

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take you should seek your own financial advice immediately from a person authorised under FSMA who specialises in advising on the acquisition of shares and other securities in the United Kingdom. The whole of the text of this document should be read. You should be aware that an investment in Iafyds plc involves a high degree of risk and prospective investors should carefully consider this document before taking any action. All statements regarding the Enlarged Group's business, financial position and prospects should be viewed in light of the risk factors set out in Part II of this document.

If you have sold or otherwise transferred all of your Existing Ordinary Shares, please send this document, together with the accompanying Form of Proxy, 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 or otherwise transferred some of your Existing Ordinary Shares, you should consult with the stockbroker, bank or other agent through whom the sale or transfer was effected.

This document comprises an AIM admission document and has been drawn up in accordance with the requirements of the AIM Rules for Companies. This document contains no offer of transferable securities to the public within the meaning of sections 85 and 102B of FSMA or the Act or otherwise and is not a prospectus as defined in the Prospectus Rules. Accordingly, neither the contents nor the issue of this document have been approved by the FCA pursuant to section 85 of FSMA or any other competent authority.

The Company, the Directors and the Proposed Directors, whose names appear on page 11 of this document, accept responsibility individually and collectively in accordance with the AIM Rules for Companies for the information contained in this document. To the best of the knowledge and belief of the Directors, the Proposed Directors and the Company (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.

Application has been made for the Enlarged Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Enlarged Share Capital will commence on AIM on 21 August 2015.

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 to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document. The AIM Rules are less demanding than the listing rules of the UK Listing Authority. It is emphasised that no application is being made for admission of these securities to the Official List of the UK Listing Authority. The Existing Ordinary Shares are not dealt in on any other recognised investment exchange.

Prospective investors should read this document in its entirety. An investment into the Company includes a significant degree of risk and prospective investors should consider carefully the risk factors set out in Part II of this document.

Iafyds plc

(A company incorporated and registered in England and Wales with registered number 4958332)

Proposed Acquisition of 365 Agile Limited

Change of name to 365 Agile Group plc

Placing of 3,066,667 New Ordinary Shares at 75p per share

Proposed Share Capital Reorganisation and New Articles

Admission of the Enlarged Share Capital to trading on AIM

and

Notice of General Meeting

Nominated Adviser and Broker:



finnCap Limited, which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser and broker to Iafyds for the purposes of the AIM Rules for Companies and no one else in connection with the Placing and Admission and will not be responsible to any person other than Iafyds for providing the regulatory and legal protections afforded to customers of finnCap nor for providing advice in relation to the contents of this document or any matter, transaction or arrangement referred to in it. The responsibilities of finnCap, as nominated adviser under the AIM Rules for Nominated Advisers, are owed solely to London Stock Exchange and are not owed to Iafyds or any Director or any Proposed Director or to any other person in respect of their decision to acquire New Ordinary Shares in reliance of any part of this document. In particular, the information contained in this document has been prepared solely for the purposes of the Admission and is not intended to inform or be relied upon by any subsequent purchasers of New Ordinary Shares (whether on or off exchange) and accordingly no duty of care is accepted in relation to them. Without limiting the statutory rights of any person to whom this document is issued, no representation or warranty, express or implied, is made by finnCap as to the contents of this document. No liability whatsoever is accepted by finnCap for the accuracy of any information or opinions contained in this document, for which the Directors and Proposed Directors are solely responsible, or for the omission of any information from this document for which it is not responsible.

Notice convening a general meeting of Iafyds plc to be held at the offices of K&L Gates LLP at One New Change, London EC4M 9AF on 20 August 2015 is set out at the end of this document. The accompanying Form of Proxy for use at the General Meeting should be completed and returned to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA as soon as possible and to be valid must arrive by no later than 10 a.m. on 18 August 2015.

Copies of this document will be available free of charge during normal business hours on any weekday (except Saturdays, Sundays and public holidays) at the offices of finnCap at 60 New Broad Street, London, EC2M 1JJ, from the date of this document and for a period of one month from the date of Admission. This document will be available to download from Iafyds website at www.iafyds.co.uk.

IMPORTANT NOTICE

The distribution of this document outside the United Kingdom may be restricted by law and therefore persons outside the United Kingdom into whose possession this document comes should inform themselves about and observe any restrictions as to the Admission, the Ordinary Shares and the distribution of this document. This document does not constitute an offer to sell or issue, or the solicitation of an offer to buy or subscribe for, Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. This document should not be copied or distributed by recipients and, in particular should not be distributed, published, reproduced or otherwise made available by any means, including electronic transmission, in, into or from the United States of America, Canada, Australia, the Republic of Ireland, the Republic of South Africa, or Japan or any other jurisdiction where to do so would be in breach of any other law and/or regulation. The Ordinary Shares have not been, and will not be, registered in the United States of America under the United States Securities Act of 1933 (as amended) (the “Securities Act”) or under the securities laws of any state of the United States of America or under the securities laws of any of Canada, Australia, the Republic of Ireland, the Republic of South Africa, or Japan and, subject to certain exemption, may not be offered or sold, directly or indirectly, within or into the United States of America, Canada, Australia, the Republic of Ireland, the Republic of South Africa, or Japan or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) or to any national, resident or citizen of Canada, Australia, the Republic of Ireland, the Republic of South Africa, or Japan. Neither this document nor any copy of it may be distributed in or sent to or taken into the United States, Canada, Australia, the Republic of Ireland, the Republic of South Africa, or Japan, nor may it be distributed to any US person (within the meaning of Regulation S under the Securities Act). In addition, the securities to which this document relates must not be marketed into any jurisdiction where to do so would be unlawful. Persons into whose possession this document comes should inform themselves about, and observe any such restrictions.

No person has been authorised to give any information or to make any representation about the Enlarged Group and about the matters the subject of this document other than those contained in this document. If any such information or representation is given or made then it must not be relied upon as having been so authorised. The delivery of this document shall not imply that no change has occurred in any member of the Enlarged Group’s affairs since the date of issue of this document or that the information in this document is correct as at any time after the date of this document, save as shall be required to be updated by law or regulation.

FORWARD-LOOKING STATEMENTS

This document includes “forward-looking statements” which include all statements other than statements of historical facts, including, without limitation, those regarding the Enlarged Group’s financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words “targets”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “would”, “could” or similar expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company’s control that could cause the actual results, performance or achievements of the Enlarged Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Enlarged Group’s present and future business strategies and the environment in which the Enlarged Group will operate in the future. These forward-looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules for Companies.

BASIS ON WHICH INFORMATION IS PRESENTED

The report on financial information included in Part IV of this document has been prepared in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom and the related consent to its inclusion in this document appearing in Part IV has been included as required by the AIM Rules for Companies and solely for that purpose.

Various figures and percentages in tables in this document, including financial information, have been rounded and accordingly may not total. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data.

THIRD PARTY INFORMATION

Where third party information has been used in this document, the source of such information has been identified. The Company takes responsibility for compiling and extracting, but has not independently verified, market data provided by third parties or industry or general publications and takes no further responsibility for such data.

REFERENCES TO DEFINED TERMS

Certain terms used in this document are defined and certain technical and other terms used in this document are explained at the section of this document under the heading "Definitions".

All times referred to in this document are, unless otherwise stated, references to London time.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication date of this document	3 August 2015
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 18 August 2015
General Meeting	10.00 a.m. on 20 August 2015
Record date for Share Consolidation	20 August 2015
Completion of the Acquisition	21 August 2015
Admission effective and dealings in the Enlarged Share Capital expected to commence on AIM	21 August 2015
CREST accounts expected to be credited	21 August 2015
Definitive share certificates to be dispatched by	31 August 2015

Each of the times and dates above is subject to change. Any such change will be notified by an announcement on a Regulatory Information Service.

ADMISSION AND ACQUISITION STATISTICS

Number of Existing Ordinary Shares	10,056,430,000
Number of New Ordinary Shares following Share Consolidation, but prior to Completion and Placing	1,005,643
Number of Placing Shares ²	3,066,667
Placing Shares expressed as a percentage of the Enlarged Share Capital	18.4%
Number of Consideration Shares	11,333,333
Consideration Shares expressed as a percentage of the Enlarged Share Capital	68.0%
Number of Debt Conversion Shares	1,266,666
Debt Conversion Shares expressed as a percentage of the Enlarged Share Capital	7.6%
Issue Price (in respect of the Placing Shares, Consideration Shares and the Debt Conversion Shares)	75p
Enlarged Share Capital on Admission ¹	16,682,365
Gross proceeds receivable by the Company pursuant to the Placing	£2.24 million
Market capitalisation of the Company on Admission at the Issue Price	£12.5 million
ISIN at date of this document	GB00B2423515
SEDOL at date of this document	B242351
ISIN on Admission	GB00BYY8NN14
SEDOL on Admission	BYY8NN1
Trading instrument display mnemonic (TIDM) at the date of this document	IAF
TIDM on Admission	365

1 Includes 10,056 New Ordinary Shares issued to Panmure Gordon (UK) Limited on exercise of its warrant (as described in paragraph 13.17 of Part VI).

2 Includes 80,000 New Ordinary Shares issued to the Directors in satisfaction of fees due.

DEFINITIONS AND GLOSSARY

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

“365 Agile”	365 Agile Limited, a company registered in England and Wales with company number 9190713
“Act”	the Companies Act 2006, as amended
“Acquisition”	the Company’s proposed acquisition of the entire issued and to be issued share capital of 365 Agile pursuant to the terms of the Acquisition Agreement
“Acquisition Agreement”	the conditional agreement between the Company and the Vendors relating to the Acquisition, further details of which are set out in paragraph 13.2 of Part VI of this document
“Admission”	the admission of the Enlarged Share Capital to trading on AIM becoming effective in accordance with the AIM Rules for Companies
“Agile Group”	365 Agile and its subsidiaries prior to Admission
“Agile product”	the core product offering of 365 Agile, details of which are provided in paragraph 3 of Part I
“AIM”	the market of that name operated by the London Stock Exchange
“AIM Rules”	together, the AIM Rules for Companies and, where the context requires, the AIM Rules for Nominated Advisers
“AIM Rules for Companies”	the rules for companies whose securities are admitted to trading on AIM published by the London Stock Exchange
“AIM Rules for Nominated Advisers”	the rules for nominated advisers setting out the eligibility, ongoing obligations and certain disciplinary matters in relation to nominated advisers published by the London Stock Exchange
“applicable employee”	as defined in the AIM Rules for Companies
“Articles”	the articles of association of the Company in force as at the date hereof
“Audit Committee”	the audit committee of the Company as constituted from time to time
“Board”	the board of directors of the Company from time to time
“Buy-Back”	the proposed buy-back by the Company of all the Deferred Shares details of which are set out in paragraph 23 of Part I of this document
“Buy-Back Agreement”	the proposed agreement between the Company and the holder(s) of the Deferred Shares to buy-back all the Deferred Shares
“certificated” or “in certificated form”	a share or other security which is not in uncertificated form (i.e. not in CREST)
“Ciseco”	Ciseco Limited, a company registered in England and Wales with the company number 06643524

“City Code” or “Takeover Code”	the City Code on Takeovers and Mergers
“Company” or “Iafyds”	Iafyds plc, a company registered in England and Wales with company number 4958332
“Completion”	completion of the Acquisition in accordance with the terms of the Acquisition Agreement
“Concert Party”	Jonathan Holyhead and Davinder Sanghera
“Consequential Proposals”	together, the proposed Share Consolidation, Buy-Back, adoption of the New Articles and change of the Company’s name to 365 Agile Group plc
“Consideration Shares”	the 11,333,333 New Ordinary Shares to be issued to the Vendors in each case at the Issue Price pursuant to the Acquisition Agreement
“Corporate Governance Code”	the UK Corporate Governance Code issued from time to time by the Financial Reporting Council
“CREST”	the electronic system for the holding and transferring of shares and other securities in paperless form operated by Euroclear UK & Ireland Limited
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755)
“Deferred Shares”	1,389,756,800 deferred shares of 0.247 pence each in the Company
“Debt Conversion Shares”	the 1,266,666 New Ordinary Shares to be issued to MXC Capital, MXC Guernsey Limited and Jonathan Holyhead at the Issue Price pursuant to the Acquisition Agreement in connection with the arrangements for the satisfaction of the loans of £750,000, £100,000 and £100,000 made by each of them respectively to 365 Agile (as summarised at paragraph 11 of Part I)
“Directors”	the directors of the Company at the date of this document, whose names are set out on page 11 of this document (each being a “Director”)
“Disclosure and Transparency Rules”	the disclosure and transparency rules issued by the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
“Documotive”	Documotive Limited, a company incorporated in England and Wales with company number 6193446
“EIS”	Enterprise Investment Scheme under the provisions of Part 5 of the Income Tax Act 2007
“Enlarged Group”	the Company and its subsidiaries on Admission following completion of the Acquisition
“Enlarged Share Capital”	the issued ordinary share capital of the Company on Admission (following the Share Consolidation) as enlarged by the Consideration Shares, the Debt Conversion Share and the Placing Shares
“equity securities”	as defined in section 560 of the Act
“EU”	European Union

