the Company or any associated company (but excluding any auditor), shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him (i) in the actual or purported execution and/or discharge of his duties or in relation to them and (ii) in relation to the activities of the Company (or any associated company) as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act, including (in each case) any liability incurred by him in defending any civil or criminal proceedings in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company (or any associated company). The Company may provide the relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to above and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

8. DIRECTORS' AND OTHER INTERESTS

8.1 The interests of each of the Directors and Proposed Directors in the Ordinary Shares (all of which are beneficial) which have been or will be required to be notified to the Company pursuant to section 5 of the Disclosure and Transparency Rules or which will be required to be maintained under the provisions of section 808 of the Act, or which are interests of a person connected with any of the Directors or Proposed Directors (within the meaning of section 252 of the Act), which interests would be required to be disclosed pursuant to the Disclosure and Transparency Rules, and the existence of which is known to the Directors or Proposed Directors or could with reasonable diligence be ascertained by them as at 17 July 2014 (being the last date practicable prior to the publication of this document) are as set out below:

Name	*Number of Existing Ordinary Shares as at the date of this document*	*% of Existing Ordinary Share Capital*	*Number of New Ordinary Shares on Admission*	*% of Enlarged Ordinary Share Capital*
David Eric Evans	–	–	3,452,066	4.8
Stephen Patrick O'Hara	–	–	10,049,696	14.0
Adam Reynolds	79,165,000	7.2	1,208,825	1.4
Mark Andrew Wyatt	–	–	–*	–
Nicholas Christian Paul Nelson	54,170,000	4.9	520,850	0.7
	133,335,000	12.1	15,043,437	21.0

* Mark Wyatt is the appointed board representative of Enterprise Ventures, the fund manager of FYSCF which will hold 13,998,238 New Ordinary Shares representing 19.5 per cent. of the Enlarged Ordinary Share Capital on Admission.

In addition, the Directors have the following interests in Warrants:

Name	*Number of Existing Ordinary Shares under Warrant*	*Exercise price (pence)*	*Revised number following the Share Consolidation*	*Revised price following the Share Consolidation (pence)*
Adam Reynolds	79,165,000	0.04	395,825	8.0
Nicholas Christian Paul Nelson	54,170,000	0.04	270,850	8.0
	133,335,000		666,675	

Further, the Company intends to grant Options over New Ordinary Shares to certain of the Proposed Directors as soon as reasonably practicable following Admission as follows:

Name	*Number of New Ordinary Shares under Option*	*Exercise price (pence)*
Stephen O'Hara	6,099,135	8.0
David Evans	2,511,408	8.0
	8,610,543	

8.2 Save as disclosed in this document, none of the Directors or Proposed Directors has or will have any interest in the share capital or loan capital of the Company following Admission, nor does any person connected with the Directors or Proposed Directors (within the meaning of section 252 of the Act) have any such interest, whether beneficial or non-beneficial.

8.3 Save as disclosed in this document, none of the Directors or Proposed Directors is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company and which was effected by the Company and remains in any respect outstanding or unperformed.

8.4 There are no outstanding loans made or guarantees granted or provided by the Company to or for the benefit of any Director or Proposed Director.

8.5 There is no Director or Proposed Director nor member of a Director's or Proposed Director's family (as defined in the AIM Rules) who has a related financial product (as defined in the AIM Rules) referenced to the Ordinary Shares.

9. SIGNIFICANT SHAREHOLDERS

9.1 As at 17 July 2014 (being the last practicable date prior to the date of this document) and save as set out below, the Company was not aware of any person who, directly or indirectly, had an interest representing 3 per cent. or more of the issued ordinary share capital (being the threshold at or above which, in accordance with the provisions of section 5 of the Disclosure and Transparency Rules, any interest must be disclosed by the Company).

Name	*Number of Existing Ordinary Shares as at the date of this document*	*% of Existing Ordinary Share Capital*	*Number of New Ordinary Shares immediately following Admission*	*% of Enlarged Ordinary Share Capital*
Christopher Potts	141,665,000	12.9	1,208,325	1.7
Adam Reynolds	79,165,000	7.2	1,020,825	1.4
Nicholas Nelson	54,170,000	4.9	520,850	0.7
FYSCF	–	–	13,998,238	19.5
Stephen O'Hara	–	–	10,049,696	14.0
Helium Rising Stars Fund	–	–	10,000,000	13.9
David Evans	–	–	3,452,066	4.8

9.2 Save as disclosed in this document, the Directors and Proposed Directors are not aware of any person who directly, or indirectly, jointly or severally, exercises or could exercise control over the Company (where control means owning 30 per cent. or more of the voting rights attaching to the share capital of the Company).

9.3 Save as set out above, the Directors and Proposed Directors are not aware of any arrangements in place or under negotiation which may, at a subsequent date, result in a change of control of the Company.

10. ADDITIONAL INFORMATION ON THE DIRECTORS

10.1 Other than directorships of the Company, the Directors and Proposed Directors have held the following directorships or been partners in the following partnerships within the five years prior to the date of this document:

Name	*Current directorships/partnerships*	*Past directorships/partnerships in the last 5 years*
David Evans	Collagen Solutions PLC	BGenuinetec KK
	Cytox Limited	Collagen Solutions (UK) Limited
	Diagnostic Capital Limited	CY Realisations Limited
	EFK Diagnostics Holdings PLC	Diagnostic Capital Limited
	Epistem Holdings PLC	DXS EBT Company Limited
	Integrated Magnetic Systems Limited	Epistem Limited
	LochGlen Whisky Company Limited	Horizon Discovery Limited
	Omega Diagnostics Group PLC	Immunodiagnostics Systems Holdings Limited
	OptiBiotix Health Limited	Immunodiagnostics Systems Holdings Public Limited Company
	Premaitha Health PLC	
	Premaitha Health Limited	