“Existing Share Capital”	the issued ordinary share capital of the Company as at the date of this document
“Existing Ordinary Shares”	the 10,056,430,000 Ordinary Shares in issue at the date of this document
“finnCap”	finnCap Ltd, nominated adviser and broker to the Company
“Form of Proxy” or “Proxy Form”	the form of proxy accompanying this document for use in connection with the General Meeting
“FCA”	the Financial Conduct Authority
“FSMA”	the Financial Services and Markets Act 2000, as amended
“General Meeting” or “GM”	the general meeting of the Company to be held at the offices of K&L Gates LLP at One New Change, London EC4M 9AF on 20 August 2015, notice of which is set out at the end of this document
“Henderson”	Henderson Global Investors Limited and Henderson Alternative Investments Advisor Limited
“HMRC”	HM Revenue & Customs
“Iafyds Group”	the Company and its subsidiaries prior to Admission
“ICT”	information and communications technology
“IFRS”	International Financial Reporting Standards as adopted by the EU
“IoT”	the Internet of Things
“IP”	intellectual property
“ISIN”	International Securities Identification Number
“Issue Price”	75 pence per New Ordinary Share
“London Stock Exchange”	London Stock Exchange plc
“MXC Capital”	MXC Capital Limited, a company registered in England and Wales with company number 5010663
“LTIP”	the 365 Agile Long Term Incentive Plan
“New Articles”	the new articles of association of the Company to be adopted pursuant to the Resolutions
“New Board”	the Directors and the Proposed Directors
“New Ordinary Shares”	the new ordinary shares of 30 pence each in the capital of the Company following the Share Consolidation
“Notice”	the notice convening the General Meeting, which is set out at the end of this document
“Official List”	the Official List of the UK Listing Authority
“Ordinary Shares”	the Existing Ordinary Shares or the New Ordinary Shares, as the case may be
“Placees”	the persons who have confirmed their agreement to participate in the Placing and to subscribe for New Ordinary Shares pursuant to the Placing

“Placing”	the conditional placing by finnCap of 2,986,667 New Ordinary Shares at the Issue Price pursuant to the Placing Agreement
“Placing Agreement”	the conditional agreement dated 31 July 2015 between the Company, the Directors, the Proposed Directors and finnCap, relating to <i>inter alia</i> , the Placing, details of which are set out at paragraph 13.4 of Part VI of this document
“Placing Shares”	the 2,986,667 New Ordinary Shares to be issued by the Company pursuant to the Placing and the 80,000 New Ordinary Shares to be issued by the Company to the Directors
“Proposals”	together, the Acquisition and the Placing
“Proposed Directors”	Jonathan Holyhead and Jill Collighan
“QCA Guidelines”	the Quoted Companies Alliance’s Corporate Governance Code for Small and Mid-size Quoted Companies 2013
“Prospectus Rules”	the rules published by the FCA under section 73A FSMA
“Remuneration and Nomination Committee”	the remuneration and nomination committee of the Company as constituted from time to time
“Resolutions”	the resolutions to be proposed at the General Meeting (and each a “Resolution”)
“Share Capital Reorganisation”	the Buy-Back and the Share Consolidation
“Share Consolidation”	the proposed consolidation of every 10,000 Existing Ordinary Shares into one New Ordinary Share, details of which are set out in paragraph 22 of Part I of this document.
“Shareholder(s)”	holder(s) of Existing Ordinary Shares or New Ordinary Shares, as the case may be
“South View Solutions”	South View Solutions Limited, a company registered in England and Wales with company number 5864554
“subsidiary”	a subsidiary undertaking (as defined by section 1162 of the Act) and “subsidiaries” shall be construed accordingly
“substantial shareholder”	as defined in the AIM Rules for Companies
“Takeover Panel” or “Panel”	the Panel on Takeovers and Mergers
“UK” or “United Kingdom”	United Kingdom of Great Britain and Northern Ireland
“UK Listing Authority”	the Financial Conduct Authority acting in its capacity of competent authority for the purposes of Part IV of FSMA
“uncertificated”	an Ordinary Share recorded on the Company’s register 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
“VCT” or “VCT Scheme”	Venture Capital Trust scheme under the provisions of Part 6 of the Income Tax Act 2007
“Vendors”	together, the parties whose names are set out in paragraph 13.2 of Part VI of this document
“Wireless Things”	the trading name of Ciseco
“£” or “sterling”	UK pounds sterling

DIRECTORS, PROPOSED DIRECTORS, COMPANY SECRETARY AND ADVISERS

Directors	Clive Carver (<i>Non-Executive Chairman</i>) Colin Hutchinson (<i>Non-Executive Director</i>)
Proposed Directors on Admission	Jonathan Holyhead (<i>Chief Executive Officer</i>) Jill Collighan (<i>Finance Director and Company Secretary</i>)
Company Secretary	Barbara Joyce Spurrier <i>will resign from office as Secretary of the Company on Admission</i>
Registered Office	Unit 514 Metal Box Factory 30 Great Guildford Street London England SE1 0HS
Registered Office after Admission	100 Fetter Lane London EC4A 1BN
Website on Admission	www.iafyds.co.uk (up to Admission) www.365agile.com (with effect from Admission)
Nominated Adviser & Broker	finnCap Ltd 60 New Broad Street London EC2M 1JJ
Financial Adviser	MXC Capital Advisory LLP 15 Buckingham Gate London SW1E 6LB
Reporting Accountants	Baker Tilly Corporate Finance LLP 25 Farringdon Street London EC4A 4AB
Auditors to the Company	Deloitte LLP 2 Hardman Street Manchester M3 3HF
Solicitors to the Company	K&L Gates LLP One New Change London EC4M 9AF
Solicitors to finnCap	Travers Smith LLP 10 Snow Hill London EC1A 2AL
Registrars	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen West Midlands B63 3DA

PART I

LETTER FROM THE CHAIRMAN OF IAFYDS PLC

(Incorporated and registered in England and Wales with registered number 4958332)

Directors:

Clive Carver (*Non-Executive Chairman*)
Colin Hutchinson (*Non-Executive Director*)

Registered Office

Unit 514 Metal Box Factory
30 Great Guildford Street
London
England
SE1 0HS

To Shareholders

Dear Shareholder,

Proposed Acquisition of 365 Agile Limited
Change of name to 365 Agile Group plc
Placing of 3,066,667 New Ordinary Shares at 75p per share
Proposed Share Capital Reorganisation and New Articles
Admission of the Enlarged Share Capital to trading on AIM
and
Notice of General Meeting

1. INTRODUCTION

The Company today announced that it had conditionally agreed to purchase the entire issued and to be issued share capital of 365 Agile for an aggregate consideration of £8,500,000 to be satisfied by the issue of New Ordinary Shares at the Issue Price. In order to fund the Enlarged Group's further development, including its working capital needs, as well as the costs associated with the Proposals, the Company has also today announced the conditional placing of 3,066,667 New Ordinary Shares at 75 pence per share to raise £2.3 million (£1.4 million net of costs). The Acquisition constitutes a reverse takeover of the Company for the purposes of the AIM Rules for Companies and accordingly requires Shareholder approval.

At the same time as the Acquisition and the Placing, the Directors are making other consequential proposals comprising the Share Consolidation, the Buy-Back, the adoption of the New Articles and the change of the Company's name to 365 Agile Group plc.

The Proposals and the Consequential Proposals are conditional, *inter alia*, upon the passing of the Resolutions at a General Meeting to be held at the offices of the Company's solicitors, K&L Gates LLP at One New Change, London EC4M 9AF on 20 August 2015, and Admission taking place. It is expected that Admission will become effective and, that dealings in the Enlarged Share Capital, will commence on AIM on 21 August 2015.

This document contains detailed information about 365 Agile, the Acquisition, the Placing and explains why the Board considers the Proposals to be in the best interests of the Company and its Shareholders as a whole, and recommends that you vote in favour of the Resolutions to be proposed at the General Meeting, notice of which is set out at the end of this document.

2. BACKGROUND ON THE COMPANY

VPhase plc was admitted to AIM on 26 September 2007 as a developer of voltage control products designed to reduce energy consumption. As a result of being unable to secure additional funding for the Company, administrators were appointed in September 2013. In October 2013 the Company disposed of all of the intellectual property and tooling of the Company's operating subsidiary VPhase Smart Energy Limited, which was in administration. In December 2013 the Company exited administration and entered into a company voluntary arrangement with its creditors and members.

In February 2014 the Company raised £150,000 by the issue of Existing Ordinary Shares, changed its name to Iafyds plc and became an investment company under the AIM Rules. Since that time the Company has sought investment opportunities consistent with its published investment policy. In June 2014, the Company raised a further £110,000 by the issue of Existing Ordinary Shares to cover the anticipated running costs of the Company whilst a suitable investment was being sought.

3. BACKGROUND ON 365 AGILE

365 Agile's business was co-founded by Jonathan Holyhead and Davinder Sanghera in November 2014 as part of Documotive Limited. In November 2014, Documotive was acquired by Castleton Technology plc at which point the business assets of 365 Agile were hived out of Documotive.

365 Agile acquired South View Solutions in February 2015 and Ciseco Limited in March 2015, which trades as 'Wireless Things'. South View Solutions was established in 2004 and provides mobile working and system integration solutions focusing on the social housing sector. 365 Agile is in the process of transitioning the existing South View Solutions customers onto the Agile product. Wireless Things supplies and manufactures a secure two-way radio communication chip which can be fitted to any device. The radio chip is currently available in a number of sensors which can measure, *inter alia*, temperature, movement, light levels and moisture.

365 Agile was established to deliver a completely new way of working for field based teams using the very latest technology. Traditional back-office systems are not designed to be used on smart phones or tablets. The core product offering of 365 Agile is designed to operate on top of Microsoft's Azure technology stack. The Agile product allows field based/customer facing teams to securely access any system, data and/or document from any global location. Users can work remotely whilst having access to all of the information in existing back-office systems, as well as having the ability to capture, upload and stream audio, video, images, documents and data via a single pane of glass (e.g. smartphones, tablets). Users can complete field-based tasks in real time and securely connect to the office without the need for any third party software. The Agile product removes the need for paper via its business process layer and forms designer that allows real-time updates into back-office systems via 'start' and 'end' points meaning that tasks can be delivered and completed quicker whilst removing duplication of data entry and manual administration. The system is entity based (i.e. an entity can be a person, property, asset, sensor, incident) and therefore can be configured to meet the needs of all areas of any business meaning that a single enterprise mobilisation solution can be deployed across the whole organization. The system can be configured as an on premise, cloud or hybrid cloud/on-premise solution, works both on-line and off-line and will securely synchronise all relevant data.

In addition, the combined technology of 365 Agile and Wireless Things offers a complete eco-system for the Internet of Things ("IoT") solutions that includes a secure two-way radio communication protocol to enable communication between sensors, devices and people in the field. The secure two-way radio communication protocol allows radio chips to be retro-fitted to existing devices or fitted to new devices during the manufacturing process to 'smart' enable them. This allows communication to flow to and from the device via hubs which can be located at a range of up to 1 kilometre from each sensor. This means that data can be accessed in real-time from devices in the field in order to monitor, *inter alia*, moisture, temperature, light levels or power consumption.

The following information relating to 365 Agile has been extracted from the historical financial information set out in Section B of Part IV of this document:

For the eight month period ended 30 April 2015, the summary income statement of Agile Group is as follows:

	<i>Eight month period ended 30 April 2015 £'000</i>
Revenue	704
Gross Profit	691
Profit before taxation	201
Profit for the financial period attributable to the equity holders of Agile Group	163

4. REASONS FOR THE ACQUISITION

In line with its investing policy the Company's stated strategy has been to seek investment in a business with, amongst other characteristics, a strong management team, good growth opportunities, a significant potential market opportunity and the ability to generate strong cash flows in the future. The Board believes that in 365 Agile they have identified a business that meets these criteria.

The Directors consider that the opportunity represented by the Acquisition is in the best interests of the Company and Shareholders for the following reasons:

- 365 Agile owns the IP behind the Agile product, which the Directors and Proposed Directors believe is superior to that of its competitors.
- In today's business world, ensuring operational efficiency is a high priority within businesses. Any additional costs or inefficiency will give competitors an advantage. In an ever increasing competitive economy the Agile product provides businesses with a competitive advantage to streamline processes and reduce operational costs whilst improving customer service.
- 365 Agile has already achieved traction and proof of concept in a well-established vertical, social housing, which management are extremely familiar with, along with the opportunity to build scale and increase the penetration in the sector.
- 365 Agile's management team is highly motivated and ambitious, with a track record of building a profitable, solid and sustainable business.
- The opportunity exists to explore uses of the product in other target markets.
- The Agile product is IoT ready and will allow organisations to harvest data from a multitude of smart sensors in the field such as temperature, moisture, movement, light and pressure. The Directors and Proposed Directors believe that there is significant potential in 365 Agile's IoT offering, which has already been well received by industry partners and users such as Microsoft, who are drafting two case studies about the Agile product, and a global blind manufacturer who wants to install sensors on their products to allow remote monitoring.

5. MARKET OPPORTUNITY AND GROWTH STRATEGY FOR THE ENLARGED GROUP

The Enlarged Group's strategy will be to sell the Agile product through resellers into the identified target markets to add value to existing ICT infrastructure, systems and services. The product can be installed as a fully hosted solution, partially hosted solution (with on-premise data) or fully on-premise.

Resellers will provide all associated professional services including configuration and forms design with 365 Agile providing additional support and on-going product development of the platform.

To increase the recurring revenue base of the Enlarged Group, the Enlarged Group proposes, where possible, to charge licences and support and maintenance on a monthly basis. Licences will be controlled via a central administration portal and the system supports a multi-tenanted architecture. 365 Agile can on-board resellers, resellers can on-board customers and configure product functionality and features once appropriate

licences are granted. The architecture of Microsoft Azure's technology stack, on which the Agile product is designed to operate, will allow licences to be terminated immediately in cases of non-payment.

The Enlarged Group's target markets will be:

(a) ***Social Housing***

The Social Housing sector is under pressure to work more effectively whilst delivering higher levels of service to its customers. The sector faces a challenge in delivering an effective service due to the deployment of a range of disparate back-office systems that contain information about its customers, their homes, the assets within the home and any associated transactions including Rents, Repairs, Complaints and Cases. At present, the Agile product is sold exclusively in the social housing sector through 365 Agile's reseller arrangements with Castleton Technology plc. Licence fees vary according to the number of properties owned by the Housing Association. Annual support and maintenance fees are charged at 20 per cent. of the licence fee.

(b) ***Local Authorities***

The Government has imposed budget reductions across all Local Authorities in an effort to reduce public spending and the financial deficit. This means authorities need to change the way they deliver services in order to balance their budgets. Shared service and engaging with agency partners and other Local Authorities is essential if cost reductions are to be achieved. In addition, the deployment of smart sensors to enable more effective building and asset monitoring will allow organisations to tailor their maintenance visits to become proactive rather than traditional cyclical visits. This will enable organisations to deploy personnel more effectively and reduce unnecessary journeys, allowing field-based teams to focus on priority actions. Access to a greater range of information and the ability to share data from a range of disparate systems will enable shared service models to be deployed.

(c) ***Repairs Contractors***

Traditional mobile repairs systems are typically 'hard wired' to individual systems via bespoke code. The Agile product is different, it uses a highly configurable business layer that can be tailored to meet the needs of the contractor and the contractor's customer. The Directors and Proposed Directors believe that the ability to provide additional information to the contractor to add value through additional services or products will allow organisations to maximise the effectiveness of the field-based team whilst adding value to the customer.

(d) ***Care & Support***

Access to information is vital so that care workers can provide appropriate care. Paper-based systems with manually recorded timesheets and visit reports are not conducive to a well-managed workforce or high quality service. The Agile product removes the need for paper and allows real-time updates into back-office systems meaning that tasks can be delivered and completed quicker whilst removing duplication of data entry and manual administration. In addition, the Agile product will allow a customer's family members to have access to visit reports so they are assured that the customer is receiving appropriate care & support. The deployment of smart sensors will also allow telemetry data such as, *inter alia*, movement, temperature and light to provide valuable information that will demonstrate a customer's normal and abnormal behaviour. If changes are identified then automated alerts and tasks can be sent to prompt a visit from a warden or a care worker to check on the customer.

The Potential of IoT

IoT, The Internet of Things (sometimes referred to as the 'Internet of Everything') is rapidly emerging as a game changing way of connecting people to smart devices. According to Gartner approximately 26 billion devices will be connected to IoT by 2020 and McKinsey Global Institute research estimates the impact of IoT on the global economy to be \$6.2 trillion by 2025. Recent transactions within the IoT arena include Google's acquisition of Nest in January 2014 for \$3.2 billion, and British Gas' acquisition of AlertMe in February 2015, the company that powered its Hive heating system, which valued AlertMe at £65 million.

IoT has the capability to deliver huge operational benefits to businesses across all sectors by allowing smart devices to connect to the internet to report faults, provide readings, provide updates and send alerts. In addition people can connect to smart devices and interact with them over the internet to gain information and updates on the status of devices.

IoT will allow the effective deployment and management of field-based teams by concentrating efforts on those devices that require attention. For example, an organisation may completely rethink their planned or preventative maintenance schedule and instead allow the plant & machinery to 'self-report' when it needs maintenance visits or repairs. Areas such as Environmental Monitoring, Infrastructure Management, Building Automation, Medical & Healthcare and Energy Management are all key areas that could benefit the deployment of IoT.

365 Agile utilises Microsoft's Azure technology stack to securely connect people with their smart devices. The Agile product can integrate with any smart device that is internet-enabled. For example, if a company has plant, assets or equipment installed across the globe, with 365 Agile field-based teams can instantly access and interact with the devices. This has the potential to provide huge operational efficiencies and significantly reduce cost.

6. COMPETITION

365 Agile competes against a small number of traditional mobile working solution vendors including Total Mobile Limited, 1st Touch Limited, Kirona Solutions Limited and CommonTime Limited. All of these competitors utilise traditional technology that does not offer the configurability or scalability of the Agile product and does not provide native product interfaces (i.e. Windows, Android and iOS). These competitors' products are 'hard wired' to a limited number of back-office systems requiring bespoke code and configuration. The Agile product has a fully configurable business and process layer which allows greater flexibility and configuration to the client, thus allowing easier roll-out to serve a wider range of services.

7. CURRENT TRADING AND PROSPECTS

Iafyds

Iafyds is currently an investing company and does not trade. Its results for the year ended 31 December 2014 were announced on 21 April 2015 and showed net assets of £52,000 at the year end.

365 Agile

The current trading of 365 Agile since 30 April 2015 remains in line with the Proposed Directors expectations.

Prospects for the Enlarged Group

The Directors and Proposed Directors believe that the Enlarged Group has considerable growth opportunities in its chosen markets, both organically and via further acquisitions and views the future with confidence.

8. DIRECTORS AND PROPOSED DIRECTORS

Directors

The Board currently comprises the following directors:

Clive Carver, *Non-Executive Chairman*

Clive Carver, aged 54 is a chartered accountant and has spent 17 years in the corporate broking arena becoming, successively, head of corporate finance at Seymour Pierce, Williams de Broë and finnCap. Since 2006, Clive has been chairman of Roxi Petroleum PLC, becoming executive chairman in June 2012. Clive is also non-executive chairman of Ascent Resources PLC and interim non-executive chairman of Fastjet plc.

Colin Hutchinson, *Non-Executive Director*

Colin, aged 39 is a chartered accountant and holds an MBA from Warwick Business School. He has 15 years of international experience gained in commercially orientated finance roles with high growth organisations and start-ups. He has experience across a range of different sectors including telecoms, technology & energy. His most recent role has been as finance director of Ascent Resources plc.

Proposed Directors

On Admission, it is proposed that the following will be appointed to the New Board:

Jonathan Holyhead, *Proposed Chief Executive Officer*

Jonathan, aged 42, was co-founder and managing director of Documotive which was established in March 2007 to deliver electronic document and records management solutions (EDRM) to the social housing sector, and was subsequently acquired by Castleon Technology plc in November 2014. Jonathan, along with Documotive's co-founder Davinder Sanghera, co-founded 365 Agile.

Before establishing Documotive, Jonathan worked within the document management sector for 11 years working for hardware, software & services businesses supplying a range of EDRM solutions. During this time Jonathan was involved in B2B sales & marketing, service operations management and business partner management activities.

Jill Collighan, *Proposed Finance Director*

Jill, aged 45, qualified as a chartered certified accountant in 1994, initially joining Lathams, before leaving to set up her own accountancy consultancy business. Jill has worked with Broca plc, which subsequently changed its name to MXC Capital plc, since 2002 and became a director in 2004. She has extensive experience in finance, human resources, investor relations and corporate finance. It is proposed that Jill will combine her role as finance director of the Company with her current role as finance director of MXC Capital.

9. PRINCIPAL TERMS AND CONDITIONS OF THE ACQUISITION

On 31 July 2015, the Company entered into the Acquisition Agreement with (*inter alia*) the Vendors pursuant to which the Company has conditionally agreed to acquire the entire issued and to be issued share capital of 365 Agile. The consideration for the Acquisition is £8,500,000, to be satisfied by the issue of the Consideration Shares at the Issue Price.

Completion of the Acquisition Agreement is conditional, amongst other things, upon:

- Shareholder approval of the Resolutions; and
- Admission.

Additional information relating to the Acquisition Agreement is set out in paragraph 13.2 of Part VI of this document.

10. THE PLACING

In order to fund the costs of the Proposals and provide development capital for the Enlarged Group, the Company is seeking to raise £2.24 million (being £1.37 million net of expenses) pursuant to the Placing through the issue of the Placing Shares at the Issue Price. The Placing Shares will represent approximately 13.4 per cent. of the Enlarged Share Capital at Admission. Further details of the Placing Agreement which contains the terms upon which the Placing is being undertaken are described in paragraph 13.4 of Part VI to this document.

The Placing is not being underwritten. Following Admission the Placing Shares will rank *pari passu* with the New Ordinary Shares. Application has been made for the admission of the Enlarged Share Capital to trading on AIM which is expected to take place on 21 August 2015.

11. CONVERSION OF LOANS AND ISSUE OF WARRANTS

Together, MXC Capital and MXC Guernsey Limited currently hold 24.2 per cent. of the issued share capital of 365 Agile. At the time of its investment in 365 Agile in November 2014, MXC Capital also provided a zero coupon convertible debt facility of £750,000 to 365 Agile in order to further fund the company's development. MXC Guernsey Limited and Jonathan Holyhead also each provided a further £100,000 debt facility to 365 Agile. It is proposed that the debt facilities be converted into the Debt Conversion Shares at the Issue Price alongside the Acquisition and Placing. The Company and MXC Capital have also entered into a warrant instrument whereby, conditional upon Admission, MXC Capital will be issued with warrants to subscribe for 834,118 New Ordinary Shares at the Issue Price (as adjusted for new issues post the date of award) which are exercisable over a three year period dependent on share price performance. Additional information relating to the warrants created and issued by the Company on Admission is set out in paragraph 13.8 of Part VI of this document.

12. THE TAKEOVER CODE

The proposed issue of the Consideration Shares and the Debt Conversion Shares gives rise to certain considerations under the Takeover Code. Brief details of the Panel, the Takeover Code and the protections they afford are described below.