Name	*Current directorships/partnerships*	*Past directorships/partnerships in the last 5 years*
David Evans *(continued)*	Scancell Holdings PLC Spectrum (General Partner) Limited The Fine Art of Golf Limited Venn Life Sciences Holdings PLC	Jellagen PTY Limited Marine Biotect Limited Microtest Matrices Limited Momentum Bioscience Limited Onyx Research Chemicals Limited Qiagen Manchester Limited Quotient Diagnostics Limited Rosnes Limited Scancell Limited Scipac Limited Sirigen Group Limited
Stephen O'Hara	Diagnostic Capital Limited Intelligent Biotech Limited OptiBiotix Health Limited Perfectus Biomed Limited	None
Adam Reynolds	Autoclenz Group Limited Boldwood Limited EKF Diagnostics Holdings PLC Emotion Fitness Limited Hubco Investments PLC Medavinci Gold Limited Orogen Gold PLC Premaitha Health PLC Reyco Limited Wilton International Marketing Limited	Alan Bailey (Studios) Limited BComp 415 Limited Biolustre UK Limited Chalton Consulting Limited Diablo Consulting Limited Hansard Corporate Limited Hansard Group Limited Hub Capital Partners Limited Porta Communications PLC Velvet Consultancy Limited Wallgate Group PLC Wilton International Management Group Limited
Mark Wyatt	Cizzle Biotechnology Limited Evgen Limited Imperial Innovations Businesses LLP OptiBiotix Health Limited	Ervitech Limited Mycologix Limited Smart Surgical Appliances Limited
Nicholas Nelson	Adams PLC Equatorial Mining Exploration PLC Nexus Financial Limited Chalton Consulting Limited	Charzor PLC DotDigital Group PLC Haggie Nelson LLP Nexfin Limited Rare Minerals PLC Special Risks Insurance Brokers Limited

10.2 **David Evans**

On 18 December 2010, David Evans was appointed as a director of Cytox Limited. On 23 March 2011, Cytox Limited went into administration and the statement of affairs signed by David Evans showed a creditor shortfall of £418,500. On 2 June 2011, Cytox Limited entered into a Company Voluntary Arrangement which was completed on 24 July 2012.

David Evans was appointed as a director of Lineplan Limited on 24 March 1995. Lineplan Limited went into Creditors' Voluntary Liquidation on 18 May 2000. Under the liquidation, the dividends were as follows: Preferential debts of £10809.22 received 100p per pound and unsecured debts of £52,851 received 0p in the pound. Lineplan Limited was subsequently dissolved on 22 August 2002.

David Evans was appointed as a director for CY Realisations Limited on 28 November 2000. CY Realisations went into creditors' voluntary liquidation on 11 April 2003. The directors' statement of affairs dated 11 April 2003 showed a creditor shortfall of £237,254. CY Realisations was subsequently dissolved on 29 October 2009.

10.3 **Adam Reynolds**

Greenhills plc was placed into compulsory liquidation within 12 months of Adam Reynolds resigning as a director.

Adam Reynolds was appointed as a director of Wilton International Marketing Limited on 10 June 2005. The company entered a members' voluntary liquidation on 1 May 2014. The liquidator's receipts and payments accounts approved in general meeting on 22 April 2014 declared a surplus of £404,805.17.

Marlwood Plc was put into voluntary creditors' liquidation on 7 February 2012. On 10 July 2009 Adam Reynolds resigned from the company.

In July 2008, Adam Reynolds was appointed as a mon-executive director to Wallgate Plc and resigned in November 2008. Administrators were appointed to Wallgate plc in January 2009. The estimated deficit to creditors was £419,000.

10.4 **Nicholas Nelson**

In 1997, a winding-up order was made against the Multimedia Factory (UK) Limited, of which Nicholas Nelson was a director, and administered by the Official Receiver. The deficiency as regards creditors was £44,014 and as these amounts were principally directors' loans and expenses, no further action was taken and the company was dissolved. Nexfin Limited was incorporated on 14 October 2010 to reserve the name. It never traded and was dissolved some months later.

10.5 Save as disclosed in paragraphs 10.2 to 10.4 above, none of the Directors or Proposed Directors has:

10.5.1 any unspent convictions in relation to indictable offences;

10.5.2 had any bankruptcy order made against him or entered into any voluntary arrangements;

10.5.3 been a director of a company which has been placed in receivership, compulsory liquidation, administration, been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors, whilst he was a director of that company or within the 12 months after he had ceased to be a director of that company;

10.5.4 been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement, whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;

10.5.5 been the owner of any asset which has been placed in receivership or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;

10.5.6 been publicly criticised by any statutory or regulatory authority (including recognised professional bodies); or

10.5.7 been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a company.

10.6 Save as disclosed in this document, there are no potential conflicts of interest between any duties to the Company of the Directors or Proposed Directors and their private interests or their other duties.

10.7 Save as disclosed in this document, no Director or Proposed Director has or has had any interest in any transaction which is or was significant in relation to the business of the Company and which was effected during the current or immediately preceding financial period or which was effected during an earlier financial period and remains outstanding or unperformed.

11. DIRECTORS' AND OTHERS' SHARE DEALINGS

Save as disclosed elsewhere in this document, no Director, Proposed Director or recent director has dealt in the shares, warrants or any other securities in the Company.

12. DIRECTORS' SERVICE CONTRACTS AND REMUNERATION

12.1 Save as disclosed in this paragraph 12, there are no service agreements or letters of appointment, existing or proposed between any Director or Proposed Director and the Company that have been entered into or varied within six months prior to the date of this document. There are no existing or proposed service agreements or letters of appointment between the Company and any of the Directors or Proposed Directors which do not expire or are not determinable by the Company without payment of compensation within 12 months immediately preceding the date of this document.

12.2 David Evans entered into a consultancy agreement with OptiBiotix on 10 April 2012 for a term of two years, continuing until terminated by either party on three months' written notice. Pursuant to the agreement, Mr Evans is to be a director of OptiBiotix and its non-executive chairman and is to carry out such other duties as may be directed by the board. Mr Evans is to be available for consultation for a minimum of 24 days per annum for a fee of £1,000 (exclusive of VAT) per month, although Mr Evans has agreed not to receive this remuneration for the time being. The agreement contains restrictive covenants. This agreement will be terminated on Admission and the letter of appointment summarised in paragraph 12.3 below will take effect.

12.3 On 17 July 2014, David Evans entered into a non-executive letter of appointment with the Company pursuant to which, conditional upon Admission, his appointment as non-executive chairman was confirmed. His appointment is terminable by and at the discretion of either party upon three months' notice in writing. The fee payable to David is £25,000 per annum. His removal in accordance with the terms of the letter of appointment will not give him any right to compensation.

12.4 Stephen O'Hara entered into a service agreement with OptiBiotix on 10 April 2012, continuing until terminated by either party on three months' written notice, pursuant to which Mr O'Hara is appointed as the company's chief executive officer. Mr O'Hara's remuneration is £48,000 per annum, which is to be paid as a combination of salary and other benefits, as agreed between the company and Mr O'Hara. The agreement contains restrictive covenants. Conditional upon Admission, Mr O'Hara's service agreement will be amended to provide for a salary of £108,000 and a notice period of 12 months.

12.5 On 17 July 2014, Stephen O'Hara entered into a letter of appointment with the Company pursuant to which, conditional upon Admission, his appointment as a director and Chief Executive Officer was confirmed. His appointment is terminable by and at the discretion of either party upon twelve months' notice in writing. No fee is payable to Stephen under the terms of the letter of appointment.

12.6 On 17 July 2014, Adam Reynolds entered into a non-executive letter of appointment with the Company pursuant to which, conditional upon Admission, his appointment as a non-executive director was confirmed. His appointment is terminable by and at the discretion of either party upon three months' notice in writing. The fee payable to Adam is £25,000 per annum. His removal in accordance with the terms of the letter of appointment will not give him any right to compensation.

12.7 On 17 July 2014, Mark Wyatt entered into a non-executive letter of appointment with the Company pursuant to which, conditional upon Admission, his appointment as a non-executive director was confirmed. His appointment is terminable by and at the discretion of either party upon three months' notice in writing. The fee payable to Enterprise Ventures Limited for Mark's services is £18,000 per annum. His removal in accordance with the terms of the letter of appointment will not give him any right to compensation.

13. EMPLOYEES

As at the date of this document, OptiBiotix has one employee and the Company has no employees.

14. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business, which have been entered into by the Company (i) within the two years immediately preceding the date of this document and are, or may be material; or (ii) which contains any provision under which the Company has any obligation or entitlement which is material to the Company as at the date of this document.

14.1 Sale of Ceres Media plc by the Company

The Company entered into a share sale and purchase agreement with Alexander Dowdeswell, a former director of the Company, on 1 November 2013, pursuant to which Mr Dowdeswell acquired the entire issued share capital of Ceres Media plc from the Company.

The consideration (subject to a maximum amount of £375,000) is equal to certain percentages of all gross sales (excluding VAT) by Ceres Media plc and its subsidiaries (Ceres Media plc and its subsidiaries being the "**Relevant Companies**"), for certain products, during the period of 24 months following the completion of the sale.

In the event of (i) a sale, transfer or other disposal of an interest in any shares of any Relevant Companies to a third party purchaser which results in a change of control or (ii) the disposal of all or a substantial part of the business, assets, property or undertaking of the Relevant Companies to a third party purchaser or (iii) the successful public listing of all or any shares of any Relevant Company (or of any holding company), in each case up to and including the third anniversary of the completion of the disposal, the Company will be entitled to certain additional monies if the consideration due to the relevant seller or, in the case of a public listing, the market capitalisation of the relevant company ("**Sale Consideration**"), is more than £500,000. If, in the event of a business sale or share sale, the Sale Consideration is more than £500,000, then the Company will be entitled to receive a sum equal to 25 per cent. of the amount by which the Sale Consideration exceeds £500,000. In the event of a listing, if the Sale Consideration is more than £500,000, then the Company is entitled to receive a sum equal to 15 per cent. of the amount by which the Sale Consideration exceeds £500,000.

14.2 Acquisition Agreement

The Company has entered into a share sale and purchase agreement dated 17 July 2014 with the Vendors pursuant to which the Company has agreed to acquire the entire issued share capital of OptiBiotix. The consideration for the acquisition is the allotment and issue to the Vendors of 25,000,000 New Ordinary Shares (in aggregate) at a price of 8 pence per share.

Pursuant to the agreement the Vendors and the Company have each given only warranties as to capacity, ownership and no encumbrance of the shares being acquired (in relation to the OptiBiotix shares) or allotted and issued (in relation to the Consideration Shares) by the Company (as applicable).

The agreement is conditional on, *inter alia*, the Resolutions passing at the General Meeting, the Company having raised at least £3,300,000 pursuant to the Placing and Admission.

14.3 Broker agreements

14.3.1 The Company and Peterhouse entered into an agreement dated 21 October 2013, pursuant to which the Company appointed Peterhouse as broker for the purposes of the AIM Rules. The Company agreed to pay Peterhouse an annual retainer of £12,000 plus VAT, commencing on the appointment date (such fee being payable quarterly in advance) together with all reasonable costs, charges and expenses incurred in relation to providing the agreed services. In addition, the Company has agreed to pay Peterhouse commission at a rate of 5 per cent. of the gross amount of any funds raised by Peterhouse and 1 per cent. of any funds raised by the Company, in relation to any funds raised following completion of the 2013 transaction as detailed in the letter of engagement. The agreement contains certain undertakings and indemnities given by the Company in favour of Peterhouse. The appointment is terminable on 3 months' notice. If the Company terminates the appointment within 12 months of the appointment date, it shall be liable to pay Peterhouse the outstanding balance of such annual retainer as if the appointment had been terminated on the anniversary of the date of the appointment. This agreement has been superseded by the agreement summarised below.

14.3.2 On 24 April 2014, the Company entered into a letter of engagement with Peterhouse pursuant to which the Company appointed Peterhouse as broker for the purposes of the AIM Rules. The Company agreed to pay Peterhouse an annual retainer of £12,000 plus VAT (such fee being payable monthly in advance) together will all reasonable costs, charges and expenses incurred in relation to providing the agreed services. In addition, the Company has agreed to pay Peterhouse commission at a rate of 5 per cent. of the gross amount of any funds raised by Peterhouse or the Company and received and retained by the Company in relation to its efforts in any future placing by the Company. The agreement contains certain undertakings and indemnities given by the Company in favour of Peterhouse. There is a minimum period of engagement of 6 months and thereafter a three month notice period to cancel the services of Peterhouse.

14.4 **Nominated adviser agreements**

14.4.1 The Company, the Directors and Cairn entered into an agreement dated 17 July 2014 pursuant to which Cairn agreed to act as the Company's nominated adviser for the purposes of the AIM Rules. The agreement supersedes the agreement entered into between the parties on 20 November 2013. Under the terms of the agreement, the Company has agreed to pay Cairn an annual fee of £25,000 (plus VAT) commencing on Admission (such fee being payable quarterly in advance together with any reasonable out-of-pocket expenses which may be incurred in respect of such services). The agreement contains certain undertakings and indemnities given by the Company in respect of, *inter alia*, compliance with applicable laws and regulations. The appointment is for an initial term of one year and shall continue thereafter until terminated by either Cairn or the Company giving to the other three months' notice in writing.

14.4.2 On 23 May 2014, the Company entered into a letter of engagement with Cairn in relation to the acquisition of OptiBiotix and associated matters. The Company has agreed to pay Cairn a transaction fee of £100,000 and to grant to Cairn warrants over 0.75 per cent. of the Company's enlarged ordinary share capital on Admission. The engagement is deemed to have been terminated if the transaction has not been completed within six month of the date of the letter and in other agreed circumstances.