The Takeover Code is issued and administered by the Panel. The Takeover Code applies to all takeover and merger transactions, however effected, where the offeree company is, inter alia, a company with a registered office in the United Kingdom and whose securities are admitted to trading on either a regulated market or a multilateral trading facility in the United Kingdom. The Company's shares are admitted to trading on AIM and its Shareholders are, therefore, entitled to the protections afforded by the Takeover Code.

Rule 9 of the Takeover Code

Under Rule 9 of the Takeover Code, where any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with any interest in shares already held by that person and any interest in shares held or acquired by persons acting in concert with him or her) carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, that person is normally required to make a general offer, to all the holders of any class of equity share capital or other class of transferable securities carrying voting rights in that company, to acquire the balance of their interests in the company.

Rule 9 of the Takeover Code also provides that, among other things, where any person who, together with persons acting in concert with him or her, is interested in shares which in aggregate carry not less than 30 per cent. but not more than 50 per cent. of the voting rights of a company which is subject to the Takeover Code, and such person, or any person acting in concert with him or her, acquires an additional interest in shares which increases the percentage of shares carrying voting rights in which he or she is interested, then such person is normally required to make a general offer, to all the holders of any class of equity share capital or other class of transferable securities carrying voting rights of that company, to acquire the balance of their interests in the company.

An offer under Rule 9 must be in cash (or with a cash alternative) and at the highest price paid within the preceding 12 months for any shares in the company by the person required to make the offer or any person acting in concert with him or her.

Persons acting in concert comprise persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control of a company or to frustrate an offer for a company. The Concert Party comprises of Jonathan Holyhead and Davinder Sanghera and details of their current interest in the Existing Ordinary Shares and in the Enlarged Share Capital immediately following Admission are set out below:

	<i>Interest in Existing Ordinary Shares</i>	<i>Debt Conversion Shares</i>	<i>Consideration Shares</i>	<i>Maximum interest in Enlarged Share Capital following Admission</i>	
	<i>Number</i>	<i>Number</i>	<i>Number</i>	<i>Number</i>	<i>%</i>
<i>Concert Party</i>					
Jonathan Holyhead	Nil	133,333	4,559,866	4,693,199	28.1
Davinder Sanghera	Nil	–	2,726,483	2,726,483	16.3
Total	Nil	133,333	7,286,349	7,419,682	44.4

Following completion of the Proposals and Consequential Proposals, the Concert Party will hold in aggregate 7,286,349 New Ordinary Shares, representing 44.4 per cent. of the Enlarged Share Capital which, without a waiver of the obligations under Rule 9 of the Takeover Code, would oblige the Concert Party to make a general offer to Shareholders for the remaining shares in the Company under Rule 9 of the Takeover Code.

Dispensation from General Offer

Under Note 1 on the Notes on the Dispensations from Rule 9 of the Takeover Code, the Takeover Panel will normally waive the requirement for a general offer to be made in accordance with Rule 9 of the Takeover Code (a “Rule 9 Offer”) if, inter alia, the shareholders of the company who are independent of the person who would otherwise be required to make an offer and any person(s) acting in concert with him or her (the “Independent Shareholders”) pass an ordinary resolution on a poll at a general meeting (a “Whitewash Resolution”) approving such a waiver.

The Takeover Panel may waive the requirement for a Whitewash Resolution to be considered at a general meeting (and for a circular to be prepared in accordance with Section 4 of Appendix 1 to the Takeover Code) if Independent Shareholders holding more than 50 per cent. of the company’s shares capable of being voted on such a resolution confirm in writing that they would vote in favour of the Whitewash Resolution, were such a resolution to be put to the shareholders of the company at a general meeting.

The Company has obtained such written confirmation from Henderson, being an Independent Shareholder holding 90 per cent. of the Existing Ordinary Shares, and the Panel has accordingly waived the requirement for a Whitewash Resolution.

Accordingly, by voting in favour of the Resolutions to be proposed at the General Meeting, the issue of the Consideration Shares will be effected without the requirement for the Concert Party to make a Rule 9 Offer. Shareholders should note that, on Admission, the Concert Party will control approximately 44.4 per cent. of the Enlarged Share Capital and (for so long as they continue to be treated as acting in concert) any further increase in that interest in shares will be subject to the provisions of Rule 9 of the Takeover Code.

About the Concert Party

Jonathan Holyhead and Davinder Sanghera, who are currently in a long term relationship, are the co-founders of 365 Agile. Further information on Jonathan, the proposed chief executive officer, can be found in paragraph 8 above.

Jonathan Holyhead and Davinder Sanghera were also the co-founders of Documotive, further details on which can be found in paragraph 3 above . Davinder is chief operating officer of Castleton Technology plc, having been sales director of Documotive. Davinder is a director of 365 Agile, but will resign upon completion of the Proposals.

13. INCENTIVISATION ARRANGEMENTS

The New Board believe that the success of the Enlarged Group will depend to a high degree on management and other members of staff being appropriately motivated and rewarded. The Enlarged Group is therefore proposing to establish a Long Term Incentive Plan, designed to assist in recruitment, motivation, and retention of staff and which will carry performance conditions that will align the interests of management with those of Shareholders.

Participants in the LTIP will receive a share in a pool of 7.5 per cent. of Shareholder value created, which will be the growth in the market capitalisation of the Company since Admission over a period of between 3 to 7 years, as adjusted for the issue of New Ordinary Shares after Admission (but excluding New Ordinary Shares issued pursuant to the LTIP) and taking into account dividends and capital returns, if any. Additional information relating to the LTIP is set out in paragraph 12 of Part VI of this document.

14. RELATED PARTY TRANSACTION

Henderson has subscribed for 1,333,333 New Ordinary Shares in the Placing and its participation is classified as a related party transaction for the purposes of Rule 13 of the AIM Rules as it is a substantial shareholder in the Company.

Henderson are a material placee and important to the success of the Placing. As disclosed in paragraphs 9.1(b) and (c) of Part VI of this document the Directors are due remuneration on Completion. Accordingly there are not deemed to be any independent directors for the purposes of providing the fair and reasonable opinion required under Rule 13 of the AIM Rules for Companies. finnCap Limited, the Company's nominated adviser, considers that the terms of Henderson's participation in the Placing of New Ordinary Shares are fair and reasonable insofar as the Shareholders of the Company are concerned.

15. DIVIDEND POLICY

Any future dividends will naturally be proposed or declared taking account of the Enlarged Group's profitability, current cash position and prospects, whilst also having regard to the future cash demands of the business. The Directors and Proposed Directors do not anticipate the proposal or any payment of any dividends during the next full financial year to 31 December 2015.

16. CORPORATE GOVERNANCE

The Directors and Proposed Directors support high standards of corporate governance. Accordingly, the New Board will meet regularly throughout the year and all necessary information will be supplied to the New Board on a timely basis to enable it to discharge its duties effectively. Additionally, special meetings will take place or other arrangements will be made when Board decisions are required in advance of regular meetings.

The New Board has established financial controls and reporting procedures which are considered appropriate given the size and structure of the Enlarged Group. It is the intention of the New Board that these controls will be reviewed regularly in light of the future growth and development of the Enlarged Group and adjusted accordingly.

Share dealing code

The Directors comply with Rule 21 of the AIM Rules for Companies relating to directors' and applicable employees' dealings in the Company's securities. Accordingly, the Company has adopted a share dealing code for directors and applicable employees and the Company will take all reasonable steps to ensure compliance by its directors and applicable employees with the provisions of the AIM Rules for Companies relating to dealing in securities.

Compliance with the Corporate Governance Code

The New Board recognises the importance of, and is committed to, good corporate governance and intends, following Admission, so far as is practicable and appropriate for a company of its size, stage of development and nature as a company whose securities are traded on AIM to follow the provisions of the Corporate Governance Code. In any event, the New Board intends to comply with the provisions of the QCA Guidelines.

On Admission, the New Board will comprise four directors consisting of two executive directors and two non-executive directors. The Corporate Governance Code states that the board should determine whether a director is independent in character and judgment and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the director's judgment.

The New Board considers that Clive Carver and Colin Hutchinson are independent within the meaning of the QCA Guidelines.

The New Board has formed, and has adopted terms of reference for, an audit committee and a remuneration and nomination committee, further details of which are set out below.

Committees of the directors

Audit Committee

The audit committee comprises Clive Carver and Colin Hutchinson and is chaired by Colin Hutchinson. It will meet at least once a year. The audit committee will receive and review reports from management and from the Company's auditors relating to the interim and annual accounts and to the internal control procedures that will be in use throughout the Enlarged Group. It will be responsible for ensuring that the financial performance of the Enlarged Group is properly reported with particular regard to legal requirements, accounting standards and the AIM Rules for Companies. The ultimate responsibility for reviewing and approving the annual report and accounts and the half-yearly reports remains with the Board.

Remuneration and Nomination Committee

The remuneration and nomination committee comprises Clive Carver, Jonathan Holyhead and Colin Hutchinson. It is chaired by Clive Carver and will meet at least once a year. It will be responsible for determining and reviewing the terms and conditions of service (including remuneration) and termination of executive directors and senior employees, awards under the LTIP and the grant of options under any share option scheme of the Company implemented from time to time.

17. LOCK-INS AND ORDERLY MARKET ARRANGEMENTS

Each of the Directors and the Proposed Directors have given undertakings in the Placing Agreement and each of MXC Capital, Davinder Sanghera, Miles Hodgkinson and Maria Crouchley have given undertakings in their respective lock-in deed not to sell, charge or grant any interests over any New Ordinary Shares held by them (subject to certain exemptions) during the 12 month period commencing on Admission. In addition, each of these parties have undertaken to make any disposal through the Company's brokers for a 12 month period thereafter so as to maintain an orderly market in the shares. Summaries of the Placing Agreement and the lock-in deeds are set out in paragraphs 13.4 and 13.5 (respectively) of Part VI of this document.

18. RELATIONSHIP AGREEMENT

On Admission, the Concert Party will hold 44.4 per cent. of the Enlarged Share Capital. The Company, the Concert Party and finnCap have entered into a relationship agreement to regulate aspects of the continuing relationship between the Company and the Concert Party to ensure that the Company is capable at all times of carrying on its business independently of the Concert Party and that future transactions between the Company and the Concert Party are on arm's length terms and on a normal commercial basis. A summary of this relationship agreement is set out in paragraph 13.6 of Part VI of this document.

19. IRREVOCABLE UNDERTAKING

Henderson has irrevocably undertaken to the Company to vote in favour of the Resolutions to be proposed at the General Meeting, in respect of the 9,023,061,648 Existing Ordinary Shares controlled by it, representing approximately 89.7 per cent. of the Existing Ordinary Shares.

Further details of the Irrevocable Undertaking is set out in paragraph 13.9 of Part VI of this document.

20. CHANGE OF NAME

It is proposed to change the name of the Company to 365 Agile Group plc with effect from Admission by resolution of the Board in accordance with the power conferred by the Articles.

Upon the change of name being registered at Companies House, the Company's AIM ticker symbol will be changed to 365. The Company's website address will be changed to www.365agile.com with effect from Admission.

21. NEW ARTICLES OF ASSOCIATION

The New Board proposes the adoption of the New Articles by special resolution at the General Meeting. A copy of the proposed New Articles is available for inspection at the offices of the Company's solicitors, K&L Gates LLP at One New Change, London, EC4M 9AF, during usual business hours on any business day up to and including the day of the General Meeting and will also be available for inspection at the General Meeting for at least 15 minutes prior to and during the meeting. Additionally the proposed New Articles are available for inspection on the Company's website at the following address: www.iafyds.co.uk. The principal changes proposed to be made to the Articles are described at paragraph 5 of Part VI of this document.

22. SHARE CONSOLIDATION

Under the Share Consolidation it is proposed that every 10,000 Existing Ordinary Shares be consolidated into one New Ordinary Share. Accordingly, the proportion of Existing Ordinary Shares held by each Shareholder immediately before the Share Consolidation will, save for fractional entitlements (which are discussed further below), be the same as the proportion of New Ordinary Shares held by each Shareholder immediately after the Share Consolidation. In the event that the number of Existing Ordinary Shares held by a Shareholder is not exactly divisible by 10,000, the Share Consolidation will generate an entitlement to a fraction of a New Ordinary Share. Any New Ordinary Shares in respect of which there are such fractional entitlements will be aggregated and sold in the market for the best price reasonably obtainable and the net proceeds of such sale distributed in due proportion among those members entitled to fractions of a New Ordinary Share except that any amount otherwise due to a member of less than £5 will be retained for the benefit of the Company. Any Shareholder holding fewer than 10,000 Existing Ordinary Shares at the Record Date will cease to be a Shareholder. The Directors and Proposed Directors believe that the Share Consolidation will result in a more appropriate number of shares in issue given the Company's size.