14.5 **Placing Agreement**

The Company, Adam Reynolds and the Proposed Directors have entered into a placing agreement with Cairn (as nominated adviser) and Peterhouse (as broker) dated 17 July 2014, pursuant to which Peterhouse has agreed (conditionally, *inter alia*, on Admission taking place no later than 8.00 a.m. on 5 August 2014 (or such later date as the Company, Cairn and Peterhouse may agree, being in any event not later than 8.00 a.m. on 29 August 2014)) as agent for the Company to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price.

Under the Placing Agreement the Company has agreed to pay Cairn a corporate finance fee of £100,000 (plus VAT).

Under the Placing Agreement the Company has agreed to pay Peterhouse a commission of five per cent. of the total funds raised pursuant to the Placing capped at £165,000. No commission is being paid to Peterhouse in respect of funds invested by the Proposed Directors (or their connected persons).

The Company will also pay certain other costs and expenses (including any applicable VAT) of, or incidental to, the Placing, including all fees and expenses payable in connection with Admission, the expenses of the Company's registrar, printing and advertising expenses, postage and all other legal, accounting and other professional fees and expenses. The Placing Agreement contains customary warranties and indemnities given by the Company to Cairn and Peterhouse as to the accuracy of the information contained in this document and other matters relating to the Enlarged Group's business. The agreement also contains limited warranties from the Directors and Proposed Directors. Cairn and Peterhouse are entitled to terminate the Placing Agreement in certain specified circumstances (including force majeure) prior to Admission.

14.6 **Lock-in Arrangements**

On 17 July 2014, the Locked-in Persons entered into lock-in agreements with the Company, Cairn and Peterhouse pursuant to Rule 7 of the AIM Rules for Companies under which the Locked-in Persons have undertaken not to dispose of their Ordinary Shares until the anniversary of Admission except in certain limited circumstances permitted by the AIM Rules for Companies. For a further 12 months any disposals by the Lock-In Persons may be made, save in certain circumstances, only following consultation with Cairn and Peterhouse. The lock-in arrangements apply in respect of 39.7 per cent. of the Enlarged Ordinary Share Capital.

14.7 **Warrants**

14.7.1 On 19 February 2014, the Company executed a warrant instrument to create and issue warrants to various parties who took place in the January 2014 placing to subscribe for, an aggregate, of 203,380,942 Ordinary Shares. The warrants will be exercisable (in whole or in part) at any time from the date of the warrant instrument for a period of three years at an exercise price of £0.0004 per share. The Ordinary Shares to be allotted and issued on the exercise of any or all of the warrants will rank for all dividends and other distributions declared after the date on which the relevant notice of exercise was delivered to the Company's registrars but not before such date and otherwise *pari passu* in all respects with the Ordinary Shares in issue on the date of such exercise allotment. The warrant agreement contains provisions for appropriate adjustment of the number of Ordinary Shares and the subscription price upon a capitalisation of reserves, on sub-division or consolidation or reduction of the share capital of the Company.

14.7.2 On 28 January 2014, the Company executed a warrant instrument to create and issue warrants to various parties who took place in the October 2013 placing to subscribe for, an aggregate, of 712,500,000 Ordinary Shares. The warrants will be exercisable (in whole or in part) at any time from the date of the warrant instrument for a period of three years at an exercise price of £0.0004 per share. The Ordinary Shares to be allotted and issued on the exercise of any or all of the warrants will rank for all dividends and other distributions declared after the date on which the relevant notice of exercise was delivered to the Company's registrars but not before such date and otherwise *pari passu* in all respects with the Ordinary Shares in issue on the date of such exercise allotment. The warrant agreement contains provisions for appropriate adjustment of the number of Ordinary Shares and the subscription price upon a capitalisation of reserves, on sub-division or consolidation or reduction of the share capital of the Company.

14.7.3 On 17 July 2014, the Company executed a warrant instrument to create and issue warrants to Cairn to subscribe for, an aggregate, of 538,159 Ordinary Shares. The warrants will be exercisable at any time from Admission for a period of five years from Admission at the Issue Price. The Ordinary Shares to be allotted and issued on the exercise of any or all of the warrants will rank for all dividends and other distributions declared after the date of the allotment of such shares but not before such date and otherwise *pari passu* in all respects with the Ordinary Shares in issue on the date of such exercise allotment. The warrant agreement contains provisions for appropriate adjustment of the number of Ordinary Shares and the subscription price upon a capitalisation of reserves, on sub-division or consolidation or reduction of the share capital of the Company.

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

14.8 On 18 September 2012, OptiBiotix entered into a research agreement with The University of Reading (the "**University**") to generate novel microbiome modulating compounds using reverse enzyme synthesis. The project is to run from and including 1 October 2012 for a period of three years and may be extended by mutual agreement in writing between the parties. The University agrees to use its reasonable endeavours to provide adequate facilities, obtain any requisite materials, equipment and personnel and to report to OptiBiotix at intervals of not more than three months. The company agrees to fund the research project as set out in the agreement. All intellectual property arising from

the project shall vest and be owned by OptiBiotix. The company grants to the University and the student undertaking the research a royalty-free irrevocable, non-transferrable, non-exclusive licence to use the arising and background intellectual property for their own non-commercial activities such as teaching and scientific or clinical research. The agreement contains standard confidentiality and publication provisions and can be terminated by the company or the University for any breach of the obligations set out in the agreement, by giving 30 days written notice to the other party of its intention to terminate. Further, the agreement contains a limitation of liability clause.

14.9 On 18 March 2013, OptiBiobix entered into a research agreement with Nizo Food Research B.V., Holland, ("**Nizo**") to identify microbial strains with microbial metabolic pathways which could be used to reduce human cholesterol. The agreement sets out the expected deliverables in respect of phases 1 to 4 of the project. The agreement also sets out the financial options for the transfer of intellectual property developed as a result of the project including a license, assignment of ownership of the strains to OptiBiotix and a combination of both as well as the required investment required for each phase of the project. On 30 October 2013, Nizo sent a letter to the company confirming that following the research project undertaken for OptiBiotix, it hereby assigns the ownership of the three strains set out in the letter to the company on the condition that OptiBiotix makes the agreed payment to Nizo within 30 days of receiving investment funds.

14.10 Save as set out below, there are no material contracts that have been entered into by any member of the Concert Party outside the ordinary course of business within the two years immediately preceding the date of this document.

14.10.1 David Evans was a shareholder of Horizon Discovery plc until 24 March 2014 when he agreed to sell 949,000 ordinary shares for £1.80 per share.

14.10.2 David Evans was a shareholder of Sirigen Group Limited until 27 August 2012 when that company was sold to Becton Dickinson and Company. The proceeds attributable to David Evans are a maximum amount of £1,044,000.