23. BUY-BACK OF DEFERRED SHARES

The Deferred Shares were created pursuant to a resolution passed at a general meeting of Shareholders held on 2 February 2014 to effect a share split, variation of share rights and reclassification of share capital to reduce the nominal value of the Existing Ordinary Shares to its current value. The Deferred Shares were created with rights that gave them no economic value. The New Board can see no reason for the Deferred Shares to remain on the balance sheet and recommends that the Deferred Shares are purchased by the Company. Under the provisions of the Act, a public limited company may not fund the purchase of its shares except out of its distributable reserves or the proceeds of a fresh issue of shares made solely for the purpose of such buy-back. The Company has no distributable reserves with which to fund the Buy-Back and therefore it is proposed that the Buy-Back is funded out of a fresh issue of shares issued solely for the purpose of the Buy-Back as permitted by the Act. Accordingly, the Company has issued Existing Ordinary Shares to the Registrar to raise sufficient funds to acquire the Deferred Shares. Under the provisions of the Articles, the Company has the power to buy back the Deferred Shares for one penny in aggregate per each holder of Deferred Shares. To simplify the Buy-Back, the Company will use its irrevocable authority under the provisions of the Articles to appoint any person to execute on behalf of the holders of the Deferred Shares a transfer of the Deferred Shares to a custodian pending completion of the Buy-Back. In accordance with this authority, prior to the acquisition of the Deferred Shares by the Company pursuant to the Buy-Back Agreement, the Deferred Shares will be transferred to Gravitas Nominees Limited, a nominee of the Company's solicitors, K&L Gates LLP. Accordingly, the total cost of the Buy-Back will be one penny. Once the Buy-Back has been completed the Deferred Shares will be cancelled. A copy of the Buy-Back Agreement is currently available for inspection on the Company's website at www.iafyds.com and at the Registered

Office. A copy of the Buy-Back Agreement will also be available for inspection at the General Meeting. The Buy-Back is conditional upon Shareholder approval, and, at the General Meeting, Shareholders will be asked to approve, if thought fit, the terms of the Buy-Back Agreement.

24. GENERAL MEETING

Set out at the end of this document is a notice convening the General Meeting to be held on 20 August 2015 at 10 a.m. at the offices of K&L Gates LLP at One New Change, London EC4M 9AF at which the following Resolutions will be proposed, of which Resolutions 1 to 6 (inclusive) will be proposed as ordinary resolutions and Resolutions 7 to 8 (inclusive) will be proposed as special resolutions:

1. the approval of Acquisition for the purposes of Rule 14 of the AIM Rules for Companies;
2. the appointment of Jonathan Holyhead as a director of the Company;
3. the appointment of Jill Collighan as a director of the Company;
4. the approval of Buy-Back Agreement;
5. the approval of Share Consolidation;
6. the authorisation of the Directors to allot New Ordinary Shares in connection with the Acquisition, the Placing, the Warrant Instrument and the LTIP as well as a general authorisation to allot or grant rights to subscribe for New Ordinary Shares with an aggregate nominal value equal to one third of the aggregate nominal value of the Enlarged Share Capital at Admission;
7. the adoption of the New Articles; and
8. the disapplication of statutory pre-emption rights in respect of the allotment of New Ordinary Shares in connection with the Placing and, the Warrant Instrument and the LTIP otherwise up to an aggregate nominal value equal to 15 per cent. of the aggregate nominal value of the Enlarged Share Capital at Admission.

25. ADMISSION AND CREST SETTLEMENT

As the Acquisition constitutes a reverse takeover of the Company under the AIM Rules for Companies, Shareholder consent to the Acquisition is required at the General Meeting. If the Resolutions are duly passed at the General Meeting, the admission of the Company's Existing Ordinary Shares to trading on AIM will be cancelled (immediately prior to Admission) and the Enlarged Share Capital will be admitted to trading on AIM.

Application has been made to London Stock Exchange for the Enlarged Share Capital to be admitted to trading on AIM. Admission is expected to take place at 8 a.m. on 21 August 2015.

The New Ordinary Shares are eligible for CREST settlement. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument in accordance with the requirements of CREST. The New Articles permit the holding and transfer of New Ordinary Shares to be evidenced in uncertificated form in accordance with the requirement of CREST. Accordingly, following Admission, settlement of transactions in New Ordinary Shares may take place within the CREST system if the relevant Shareholder so wishes. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so.

26. TAXATION

Information regarding United Kingdom taxation is set out in paragraph 18 of Part VI of this document. If you are in any doubt as to your tax position, you should consult an appropriate professional adviser immediately.

Clearance has been obtained from HMRC that the Company is a qualifying company for the purposes of EIS and, that they would be able to authorise certificates on receipt of an EIS1 and that the New Ordinary Shares would be qualifying holdings for the purpose of VCT. No guarantee is given that the qualifying conditions

will continue to be met such as to retain any qualifying status for VCT and EIS purposes and no assurance is given as to the investors' qualifying status.

27. RISK FACTORS

Your attention is drawn to the Risk Factors set out in Part II of this document.

28. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in Parts III to VI of this document.

29. ACTION TO BE TAKEN

You will find accompanying this document a Form of Proxy for use in connection with the General Meeting. Whether or not you intend to be present at the General Meeting, you are asked to complete the Form of Proxy in accordance with the instructions printed on it so as to be received by the Company's registrars, Neville Registrars Limited, as soon as possible but in any event not later than 10.00 a.m. on 18 August 2015. Completion of the Form of Proxy will not preclude you from attending and voting at the General Meeting should you so wish.

The Company was suspended from trading on AIM on 9 February 2015 and under the AIM Rules, a company may remain suspended for a maximum period of six months. If Shareholders do not vote in favour of the Proposals then, pursuant to Rule 41 of the AIM Rules for Companies, admission of the Company's Existing Ordinary Shares will be cancelled at 7.00 a.m. on the business day following the General Meeting and the Company will be wound up.

30. RECOMMENDATION

As described in paragraphs 9.1(b) and (c) of Part VI, Clive Carver and Colin Hutchinson are entitled to receive payments on Completion and, consequently, they are not deemed independent of the Proposals.

The Directors consider, for the reasons set out above, that the Proposals are in the best interests of the Company and Shareholders as a whole. Accordingly, the Directors recommend that you vote in favour of the Resolutions at the General Meeting.

Yours faithfully

Clive Carver
Chairman

PART II

RISK FACTORS

This document contains forward-looking statements, which have been made after due and careful enquiry and are based on the Directors' and Proposed Directors' current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. These forward-looking statements are subject to, *inter alia*, the risk factors described in this Part II. The Directors and Proposed Directors believe that the expectations reflected in these statements are reasonable, but they may be affected by a number of variables which could cause actual results or trends to differ materially. Each forward-looking statement speaks only as of the date of the particular statement.

Factors that might cause a difference include, but are not limited to, those set out in this Part II. Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. The Company disclaims any obligation to update any such forward-looking statements in the document to reflect future events or developments.

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 risk factors set out in this Part II. The Directors and Proposed Directors believe these risks to be the most significant for potential investors. However, the risks listed do not necessarily comprise all those associated with an investment in the Company. In particular, the Company's performance may be affected by changes in market or economic conditions and in legal, regulatory and/or tax requirements. The risks listed are not set out in any particular order of priority.

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 Proposed Directors, or which they 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.

1. The Acquisition may not complete

Completion of the Acquisition is subject to the satisfaction (or waiver) of a number of conditions contained in the Acquisition Agreement including the approval of the Acquisition by the Shareholders at the General Meeting and Admission. If Shareholders do not approve the Acquisition at the General Meeting, the Acquisition will not complete, the Company's Admission will be cancelled and it will be wound up.

There is no guarantee that these (or other) conditions will be satisfied (or waived) in which case the Acquisition will not be completed and in those circumstances the Placing will also not complete.

2. Market Competition

It is possible that developments by others will render the Enlarged Group's current and proposed products and services obsolete.

The Enlarged Group's competitors may announce or develop new products, services or enhancements that better meet the needs of customers or changing industry standards. Further, new competitors, or alliances among competitors, could emerge. Increased competition may cause price reductions, reduced gross margins and loss of market share, any of which could have a material adverse effect on the Enlarged Group's business, financial condition and results of operations.

Competitors and potential competitors of the Enlarged Group may have significantly greater financial, technical, marketing, service or other resources than the Enlarged Group and have access to a larger base of products, longer operating histories or greater name recognition. The Enlarged Group's relative size, and the fact that it is a less established entrant to the market, may be considered negatively by prospective customers. In addition, the Enlarged Group's competitors may be able to respond more quickly than the Enlarged Group can to changes in customer requirements and devote greater resources to the enhancement, promotion and sale of their products/services and to their development.

Although the Directors and the Proposed Directors believe that the Enlarged Group will compete favourably in its targeted markets, there can be no assurance that the Enlarged Group can maintain its competitive position against current and any potential competitors, especially those with greater financial, marketing, service, support, technical and other resources.

The Directors and the Proposed Directors believe that the market for the Enlarged Group's products and services will continue to grow, however, there can be no assurance that growth in the market for its products and services will occur, or occur at the rate envisaged by the Directors and the Proposed Directors.

3. Early stage of development

Some of the businesses of the Enlarged Group are at an early stage of commercial development. The commencement of such businesses' material revenues is difficult to predict and there is no guarantee that such businesses will generate any material revenues. Some of the companies within the Enlarged Group have a limited sales and operating history upon which their performance and prospects can be evaluated and they may well face risks frequently encountered by developing companies. These risks include the potential inability to retain key personnel, as well as uncertainty as to which areas to target for growth and expansion.

4. Achievement of strategic aims

The value of an investment in the Enlarged Group is dependent on the Enlarged Group achieving its strategic aims. The Enlarged Group's strategy is to invest and grow the business through the development of its products and software. While the Directors and Proposed Directors are optimistic about the prospects for the Enlarged Group, there is no certainty that it will be capable of achieving its strategy or the anticipated revenues or growth or be profitable. The Enlarged Group's future operating results will be highly dependent upon how well it manages its planned strategy.

5. Technological change

The markets for the Enlarged Group's products/services are characterised by rapidly changing technology, and increasingly sophisticated customer requirements. In particular IoT (Internet of Things) based solutions are currently relatively immature which creates opportunities but also comes with associated risks. Changing customer requirements and the introduction of products/services embodying new technology may render the Enlarged Group's existing products/services obsolete and unmarketable and may exert downward pressures on the pricing of existing products/services. It is critical to the success of the Enlarged Group to be able to anticipate changes in technology or in industry standards and to successfully develop and introduce new, enhanced and competitive products/services on a timely basis. The Enlarged Group cannot give assurances that it will successfully develop new products/services or enhance and improve its existing products/services, that new products/services and enhanced and improved existing products/services will achieve market acceptance or that the introduction of new products/services or enhancing existing products/services by others, or changing customer requirements, will not render the Enlarged Group's products/services obsolete. The Enlarged Group's inability to develop products/services that are competitive in technology and price and that meet customer needs could have a material adverse effect on the Enlarged Group's business, financial condition or results of operations.

6. Key Customers

Agile Group has relatively concentrated revenues, with a significant proportion of its revenues coming from a small number of customers. Although the Directors and the Proposed Directors believe that this revenue

concentration will be reduced in the future due to the expected contracting of new customers and the increasing maturity of recently contracted customers, a risk still exists that the Enlarged Group could lose one or more of its key clients, which would adversely affect revenues.

7. An impairment of goodwill or other intangible assets would adversely affect the Enlarged Group's financial condition and result of operations

Upon completion of the Acquisition, a portion of the difference between the purchase price, 365 Agile's net assets at that date and the allocation of the costs of the combination of the assets acquired and the liabilities assumed, will be recorded as goodwill. Under IFRS, goodwill and intangible assets with indefinite lives are not amortised but are tested for impairment annually, or more often if any event or circumstance indicates that an impairment loss may have been incurred. Other intangible assets with a finite life are amortised on a straight-line basis over their estimated useful lives and reviewed for impairment whenever there is an indication of impairment. In particular, if the combination of the businesses meets with unexpected difficulties, or if the business of the Enlarged Group does not develop as expected, impairment charges may be incurred in the future which could be significant and which could have an adverse effect on the Enlarged Group's results of operations and financial condition.

8. Reseller arrangements

At present, the Agile product is sold exclusively through 365 Agile's reseller arrangements with Documotive. 365 Agile has not entered into a comprehensive agreement with Documotive in relation to these reseller arrangements, which would provide 365 Agile with customary legal protections in relation to its arrangements with Documotive, and trades with Documotive on the basis of a short form reseller agreement between the parties. While the Directors and the Proposed Directors are confident of the strength of the trading relationship between 365 Agile and Documotive, Documotive could terminate its arrangements with 365 Agile at short notice, with very limited recourse available to 365 Agile in such event. If the arrangements with Documotive were to terminate, 365 Agile would not have any binding agreements with customers, which would have a material adverse effect on the Enlarged Group's business and financial condition. Further details on the terms of the reseller agreement between 365 Agile and Documotive are set out in note 22 (related party transactions) of section A of Part IV of this document.

9. Financial resources

In the opinion of the Directors and Proposed Directors, having made due and careful enquiry, taking into account the net proceeds of the Placing and taking into account existing cash resources and the bank facilities available to the Enlarged Group the working capital available to the Enlarged Group will be sufficient for its present requirements, that is for at least the next 12 months from the date of Admission.

The Enlarged Group's future capital requirements will, however, depend on many factors, including its ability to maintain and expand its customer base, its sales, cash flow and control of costs and the execution of any material acquisitions. In the future, the Enlarged Group may require additional funds and may attempt to raise additional funds through equity or debt financings or from other sources. Any additional equity financing may be dilutive to holders of Ordinary Shares and any debt financing, if available, may require restrictions to be placed on the Enlarged Group's future financing and operating activities. The Enlarged Group may be unable to obtain additional financing on acceptable terms or at all if market and economic conditions, the financial condition or operating performance of the Enlarged Group or investor sentiment (whether towards the Enlarged Group in particular or towards the market sector in which the Enlarged Group operates) are unfavourable. The Enlarged Group's inability to raise additional funding may hinder its ability to grow in the future or to maintain its existing levels of operation.

10. Qualified accountants report in relation to Historical Financial Information of the Agile Group

Due to a lack of records, the Reporting Accountants have been unable to obtain sufficient audit evidence in relation to the Agile Group's inventory as at 30 April 2015 and Ciseco Limited's inventory as at 31 July 2012, 2013 and 2014. The Reporting Accountants have therefore issued a qualified accountant's report in relation to the historical financial information of the Agile Group and of Ciseco Limited as set out in Part IV of this

document. An inventory system will be put in place for these companies and inventory records will be maintained going forward, and the Board will review the newly adopted inventory procedures following Admission and prior to the end of the Enlarged Group's financial year to ensure that they are operating effectively and are sufficient.

11. Venture Capital Trust Status and EIS

The Company has obtained assurance from HMRC that the Company qualifies as a qualifying company/holding for the purposes of EIS and that the New Ordinary Shares may comprise part of a qualifying holding for VCT purposes. The actual availability of EIS relief and qualifying status for VCT purposes will be contingent upon certain conditions being met by both the Company and the relevant investors. Neither the Company nor the Company's advisors give any warranties or undertakings that EIS relief or VCT qualifying status will not be withdrawn. Should the law regarding EIS or VCT change then any reliefs or qualifying status previously obtained may be lost.

If the Company ceases to carry on the business outlined in this document, changes the manner in which the business is undertaken or acquires or commences a business which is not insubstantial to the Company's activities at any time this could prejudice the status of the New Ordinary Shares under the VCT provisions. If these changes are made during the three year period from the last allotment of Ordinary Shares, this could prejudice the qualifying status of the Company (as referred to above) under the EIS provisions. Circumstances may arise where the Directors believe that the interests of the Company are not best served by acting in a way that preserves the EIS or VCT qualifying status. In such circumstances, the Company cannot undertake to conduct its activities in a way designed to secure or preserve any such relief or status claimed by any shareholder.

If the Company does not employ all of the proceeds of an EIS share issue for qualifying trading purposes within 24 months of the date of issue of the New Ordinary Shares, within a qualifying subsidiary, the Company will not be a qualifying company and as such EIS relief will be withdrawn.

In respect of subscriptions for New Ordinary Shares made by a VCT if the Company does not employ the funds invested by the VCT for qualifying purposes within 24 months, the funds invested by the VCT would be apportioned pro rata and its qualifying holding would be equal to the VCT's funds that had been employed for qualifying trade purposes within the above time limits. Any remaining element of the VCT's investment would comprise part of its non-qualifying holding.

The above information is based upon current tax law and practice and other legislation and any changes in the legislation or in the levels and bases of, and reliefs from, taxation may affect the value of an investment in the Company.

Any person who is in any doubt as to their taxation position should consult their professional taxation adviser.

12. Dependence upon key management personnel and executives

The Enlarged Group will be dependent on a small number of key management personnel. The loss of the services of one or more of such key management personnel may have an adverse effect on the Enlarged Group. The Enlarged Group's ability to manage its financing and development activities will depend in large part on the efforts of these individuals. The Company has entered into incentivised employment agreements with its identified key executives and managers, as detailed further in Part VI.

13. Ability to attract employees

The Enlarged Group depends on qualified and experienced employees to enable it to generate and retain business. Should the Enlarged Group be unable to attract new employees or retain existing employees this could have a material adverse effect on the Enlarged Group's ability to grow or maintain its business.

14. Litigation risks

All industries are subject to legal claims, with and without merit. The Enlarged Group may become involved in legal disputes in the future. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material effect on the Enlarged Group's financial position or results of operations.

15. Investment in AIM securities

Although the Company is applying for the admission of its share capital to trading on AIM, there can be no assurance that an active trading market for the Ordinary Shares will develop, or if developed, that it will be maintained. Investment in shares traded on AIM is perceived to involve a higher degree of risk than investment in a company whose shares are listed on the Official List of the UK Listing Authority. An investment in the Ordinary Shares may be difficult to realise. Prospective investors should be aware that the value of the Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Enlarged Group. Investors may therefore realise less than, or lose all of, their investment.

16. 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 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 and news reports relating to trends in the Enlarged Group's markets. These fluctuations may adversely affect the trading price of the Ordinary Shares, regardless of the Enlarged Group's performance.

17. Estimates in financial statements

Preparation of consolidated financial statements requires the Enlarged Group to use estimates and assumptions. Accounting for estimates requires the Enlarged Group to use its judgment to determine the amount to be recorded on its financial statements in connection with these estimates. The Enlarged Group's accounting policies require management to make certain estimates and assumptions as to future events and circumstances. In addition, the carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. If the estimates and assumptions are inaccurate, the Enlarged Group could be required to write down the value of certain assets. On an ongoing basis, the Enlarged Group re-evaluates its estimates and assumptions. However, the actual amounts could differ from those based on estimates and assumptions.

18. Holding company structure and restrictions on dividends

The Company's operating results and its financial condition are dependent on the trading performance of members of the Enlarged Group. The Company's ability to pay dividends will depend on the level of distributions, if any, received from the Company's subsidiaries. Members of the Enlarged Group may from time to time be subject to restrictions on their ability to make distributions to the Company, as a result of factors such as restrictive covenants contained within loan agreements, foreign exchange limitations, regulatory, fiscal or other restrictions. There can be no assurance that such restrictions will not have a material adverse effect on the Enlarged Group's business, operating results and financial condition.

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 Directors and Proposed Directors of the Company, and will depend on, among other things, the Company's earnings, financial position, cash requirements and availability of profits.

19. Possible conflicts of interest of Directors, Proposed Directors and officers of the Company

The Company expects that any decision made by its Directors and officers involving the Company will be made in accordance with their duty to act honestly and in good faith with a view to the best interests of the Company and to exercise the care, diligence and skill which a reasonably prudent person would exercise in comparable circumstances but there can be no assurance in this regard. In addition, each of the Directors and Proposed Directors is required to declare any matter in which they are interested as required by the Act.

Jonathan Holyhead, together with the other member of the Concert Party, will hold 44.4 per cent. of the Enlarged Share Capital on Admission. The Company, the Concert Party and finnCap have entered into a relationship agreement to regulate aspects of the continuing relationship between the Company and the Concert Party so as to ensure that the Company is capable at all times of carrying on its business independently of the Concert Party and that future transactions between the Company and the Concert Party are on arm's length terms and on a normal commercial basis. A summary of the relationship agreement is set out in paragraph 13.6 of Part VI of this document.

20. Investment Risk

An investment in the Company is highly speculative, involves a considerable degree of risk and is suitable only for persons or entities which have substantial financial means and who can afford to hold their ownership interests for an indefinite amount of time.

21. Ordinary Shares available for future sale

The Company is unable to predict whether substantial amounts of Ordinary Shares will be available in the open market following Admission. Any sales of substantial amounts of Ordinary Shares in the public market, or the perception that such sales might occur, could materially and adversely affect the market price of the Ordinary Shares.

22. Suitability

The investment described in this document may not be suitable for all those who receive it. Before making a final decision, investors who are in any doubt are advised to consult their stockbroker, bank manager, solicitor or accountant or other professional adviser authorised under FSMA who specialises in advising on the acquisition of shares and other securities in the United Kingdom.

The risks listed above do not necessarily comprise all those faced by the Enlarged Group and are not intended to be presented in any order of priority.

PART III

HISTORICAL FINANCIAL INFORMATION ON IAFYDS PLC

The following financial information on the Company is available at www.iafyds.co.uk/Documents/Annual-Reports-Accounts (up to Admission) and www.365agile.com (from Admission), and is incorporated by reference into this document:

- Annual consolidated accounts for the year ended 31 December 2014;
- Annual consolidated accounts for the year ended 31 December 2013; and
- Annual consolidated accounts for the year ended 31 December 2012.

Shareholders have the right to receive a hard copy of the source information but this will not be sent to shareholders unless they request it.

Shareholders may request a hard copy of the source information from the Company's registered office, Unit 514 Metal Box Factory, 30 Great Guildford Street, London SE1 0HS.

There is no other information incorporated in this document by reference.

PART IV

HISTORICAL FINANCIAL INFORMATION OF THE AGILE GROUP AND ACCOUNTANT'S REPORTS

Part IV of this document contains the consolidated historical financial information of the Agile Group for the eight month period from incorporation to 30 April 2015 set out in Section B. The accountants report on the Agile Group consolidated historical financial information in Section B is set out in Section A.

The historical financial information for South View Solutions for the three years ended 31 July 2014 is set out in Section D. The accountants report on South View Solutions historical financial information in Section D is set out in Section C. Unaudited interim financial information on South View Solutions for the six months ended 31 January 2015 is set out in Section E.

The historical financial information for Ciseco for the three years ended 31 July 2014 is set out in Section G. The accountants report on the Ciseco historical financial information in Section G is set out in Section F. Unaudited interim financial information on Ciseco for the six months ended 31 January 2015 is set out in Section H.

SECTION A: ACCOUNTANT'S REPORT ON THE AGILE GROUP

The following is the full text of a report on the Agile Group from Baker Tilly Corporate Finance LLP, the Reporting Accountants, to the Directors of Iafyds plc.



The Directors
Iafyds plc
Unit 514 Metal Box Factory
30 Great Guildford Street
London
SE1 0HS

3 August 2015

Dear Sirs,

365 Agile Limited (“365 Agile”) and its subsidiary undertakings (“the Agile Group”)

We report on the consolidated historical financial information of 365 Agile Limited and its subsidiary undertakings set out in Section B of this Part IV of the Admission Document dated 3 August 2015 (“Admission Document”) of Iafyds plc. This consolidated historical financial information has been prepared for inclusion in the Admission Document on the basis of the accounting policies set out at Note 1 to the consolidated historical financial information. This report is required by paragraph 20.1 of Annex I of Appendix 3.1.1 of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules and is given for the purpose of complying with that paragraph and for no other purpose.