15. RELATED PARTY TRANSACTIONS

Save as set out below and in Part V of this document, there are no other nor are there contemplated any related party transactions to which the Company was or will be a party:

15.1 Around 28 May 2012, the Company allotted and issued 8,400,000 Ordinary Shares to the following directors in settlement of certain accrued remuneration and unpaid expenses: (a) Alexander Dowdeswell – 3,000,000 Ordinary Shares; (b) Leslie Barber – 4,500,000 Ordinary Shares; and (c) Clive Garston – 900,000 Ordinary Shares. At the same time, the following directors participated in the May 2012 placing: (a) Alexander Dowdeswell – 2,617,000 Ordinary Shares; (b) Leslie Barber – 300,000 Ordinary Shares; and (c) Clive Garston – 283,000 Ordinary Shares. In the announcement made on 22 May 2012, the Company also noted that the following options had been granted to directors on Admission and subsequently: (i) Alexander Dowdeswell – option over 500,000 Ordinary Shares; (ii) Leslie Barber – options over 2,800,000 Ordinary Shares; (iii) Clive Garston – option over 1,000,000 Ordinary Shares; and (iv) others – options over 160 Ordinary Shares.

15.2 On 2 August 2013, the Company announced that the following directors had converted outstanding liabilities owed to them into Ordinary Shares in the Company as follows: (a) Alexander Dowdeswell – 5,400,000 Ordinary Shares; (b) Leslie Barber – 3,000,000 Ordinary Shares; and (c) Clive Garston – 1,800,000 Ordinary Shares.

15.3 On 18 November 2013, 47,150,000 Ordinary Shares were issued to the following directors in full and final settlement of fees owing to them: (a) Leslie Barber; and (b) Clive Garston.

15.4 In November 2013, the Company entered into a share sale and purchase agreement with Alexander Dowdeswell, a former director of the Company, in relation to the sale by the Company of the entire issued share capital of Ceres Media plc. Further details are set out in paragraph 14.1 of Part VIII of this document.

15.5 On 21 February 2014, the Company granted 62,500,000 warrants to Adam Reynolds and issued 79,196,667 Ordinary Shares to him as part of the placing and open offer. Further details are set out in paragraph 14.7 of this Part VIII.

15.6 On 21 February 2014, the Company granted 54,170,000 warrants to Nicholas Nelson and issued 50,000,000 Ordinary Shares to him as part of the placing and open offer. Further details are set out in paragraph 14.7 of this Part VIII.

15.7 The following Directors and Proposed Directors have agreed to participate in the Placing as follows: (a) David Evans – 1,250,000 New Ordinary Shares; (b) Stephen O'Hara – 1,250,000 New Ordinary Shares; (c) Adam Reynolds – 812,500 New Ordinary Shares; and (d) Nicholas Nelson – 500,000 New Ordinary Shares.

15.8 The Company has agreed to pay Adam Reynolds and Nicholas Nelson, the current directors of the Company, £30,000 and £10,000, respectively, as directors' fees for services rendered since their appointments. These payments will be made on Admission.

15.9 The Company intends to grant options over 6,098,162 New Ordinary Shares to Stephen O'Hara on Admission. Further details are set out in paragraph 20 of this Part VIII.

15.10 The Company intends to grant options over 2,511,008 New Ordinary Shares to David Evans on Admission. Further details are set out in paragraph 20 of this Part VIII.

16. WORKING CAPITAL

The Directors and the Proposed Directors are of the opinion that, having made due and careful enquiry, the Enlarged Group has sufficient working capital for its present requirements, that is at least 12 months from the date of Admission.

17. INTELLECTUAL PROPERTY

17.1 **Patents**

One of the main assets of the Enlarged Group is the IPR owned by OptiBiotix, in particular the registered intellectual property rights as summarised below:

Patent Application Number	*Country*	*Description*	*Filing Date*	*Status*	*Registrant/ Applicant*
GB1319539.1	UK	The invention relates to a prebiotic composition which is specific for the growth of a desired probiotic bacterial strain	05.11.2013	Pending	OptiBiotix
GB1319531.8	UK	The invention relates to a symbiotic composition comprising a probiotic bacterial strain and a prebiotic growth medium which is specific to the growth of the probiotic bacterial strain, wherein the bacterial strain is capable of producing the same growth medium by reverse enzyme reaction and methods of identifying and producing such compositions	05.11.2013	Pending	OptiBiotix

Patent Application Number	*Country*	*Description*	*Filing Date*	*Status*	*Registrant/ Applicant*
GB1319540.9	UK	The invention relates to a probiotic composition which is useful in the management of cholesterol levels	05.11.2013	Pending	OptiBiotix
GB1319538.3	UK	The invention relates to a probiotic and prebiotic composition which is useful in the management of cholesterol levels	05.11.2013	Pending	OptiBiotix
GB1319525.0	UK	The invention relates to a composition for weight management and/or for use in the treatment of elevated cholesterol, diabetes, hypertension or heart disease	05.11.2013	Pending	OptiBiotix

17.2 **Trademarks**

Mark Text	*Filing Date*	*Trademark Number*	*Status*	*Nice Classes*	*Date of Entry in Register*	*Renewal Date*
OPTISCREEN	23.07.2013	UK00003015022	Registered	42	27.12.2013	23.07.2023
OPTIBIOTIX	23.07.2013	UK00003015026	Registered	01 05 42	27.12.2013	23.07.2023
OPTIBIOTIC OPTIBIOTICS	07.10.2013	UK00003025070	Registered	01 05 42	24.01.2014	07.10.2023

18. LEGAL AND ARBITRATION PROCEEDINGS

18.1 There are no governmental, legal or arbitration proceedings in which the Company is involved or of which the Company is aware, pending or threatened by or against the Company which may have or have had in the past twelve months preceding the date of this document a significant effect on the Company's financial position.

18.2 There are no governmental, legal or arbitration proceedings in which OptiBiotix is involved or of which OptiBiotix is aware, pending or threatened by or against InTechnology which may have or have had in the past twelve months preceding the date of this document a significant effect on OptiBiotix's financial position.

19. TAXATION

19.1 **Introduction**

The following paragraphs are intended as a general guidance only and not advice regarding the UK tax position of Shareholders who are the beneficial owners of Ordinary Shares in the Company who are UK tax resident and, in the case of individuals, resident and domiciled in the United Kingdom for tax purposes and who hold their shares as investments (otherwise than under an individual savings account (ISA)) only and not as securities to be realised in the course of a trade.

Certain Shareholders, such as dealers in securities, collective investment schemes, insurance companies and persons acquiring their Ordinary Shares in connection with their employment or as an office holder may be taxed differently and are not considered. Furthermore, the following paragraphs do not apply to:

– potential investors who intend to acquire Ordinary Shares as part of tax avoidance arrangements; or

– persons with special tax treatment such as pension funds, trustees of discretionary trusts or charities.

Any prospective purchaser of Ordinary Shares who is in any doubt about his tax position or who is subject to taxation or domiciled in a jurisdiction other than the UK, should consult his own professional adviser immediately.

The information in these paragraphs is based on current United Kingdom tax law and published HMRC practice as at the date of this document. Shareholders should note that tax law and interpretation can change (potentially with retrospective effect) 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.

19.2 **Income Tax – taxation of dividends**

Individuals

Individuals who are Shareholders resident in the United Kingdom for tax purposes will be liable to UK income tax in respect of dividends or other income distributions of the Company. An individual Shareholder resident in the UK for tax purposes and in receipt of a dividend from the Company will be entitled to a non-repayable dividend tax credit equal to one-ninth of the dividend received. The effect of the dividend tax credit would be to extinguish any further tax liability for eligible basic rate taxpayers (who currently pay tax at the dividend ordinary rate of 10 per cent.). The effect for eligible higher rate taxpayers (who pay tax at the current dividend upper rate of 32.5 per cent.) would be to reduce their effective tax rate to 25 per cent. of the cash dividend received. United Kingdom tax resident individuals who pay income tax at the additional rate on income in excess of £150,000 will be subject to 37.5 per cent. tax on dividends (reduced to approximately 30.6 per cent. of the cash dividend received for eligible taxpayers as a result of applying the tax credit).

Trustees of discretionary trusts receiving dividends from shares are also liable to account for income tax at the dividend trust rate, currently 37.5 per cent. (reduced to approximately 30.6 per cent. of the cash dividend by applying the tax credit).

Companies

Shareholders that are bodies corporate resident in the United Kingdom for tax purposes, and that are not small companies, may (subject to anti-avoidance rules) be able to exempt dividends paid by the Company from being chargeable to UK corporation tax. Corporate shareholders should seek independent advice on their position.

UK pension funds and charities are generally exempt from tax on dividends that they receive.

Withholding tax

The Company should not be required to withhold UK tax at source from any dividends or redemption proceeds paid by the Company to Shareholders.

19.3 **Taxation on capital gains for Shareholders**

The amount paid in cash for the Ordinary Shares will generally constitute the base cost of a Shareholder's holding.

A disposal of Ordinary Shares by a Shareholder who is resident in the United Kingdom for United Kingdom tax purposes or who is not so resident but carries on business in the United Kingdom through a branch, agency or permanent establishment with which their investment in the Company is connected may give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of chargeable gains or capital gains, depending on the Shareholder's circumstances and subject to any available exemption or relief.

For individual Shareholders who are UK tax resident or only temporarily non-UK tax resident, capital gains tax at the rate of tax of 18 per cent. (for basic rate taxpayers) or 28 per cent. (for higher or additional rate taxpayers) may be payable on any gain (after any available exemptions, reliefs or losses). For Shareholders that are bodies corporate any gain will be within the charge to corporation tax. Individuals may benefit from certain reliefs and allowances (including a personal annual exemption allowance) depending on their circumstances. Shareholders that are bodies corporate resident in the

United Kingdom for taxation purposes will benefit from indexation allowance which, in general terms, increases the chargeable gains tax base cost of an asset in accordance with the rise in the retail prices index, but will not create or increase an allowable loss.

19.4 **Stamp duty and stamp duty reserve tax (SDRT)**

No United Kingdom stamp duty will be payable on the issue by the Company of Ordinary Shares. Transfers of Ordinary Shares for value are intended to be exempt from stamp duty under Finance Bill 2014 on the basis that AIM qualifies as a Recognised Growth Market (though the legislation has not yet enacted).

20. SHARE OPTIONS AND WARRANTS

Share Options

On 18 June 2012, the Company granted Options over Existing Ordinary Shares to certain directors and senior managers of the Company at that time as set out in the table below:

Optionholder	*Number of Existing Ordinary Shares under Option*[1]	*Exercise Price (pence)*	*Revised number following the Share Consolidation*	*Revised price following the Share Consolidation (pence)*
A Dowdeswell	500,000	1.0	2,500	200
L Barber	2,800,000	1.0	14,000	200
C Garston	1,000,000	1.0	5,000	200
M Devlin	100,000	1.0	500	200
B Weiser	30,000	1.0	150	200
K Okano	30,000	1.0	150	200
	4,460,000		22,300	

[1] All Options expire on 13 September 2020

The Company has agreed to grant Options over New Ordinary Shares to certain Proposed Directors as soon as reasonably practicable following Admission, as set out in the table below:

Optionholder	*Number of New Ordinary Shares under Option*[1]	*Exercise price (pence)*
Stephen O'Hara	6,099,135	8.0
David Evans	2,511,408	8.0
Total	8,610,543	

[1] The Options will be subject to certain performance criteria which will be set by the Remuneration Committee

Warrants

As at the date of this document, the Company has a total of 913,592,460 Warrants in issue over Existing Ordinary Shares, further details of which are set out in paragraphs 14.7.1 and 14.7.2 of this Part VIII. Following the Share Consolidation, these will equate to 4,567,949 New Ordinary Shares subject to Warrants.

On Admission, the Company has agreed to issue Warrants to subscribe for 538,159 New Ordinary Shares exercisable at the Issue Price to Cairn, further details of which are set out in paragraph 14.7.3 of this Part VIII.

21. TAKEOVER OFFERS BY THIRD PARTIES FOR THE COMPANY'S SHARES

Since its incorporation on 19 July 2006 there has not been a takeover offer (within the meaning of Part 28 of the Act) for any of the Company's shares.

22. SQUEEZE-OUT AND SELL OUT RULES

22.1 **Squeeze-out**

Under the Act, if an offeror were to acquire 90 per cent. of the Ordinary Shares within four months of making its offer, it could then compulsorily acquire the remaining 10 per cent. The offeror would do so by sending a notice to outstanding Shareholders telling them that it would compulsorily acquire their Ordinary Shares. Six weeks later, the offeror would be entitled to execute a transfer of the outstanding Ordinary Shares to it and pay the consideration to the Company, which would hold it on trust for outstanding Shareholders. The consideration offered to the Shareholders whose Ordinary Shares are compulsorily acquired under the Act must, in general, be the same as the consideration that was available under the takeover offer.