Save for any responsibility arising under paragraph 20.1 of Annex I of Appendix 3.1.1 of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules to any person as and to the extent there provided, to the fullest extent permitted by law, we do not accept or assume responsibility and will not accept any liability to any other person for any loss suffered by any such other 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 20.1 of Annex I of Appendix 3.1.1 of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules, or consenting to its inclusion in the Admission Document.

Responsibilities

The directors of Iafyds plc (“the Directors”) are responsible for preparing the consolidated historical financial information in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the consolidated historical financial information and to report our opinion to you.

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council 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 consolidated historical 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 we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the consolidated financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Basis of Qualified Opinion on consolidated historical financial information

With respect to inventory, having a carrying amount of £99,000 at 30 April 2015 and corresponding cost of sales of £13,000, the audit evidence available to us was limited due to the lack of a physical inventory count being performed and insufficient inventory valuation records having been retained by the Agile Group. Owing to the nature of the Agile Group's records, we were unable to obtain sufficient appropriate audit evidence regarding the inventory valuation and the accuracy of cost of sales by using other audit procedures.

Qualified Opinion on consolidated historical financial information

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated historical financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the Agile Group as at the dates stated and of its results, cash flows and changes in equity for the periods then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Declaration

For the purposes of part (a) of Schedule Two to 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 item 1.2 of Annex I and item 1.2 of Annex III of Appendix 3.1.1 of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules.

Yours faithfully

Baker Tilly Corporate Finance LLP

Regulated by the Institute of Chartered Accountants in England and Wales

Baker Tilly Corporate Finance LLP is a limited liability partnership registered in England and Wales, registered no. OC325347, at 25 Farringdon Street, London, EC4A 4AB

SECTION B: CONSOLIDATED HISTORICAL FINANCIAL INFORMATION ON THE AGILE GROUP FOR THE EIGHT MONTH PERIOD ENDED 30 APRIL 2015

Consolidated statement of comprehensive income

for the eight month period ended 30 April 2015

	<i>Note</i>	<i>Eight month period ended 30 April 2015 £000</i>
Continuing operations		
Revenue	3	704
Cost of sales		(13)
		<hr/>
Gross profit		691
Administrative costs	4	(414)
		<hr/>
Operating profit		277
Other operating income	6	19
Acquisition costs	7	(87)
		<hr/>
Profit before interest and taxation		209
Finance costs		(8)
		<hr/>
Profit before taxation		201
Taxation	8	(38)
		<hr/>
Profit for the financial period attributable to the equity holders of the Agile Group		<hr/> 163

There is no other comprehensive income in the period.

Consolidated statement of financial position
as at 30 April 2015

	<i>Note</i>	<i>30 April 2015</i> <i>£000</i>
Assets		
Non-current assets		
Intangible assets	9	1,476
Property, plant and equipment	10	134
Other non-current assets	11	64
Deferred taxation	8	46
		<u>1,720</u>
Current assets		
Inventory	12	99
Trade and other receivables	13	962
Cash and cash equivalents	17	307
		<u>1,368</u>
Total assets		<u><u>3,088</u></u>
Current liabilities		
Trade and other payables	14	(624)
Current tax liabilities	8	(64)
Borrowings	15	(28)
Deferred consideration	16	(350)
Total current liabilities		<u>(1,066)</u>
Non-current liabilities		
Borrowings	15	(986)
Deferred taxation	8	(167)
Total non-current liabilities		<u>(1,153)</u>
Total liabilities		<u>(2,219)</u>
Net assets		<u>869</u>
Equity		
Share capital	18	–
Share premium		706
Retained earnings		163
Total equity attributable to equity holders of the Agile Group		<u>869</u>

Consolidated statement of changes in equity
for the eight month period ended 30 April 2015

	<i>Share capital £000</i>	<i>Attributable to the equity holders of the parent company</i>		<i>Total £000</i>
		<i>Share premium £000</i>	<i>Retained earnings £000</i>	
On incorporation	–	–	–	–
Profit and total comprehensive income for the financial period	–	–	163	163
Transactions with owners recognised directly in equity				
Share issue	–	706	–	706
Balance at 30 April 2015	<u>–</u>	<u>706</u>	<u>163</u>	<u>869</u>

Consolidated statement of cash flows
for the eight month period ended 30 April 2015

	<i>Note</i>	<i>30 April 2015</i> <i>£000</i>
Cash flows from operating activities		
Profit before taxation		201
Adjustments for:		
Depreciation of property, plant and equipment		6
Amortisation of intangible assets		18
Net finance costs		8
Increase in inventory		(10)
Increase in trade and other receivables		(445)
Increase in trade and other payables		166
Payment of income tax		(36)
Net cash flows used in operating activities – continuing operations		<u>(92)</u>
Cash flows from investing activities		
Payments to acquire property, plant and equipment	10	(62)
Payments to develop software	9	(62)
Purchase of subsidiary undertakings, net of cash acquired	21	(587)
Net cash flows used in investing activities – continuing operations		<u>(711)</u>
Cash flows from financing activities		
Proceeds from the issue of shares	18	250
Borrowings received from shareholder	15	850
Borrowings received from Director	15	100
Funds advanced to Director	11	(64)
Repayment of Director current account	22	(16)
Repayment of other related party loan	15	(9)
Repayment of Business Loan	15	(1)
Net cash flows from financing activities – continuing operations		<u>1,110</u>
Net increase in cash and cash equivalents in the period		<u>307</u>
Cash and cash equivalents on incorporation		<u>–</u>
Cash and cash equivalents at end of period		<u>307</u>

Notes to the consolidated historical financial information

for the eight month period ended 30 April 2015

1. Accounting policies

Basis of preparation

365 Agile Limited (“365 Agile”) was incorporated on 28 August 2014 and is domiciled in England, with its registered office located at Unit 3, Coventry Innovation Village, Cheetah Road, Coventry, CV1 2TL. The principal activity of 365 Agile and its subsidiary undertakings (together the “Agile Group”) is to develop software and wireless technology solutions for the social housing sector.

The consolidated historical financial information of the Agile Group has been prepared on a going concern basis, and is in accordance with applicable International Financial Reporting Standards as issued by the International Accounting Standards Board and adopted by the European Union (“IFRS”), the International Financial Reporting Interpretations Committee (“IFRIC”) interpretations issued by the International Accounting Standards Board (“IASB”) that are effective or issued and early adopted as at the time of preparing this consolidated historical financial information.

The consolidated historical financial information for the eight month period ended 30 April 2015 is solely for the purpose of inclusion of this consolidated historical financial information within this Admission Document in accordance with the AIM Rules for Companies.

The detailed measurement bases and principal accounting policies of the Agile Group are set out below. The presentational and functional currency of the Agile Group is Sterling.

The accounting policies that have been applied in the opening balance sheet have also been applied throughout the period presented in this consolidated historical financial information.

Going concern

This consolidated historical financial information has been prepared on a going concern basis. An overview of the Agile Group’s financial risk management policies and exposures is provided in note 17.

Basis of consolidation

Subsidiaries are all entities over which the Agile Group has control. The Agile Group controls an entity when the Agile Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Agile Group.

The Agile Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Agile Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the statement of comprehensive income.

Inter-company transactions, balances, income and expenses or transactions between Agile Group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with policies adopted by the Agile Group.

Intangible assets

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, over the fair value of the identifiable net assets acquired.

Other intangible assets

Other intangible assets are carried at cost less accumulated amortisation and impairment losses.

Other intangible assets acquired separately from a business are carried initially at cost. An intangible asset acquired as part of a business combination is recognised outside goodwill if the asset is separable or arises from contractual or other legal rights and its fair value can be measured reliably.

Costs that are directly associated with development of identifiable and unique software products generated for use by the Agile Group, and that will probably generate economic benefits exceeding costs beyond 1 year, are recognised as intangible assets. These represent the direct employment costs of software developers time spent on relevant projects.

Software and software licences are classified as intangible assets and include computer software that is not integral to a related item of hardware.

Customer contracts and related relationships met the criteria for recognition as intangible assets as they are separable from each other and have a measurable fair value, being the amount for which an asset would be exchanged between knowledgeable and willing parties in an arm's length transaction. For the customer contracts and related relationships fair value is calculated by using the discounted cash flows arising from the existing customer base adjusted for attrition.

Intangible assets with a finite life are amortised on a straight-line basis over their expected useful lives, as follows:

Customer contracts and related relationships	8 years
Software	5 years

Impairment and amortisation charges are included within the administrative expenses line in the statement of comprehensive income.

Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation and any provision for impairment. Depreciation is provided to write down the cost to the residual value over the assets' estimated useful economic lives with the following lives:

Plant and machinery	25% on reducing balance
Fixtures and fittings	25% to 30% on reducing balance
Motor Vehicles	20% to 25% on reducing balance
Computer equipment	33% on cost

The residual values and economic lives of assets are reviewed by the directors on at least an annual basis and are amended as appropriate.

Impairment of assets

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of the assets to which the goodwill relates. When the recoverable amount of the assets is less than the carrying amount, including goodwill, an impairment loss is recognised.

Other intangible assets and property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate the carrying values may not be recoverable. In addition, the carrying value of capitalised development expenditure is reviewed for impairment annually. If any such indication exists

and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

The recoverable amount of intangible assets and property, plant and equipment is the greater 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 an asset that does not generate largely independent cash inflows, the recoverable amount is determined by the cash generating unit to which the asset belongs. Fair value less costs to sell is, where known, based on actual sales price net of costs incurred in completing the disposal.

Equity

Equity comprises ordinary share capital, representing the nominal value of shares of 365 Agile.

Inventory

Inventory is valued at the lower of cost and net realisable value on a first in first out (FIFO) after making allowance for any obsolete or slow moving stock. Cost is calculated as purchase price. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Work in progress is valued at cost, which includes an appropriate proportion of directly attributable costs and overheads, depending on the percentage of completion.

Leases

Rentals paid under operating leases are charged to the income statement on a straight line basis over the period of the lease.

Taxation

Current tax is the tax currently payable based upon the taxable profit for the period.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or of any other asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Tax losses which are available to be carried forward and other income tax credits to the Agile Group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying temporary differences will be able to be offset against future taxable income.

Current and deferred tax assets and liabilities are measured at tax rates that are expected to apply in the period of realisation based on tax rates and laws that have been enacted or substantively enacted at the reporting date.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement except where they relate to items that are charged or credited directly to equity or where they relate to other comprehensive income in which case the related deferred tax is also charged or credited directly to equity or recognised in the statement of comprehensive income.

Financial assets

Financial assets are recognised when the Agile Group becomes a party to the contractual provisions of the contract. They are assigned to the categories described below by management on initial recognition, depending on the purpose for which they were acquired. The designations of financial assets are re-evaluated at every reporting date at which a choice of classification or accounting treatment is available, and are as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed payments that are not quoted in an active market. These are initially recognised at fair value and subsequently are measured at amortised cost using the effective interest rate method, less provision for estimated irrecoverable amounts. Receivables are assessed for impairment based on a number of factors including their credit-worthiness, previous payment history and future prospects. Any change in their value through impairment or reversal of impairment is recognised in the income statement. The carrying value less impairment provision of loans and receivables is assumed to approximate to their fair value. The Agile Group's trade receivables and cash and cash equivalents fall into this category.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

Financial liabilities

Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Agile Group becomes a party to the contractual provisions of the contract. The Agile Group's financial liabilities include trade payables which are measured initially at fair value and subsequently at amortised cost using the effective interest rate method.

Derecognition of financial assets and liabilities

A financial asset or liability is generally derecognised only when the contract that gives rise to it is settled, sold, cancelled or expires.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are reported at the rates of exchange prevailing at that date. Exchange differences arising on the settlement and retranslation of monetary items are included in the operating result for the year.

Pensions

The Agile Group operates a defined contribution scheme. Pension costs are charged directly to the income statement in the period to which they relate on an accruals basis. The Agile Group has no further payment obligations once contributions have been paid.

Revenue

The Agile Group derives its revenues from software sales, sale of wireless devices and software support and maintenance. Revenue on software sales and sales of wireless devices are recognised at point of delivery to the end customer. Revenue from software support and maintenance is recognised over the life of the support contract.

Revenue represents the fair value of consideration receivable by the Agile Group for services provided, net of value added tax.