22.2 **Sell-out**

The Act would also give minority shareholders in the Company a right to be bought out in certain circumstances by an offeror who had made a takeover offer. If a takeover offer related to all the Ordinary Shares in the Company and, at any time before the end of the period within which the offer could be accepted, the offeror held (or had agreed to acquire) not less than 90 per cent. of the Shares, any shareholder to which the offer related who had not accepted the offer could, by a written communication to the offeror, require it to acquire those Ordinary Shares. The offeror would be required to give any Shareholder notice of his right to be bought out within one month of that right arising. The offeror could impose a time limit on those rights of minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period under the offer. If a Shareholder exercises his rights, the offeror is entitled and bound to acquire those Ordinary Shares on the terms of the offer or on such other terms as may be agreed.

23. NO SIGNIFICANT CHANGE

23.1 There has been no significant change in the financial or trading position of the Company since the date to which the historical financial information set out in Part V of this document has been prepared.

23.2 There has been no significant change in the financial or trading position of OptiBiotix since the date to which the historical financial information set out in Part VI of this document has been prepared.

24. GENERAL

24.1 The gross proceeds of the Placing are £3,300,000. The total costs and expenses payable by the Company in connection with the Placing, Admission and the Acquisition are estimated to amount to approximately £466,000 (excluding VAT). The net proceeds of the Placing are therefore estimated to be £2,834,000.

24.2 Cairn Financial Advisers LLP, which is authorised by the Financial Conduct Authority, has given and not withdrawn its written consent to the inclusion in this document of its name and the references thereto in the form and context in which they appear. Cairn is acting exclusively for the Company in connection with the Placing and Admission and not for any other persons. Cairn will not be responsible to any persons other than the Company for providing the protections afforded to customers of the Company or for advising any such person in connection with the Placing, Admission, this document or any matter, transaction or arrangement referred to in it.

24.3 Cairn Financial Advisers LLP is registered in England and Wales under number OC351689 and its registered office is at 61 Cheapside, London EC2V 6AX.

24.4 Peterhouse Corporate Finance Limited, which is authorised by the Financial Conduct Authority, has given and not withdrawn its written consent to the inclusion in this document of its name and the references thereto in the form and context in which they appear. Peterhouse is acting exclusively for the Company in connection with the Placing and Admission and not for any other persons.

Peterhouse will not be responsible to any persons other than the Company for providing the protections afforded to customers of the Company or for advising any such person in connection with the Placing, Admission, this document or any matter, transaction or arrangement referred to in it.

24.5 Peterhouse Corporate Finance Limited is registered in England and Wales under number 02075091 and its registered office is at 31 Lombard Street, London EC3V 9BQ.

24.6 Jeffreys Henry LLP has given and not withdrawn its written consent to the inclusion in this document of the reports set out in Parts V and VI and has authorised the contents of its reports for the purposes of Schedule Two of the AIM Rules in the form and context in which they appear.

24.7 Jeffreys Henry LLP, which is a member of the Institute of Chartered Accountants in England and Wales, is registered in England and Wales under number OC306971 and has its registered office is Finsgate, 5-7 Cranwood Street, London EC1V 9EE. Jeffreys Henry LLP were appointed auditors to the Company on 17 December 2013.

24.8 Keltie LLP has given and not withdrawn its consent to the inclusion in this document of the report set out in Part IV and to the inclusion in this document of its name and the references there to in the form and context in which they appear.

24.9 Save as set out in this document, there are no patents or intellectual property rights, licences or industrial, commercial or financial contracts which are of material importance to the Enlarged Group's business or profitability.

24.10 Save as set out in this document, as far as the Directors are aware, there are no environmental issues that may affect the Enlarged Group's utilisation of its tangible fixed assets.

24.11 Save as set out in this document, there are no employee share incentive arrangements involving a share in the capital of the Company in place at the date of this document.

24.12 Where information has been sourced from a third party, this information has been accurately reproduced. So far as the Company, the Directors and the Proposed Directors are aware and are able to ascertain from information provided by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

24.13 The gross sum raised pursuant to the Placing will be applied in the following order of priority:

24.13.1 consideration for the Acquisition: nil;

24.13.2 commissions and expenses payable under the Placing: £466,000; and

24.13.3 additional working capital for the Company: £2,834,000.

24.14 The proceeds of the Placing are sufficient to fund the proposed use stated above.

24.15 Save as set out in this document, and save in relation to Clive Garston (£10,493) and Alexander Dowdeswell (£72,000), each of whom are former directors of the Company, no person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has:

24.15.1 received, directly or directly, from the Company within the 12 months preceding the date of this document; or

24.15.2 entered into any contractual arrangements (not otherwise disclosed in this document) to receive, directly or directly, from the Company on or after Admission any of the following:

(a) fees totalling £10,000 or more;

(b) securities of the Company where these have a value of £10,000 or more calculated by reference to the Placing Price; or

(c) any other benefit with the value of £10,000 or more at the date of this document.

24.16 The Ordinary Shares have not been sold, nor are they available, in whole or in part, to the public in connection with the application for Admission.

24.17 Save as disclosed in this document, the Directors and the Proposed Directors are not aware of any exceptional factors which have influenced the Enlarged Group's activities.

24.18 Save as disclosed in this document, so far as the Directors are aware, there are no known trends, uncertainties, demands, commitments or events that have or may have had in the last 12 months preceding the publication of this document a significant effect on the financial position of the Enlarged Group or which are likely to have a material effect on the Enlarged Group's prospects for the next 12 months.

25. AVAILABILITY OF ADMISSION DOCUMENT AND DOCUMENTS ON DISPLAY

25.1 Copies of this document will be available free of charge during normal business hours on any week day (Saturdays' Sundays and public holidays excepted) until the date following one month after the date of Admission at the registered office of the Company and at the offices of Cairn Financial Advisers LLP at 61 Cheapside, London EC2V 6AX.

25.2 Copies of the following documents are displayed on the Company's website (www.ducatventures.com) and may be inspected at the registered office of the Company during normal business hours on any week day (Saturdays, Sundays and public holidays excepted) until the date following one month after the date of Admission:

25.2.1 the Articles;

25.2.2 the written consents referred to in paragraphs 24.2, 24.4, 24.6 and 24.8 of this Part VIII;

25.2.3 the material contracts referred to in paragraphs 14.1 to 14.9 of this Part VIII;

25.2.4 the Accountant's Report on the Historical Financial Information on the Company and the Accountant's Report on the Historical Financial Information on OptiBiotix, as set out in Parts V(A) and VI(A) of this document;

25.2.5 the appointment letters and service contracts for the Directors and the Proposed Directors referred to in paragraph 12 of this Part VIII; and

25.2.6 this document, together with the notice of the General Meeting and the Form of Proxy.

25.3 Any Shareholder, person with information rights or other person to whom this document is sent may request a copy of each of the documents set out in paragraph 25.2 above in hard copy form. Hard copies will only be sent where valid requests are received from such persons. Requests for hard copies are to be submitted to the Company Secretary at the following address or telephone number:

25.3.1 the Company's registered office as provided in paragraph 2.9 of this Part VIII; and

25.3.2 +44 (0) 1904 435 100.

Dated: 18 July 2014

DUCAT VENTURES PLC

(the "**Company**")

(Incorporated and registered in England and Wales with company number 05880755)

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of the Company will be held at the offices of DAC Beachcroft LLP at 100 Fetter Lane, London EC4A 1BN at 11.00 a.m. on 4 August 2014, to consider and, if thought fit, pass the following resolutions, of which resolutions 1, 2, 3 and 4 will each be proposed as an ordinary resolution and resolutions 5 and 6 will each be proposed as a special resolution.

ORDINARY RESOLUTIONS

1. THAT the waiver by the Panel on Takeovers and Mergers of the obligation on the Concert Party (as defined in the admission document of the Company dated 18 July 2014 – of which this notice forms part – the "**Admission Document**") to make a general offer under Rule 9 of the Takeover Code, as a result of the issue to them of in aggregate 25,000,000 Ordinary Shares pursuant to the Acquisition Agreement (as each term is defined in the Admission Document), be and is hereby approved;

2. THAT, subject to and conditional upon the passing of resolutions 1, 3, 4 and 5, the acquisition by the Company of OptiBiotix Health Limited ("**Acquisition**"), on the terms and subject to the conditions of the conditional share sale and purchase agreement dated 17 July 2014 ("**Acquisition Agreement**") made between the Company and the shareholders of OptiBiotix Health Limited, constituting a reverse takeover under Rule 14 of the AIM Rules for Companies, be and is hereby approved;

3. THAT, subject to and conditional upon the passing of resolutions 1, 2, 4 and 5, the Company's ordinary share capital be consolidated so that every 200 Existing Ordinary Shares held by a Shareholder at the date hereof be and are hereby consolidated into 1 New Ordinary Share;

4. THAT, subject to and conditional upon the passing of resolutions 1, 2, 3 and 5, that the directors of the Company be generally and unconditionally authorised pursuant to and in accordance with section 551 of the Companies Act 2006 to exercise all the powers of the Company to:

   (a) allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("**Rights**") up to an aggregate nominal amount of £478,287, provided that this authority shall, unless renewed, varied or revoked by the Company, expire at the end of the Company's annual general meeting in 2015, 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 and the directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired; and

   (b) allot the Consideration Shares (as this term is defined in the Admission Document);

   (c) allot the Placing Shares (as this term is defined in the Admission Document);

   (d) allot new Ordinary Shares pursuant to the exercise of the Options (as this term is defined in the Admission Document); and

   (e) grant, where applicable, the Warrants and allot new Ordinary Shares pursuant to the exercise of the Warrants (as this term is defined in the Admission Document).

   This authority is (i) subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to 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 and (ii) in substitution for all previous authorities conferred on the directors in accordance with section 551 of the Companies Act 2006 but without prejudice to any allotment of shares or grant of Rights already made or offered or agreed to be made pursuant to such authorities.

SPECIAL RESOLUTIONS

5. THAT, subject to and conditional upon the passing of resolutions 1, 2, 3 and 4, the directors be generally empowered to allot equity securities (as defined in section 560 of the Companies Act 2006) pursuant to the authority conferred by resolution 4 as if section 561(1) of the Companies Act 2006 did not apply to any such allotment, provided that this power shall:

   (a) be limited to:

      (i) the allotment of equity securities in connection with an offer of equity securities:

         1. to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and

         2. to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary;

      (ii) the allotment of equity securities (otherwise than pursuant to paragraph 5.a.i. above) up to an aggregate nominal amount of £478,287;

      (iii) the allotment of the Consideration Shares (as this term is defined in the Admission Document);

      (iv) the allotment of the Placing Shares (as this term is defined in the Admission Document);

      (v) the allotment of new Ordinary Shares pursuant to the exercise of the Options (as this term is defined in the Admission Document); and

      (vi) the grant, where applicable, of the Warrants and the allotment of new Ordinary Shares pursuant to the exercise of the Warrants (as this term is defined in the Admission Document);

   (b) be subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to 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; and

   (c) expire at the end of the Company's annual general meeting in 2015 (unless renewed, varied or revoked by the Company prior to or on that date), save that the Company may, before such expiry make an offer or agreement 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.

6. THAT, subject to and conditional upon the passing of resolutions 1, 2, 3, 4 and 5, the name of the Company be changed to "OptiBiotix Health plc".

BY ORDER OF THE BOARD

Independent Registrars Limited, company secretary

Dated: 18 July 2014

Registered office:
145-147 St. John Street
London
EC1V 4PY

Notes:

1. **Voting**

Resolution 1 will be taken on a poll by Independent Shareholders.

2. **Entitlement to attend and vote**

Only those members registered on the Company's register of members at:

- 11.00 a.m. (London time) on 31 July 2014; or,
- if this meeting is adjourned, 48 hours excluding non business days prior to the adjourned meeting,

shall be entitled to attend and vote at the meeting.

3. **Appointment of proxies**

If you are a member of the Company at the time set out in note 2 above, 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.

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 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.

You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please refer to the notes to the proxy form.

A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, 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.

4. **Appointment of proxy using hard copy proxy form**

The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

To appoint a proxy using the proxy form, the form must be:

- completed and signed;
- sent or delivered to Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL; and
- received by Share Registrars Limited no later than 11.00 a.m. (London time) 48 hours excluding non business days prior to the meeting.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

5. **Appointment of proxies through CREST**

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) of it by using the procedures described in the CREST Manual (available from https://www.euroclear.com/site/public/EUI). 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.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("**EUI**") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID 7RA36) by 11.00 a.m. (London time) 48 hours excluding non business days prior to the meeting. 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.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI 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 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.

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.

6. **Appointment of proxy by joint members**

In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

7. **Changing proxy instructions**

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.

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, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL.

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.

8. **Termination of proxy appointments**

In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Share Registrars Limited at Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL. 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.

The revocation notice must be received by Share Registrars Limited no later than 11.00 a.m. (London time) 48 hours prior to the meeting, excluding non business days.

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.

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.

9. **Corporate representatives**

A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

10. **Communication**

Except as provided above, members who have general queries about the meeting should contact Share Registrars Limited on 01252 821390 (no other methods of communication will be accepted).

You may not use any electronic address provided either:

- in this notice of general meeting; or
- any related documents (including the proxy form),

to communicate with the Company for any purposes other than those expressly stated.

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