Deferred revenue

Deferred revenue represents revenue that has been invoiced for services that have not been substantially completed. Deferred revenue recognised as a liability in the statement of financial position and is released to the statement of comprehensive income as and when the contractual obligations have been fulfilled.

Government grants

Grants received in respect of operational costs are recognised as income in the income statement over the period necessary to match it with the related operational costs, for which it is intended to compensate.

Grants received in respect of capital expenditure is offset against the corresponding fixed asset addition in the statement of financial position.

Recently issued accounting pronouncements

At the date of issue of this historical financial information, the following Standards, Amendments and Interpretations which have not been applied in this historical financial information were in issue but not yet effective. The Directors anticipate that the adoption of these Standards, Amendments and Interpretations, which is expected to occur on their effective dates, will not have a material impact on the Agile Group's consolidated historical financial information.

New standards

- IFRS 9 – Financial instruments
- IFRS 14 – Regulatory deferral accounts
- IFRS 15 – Revenue from contracts with customers

Amendments

- IFRS 5 – Non-current assets held for sale and discontinued operations
- IFRS 7 – Financial instruments, disclosures
- IAS 1 – Presentation of financial statements
- IAS 16 – Property, plant and equipment
- IAS 19 – Employee benefits
- IAS 27 – Consolidated and separate financial statements
- IAS 34 – Interim financial reporting
- IAS 38 – Intangible assets

Critical accounting estimates and judgements

Estimates and judgements 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.

The Agile Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- *Estimated impairment of goodwill and intangible assets*
The Agile Group tests annually whether goodwill and intangible assets have suffered any impairment, in accordance with the accounting policy stated. The recoverable amounts of cash generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.
- *Work in progress*
The Agile Group evaluates the progress made on contracts whose delivery spans a reporting period end based on time records and experience. An appropriate provision is made in respect work performed but not invoiced at the period end.

2. Business combinations

South View Solutions Limited

On 27 February 2015, 365 Agile acquired 100% of the share capital of South View Solutions Limited for a total consideration of £1,100,000, exclusive of stamp duty of £5,000. £750,000 of the consideration was paid in cash with the balance of £350,000 deferred as a zero coupon loan note, redeemable until 27 February 2016 for cash or for consideration shares, such number of shares in the capital of 365 Agile as have an aggregate value of £350,000, representing 10% of the entire issued share capital of 365 Agile as at 27 February 2015 as enlarged by the consideration shares. Costs of £40,000 were incurred and included under acquisition costs within the Income Statement.

The fair value to the Agile Group of the assets acquired are summarised below:

	<i>Fair value to Group</i> £000
Fixed assets	13
Inventory	19
Trade receivables	478
Prepayments and other receivables	4
Deferred taxation	46
Cash	176
Trade and other payables	(424)
Income tax	(59)
	<hr/> 253
Fair value of net assets	253
Customer relationships (see below)	852
	<hr/> 1,105
Total purchase consideration	1,105
Cash consideration paid	750
Deferred consideration	350
Stamp duty paid	5
	<hr/> 1,105
Total purchase consideration	<hr/> <hr/> 1,105

On acquisition, 365 Agile assessed the business acquired to identify any intangible assets. Customer contracts and related relationships met the criteria for recognition as intangible assets as they are separable from goodwill and have a measurable fair value, being the amount for which an asset would be exchanged between knowledgeable and willing parties in an arm's length transaction. For customer contracts and related relationships, the provisional fair value of the intangible assets was calculated using the discounted cash flows arising from forecast revenue streams from existing customers. An attrition rate of 10% was applied and cash flows were discounted at a weighted average cost of capital of 8%. The economic life of the customer relationships were assumed to be 8 years. The identifiable intangible asset and related deferred tax liability are as follows:

	<i>Fair value to Group</i> £000
Customer contracts and related assets	852
Deferred tax liability	(170)
Goodwill	170
	<hr/> 852

Customer relationships are being amortised over a period of 8 years.

Ciseco Limited

On 17 March 2015, 365 Agile acquired 100% of the share capital of Ciseco Limited, when 9,120 Ordinary C shares were issued to the then shareholders of Ciseco Limited at a price of 1p per share. The fair value of the shares was £50 per share. There was no deferred consideration. Costs of £47,000 were incurred and included under acquisition costs within the Income Statement.

The fair value of the net assets acquired are summarised below:

	<i>Fair value to Group</i> £000
Fixed assets	64
Inventory	70
Trade receivables	30
Prepayments and other receivables	4
Cash	8
Trade and other payables	(62)
Borrowings	(66)
	<hr/> 48
Fair value of net assets	48
Goodwill	410
	<hr/> 458
Total purchase consideration	458
Issue of 9,120 Ordinary C shares in 365 Agile Limited	456
Stamp duty paid	2
	<hr/> 458
Total purchase consideration	<hr/> <hr/> 458

The valuation of goodwill arising on acquisition has been attributed to the acquired wireless technology, which will be embedded with 365 Agile's software technology to create new end user solutions and as a result, new revenue streams.

3. Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting to the Directors. The following tables present information on revenue, profit and certain assets and liabilities in respect of the Agile Group's business segments for the eight month period ended 30 April 2015.

	<i>Software</i> £000	<i>Hardware</i> £000	<i>Central</i> £000	<i>Total</i> £000
Continuing operations				
Revenue	680	24	–	704
Cost of sales	–	(13)	–	(13)
	<hr/> 680	<hr/> 11	<hr/> –	<hr/> 691
Gross profit	680	11	–	691
Administrative costs	(378)	(36)	–	(414)
	<hr/> 302	<hr/> (25)	<hr/> –	<hr/> 277
Operating profit/(loss)	302	(25)	–	277
Other operating income	–	19	–	19
Acquisition costs	–	–	(87)	(87)
	<hr/> 302	<hr/> (6)	<hr/> (87)	<hr/> 209
Profit/(loss) before interest and taxation	302	(6)	(87)	209
Finance costs	–	–	(8)	(8)
	<hr/> 302	<hr/> (6)	<hr/> (95)	<hr/> 201
Profit/(loss) before taxation	302	(6)	(95)	201
Taxation	(38)	–	–	(38)
	<hr/> 264	<hr/> (6)	<hr/> (95)	<hr/> 163
Profit/(loss) for the financial period	264	(6)	(95)	163

	<i>Software</i> £000	<i>Hardware</i> £000	<i>Central</i> £000	<i>Total</i> £000
Assets and liabilities				
Segment assets	2,313	665	64	3,042
Segment liabilities	653	213	1,307	2,173
Other segment information				
Property, plant and equipment	27	107	–	134
Intangible assets – Goodwill	170	410	–	580
Intangible assets – customer contracts	834	–	–	834
Intangible assets – R&D	62	–	–	62

Customers which represent 10% or more of the Agile Group's revenue for the eight month period ended 30 April 2015 are as follows:

	<i>£000</i>
Customer A	336
Customer B	204
Other customers	164
	<u>704</u>

Turnover by geographic market or the eight month period ended 30 April 2015 is as follows:

	<i>£000</i>
United Kingdom	696
Europe	4
Rest of World	4
	<u>704</u>

4. Administrative costs

	<i>Eight month period ended 30 April 2015 £000</i>
Employee costs	349
Depreciation of owned property, plant and equipment	6
Amortisation of intangible assets	18
Operating leases – rental of buildings	18
Operating leases – rental of vehicles	15
Other administrative costs	8
	<u>414</u>

5. Employee costs

The average number of persons employed by the Agile Group, including executive directors, during the period was:

	<i>Eight month period ended 30 April 2015</i>
Management	3
Administration	29
	<hr/>
	32
	<hr/>

The aggregate payroll costs of these persons were:

	<i>Eight month period ended 30 April 2015 £000</i>
Wages and salaries	316
Social security costs	32
Pension costs	1
	<hr/>
	349
	<hr/>

Key management remuneration

Remuneration of the key management team, including executive directors, during the period was as follows:

	<i>Eight month period ended 30 April 2015 £000</i>
Aggregate emoluments including short-term employee benefits	66
Social security costs	9
Pension costs	–
	<hr/>
	75
	<hr/>

6. Other operating income

	<i>Eight month period ended 30 April 2015 £000</i>
Grant income received	19
	<hr/>

Ciseco Limited, a wholly owned subsidiary of 365 Agile received grant funding from Nottingham City Council from its “Nottingham Technology Grant Fund” to support the further development of its wireless technology and the creation of new employment opportunities.

7. Acquisition costs

	<i>Eight month period ended 30 April 2015 £000</i>
Costs incurred in the acquisition of subsidiary undertakings	<u>87</u>

8. Taxation

(a) Tax on profit on ordinary activities

	<i>Eight month period ended 30 April 2015 £000</i>
Current income tax	
Current year charge	41
Reversal of prior period provisions	–
	<u>41</u>
Deferred tax	
Origination and reversal of timing differences	
Amortisation of intangibles	(3)
	<u>38</u>

(b) Reconciliation of the total income tax charge

	<i>Eight month period ended 30 April 2015 £000</i>
Profit before taxation	<u>201</u>
Accounting profit multiplied by the UK corporation tax rate of 21%	42
Accelerated capital allowances and other timing differences	(1)
	<u>41</u>

(c) Current tax liability

	<i>30 April 2015 £000</i>
Income tax payable	<u>64</u>

(d) Current tax liability movement

	<i>30 April 2015 £000</i>
Acquisition of subsidiary undertaking	59
Current income tax charge	41
Income tax payment	(36)
	<u>64</u>
At 30 April 2015	<u>64</u>

(e) <i>Deferred tax asset</i>	<i>30 April 2015</i> £000
Deferred tax asset on acquisition of subsidiary undertaking	46
At 30 April 2015	<u>46</u>
(f) <i>Deferred tax liability</i>	<i>30 April 2015</i> £000
Intangible assets	170
Recognised in the income statement	(3)
At 30 April 2015	<u>167</u>

9. Intangible assets

	<i>Goodwill</i> £000	<i>Software</i> £000	<i>Customer contracts and related relationships</i> £000	<i>Total</i> £000
Cost				
At 28 August 2014	–	–	–	–
Acquisitions	580	–	852	1,432
Development in progress	–	62	–	62
At 30 April 2015	<u>580</u>	<u>62</u>	<u>852</u>	<u>1,494</u>
Accumulated amortisation and impairment				
At 28 August 2014	–	–	–	–
Amortisation	–	–	18	18
At 30 April 2015	<u>–</u>	<u>–</u>	<u>18</u>	<u>18</u>
Net carrying amount				
At 30 April 2015	<u>580</u>	<u>62</u>	<u>834</u>	<u>1,476</u>

Amortisation of intangible assets is charged to administrative costs in the statement of comprehensive income.

Goodwill

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of the business was based on a value in use calculation using cash flow projections until April 2020 from forecast revenue streams. Forecast revenue and costs were based on realistic expectations arising from market activity, with gross margins remaining flat, based on current levels. Revenue growth was projected to be flat also. Cash flows were discounted at a weighted average cost of capital of 8%.

Following the impairment review of goodwill, the Directors considered it unnecessary to record a goodwill impairment charge in the eight month period ended 30 April 2015.

10. Property, plant and equipment

	<i>Plant and machinery £000</i>	<i>Motor vehicles £000</i>	<i>Office furniture and fittings £000</i>	<i>Computer equipment £000</i>	<i>Total £000</i>
Cost					
At 28 August 2014	–	–	–	–	–
Additions	47	–	–	15	62
Acquisitions	57	4	6	11	78
At 30 April 2015	104	4	6	26	140
Depreciation					
At 28 August 2014	–	–	–	–	–
Charge for the period	4	–	1	1	6
At 30 April 2015	4	–	1	1	6
Net book value					
At 30 April 2015	100	4	5	25	134

Depreciation of property, plant and equipment is charged to administrative costs in the statement of comprehensive income.

As at 30 April 2015, the Agile Group did not hold any property, plant and equipment under finance leases.

Government grant

The cost of property, plant and equipment acquired on acquisition has been reduced by £20,000 following the receipt of a capital grant in respect of computer equipment purchased by Ciseco Limited, a wholly owned subsidiary of 365 Agile in October 2014 from Nottingham City Council's "Digital Technology Grant Scheme".

11. Other non-current assets

	<i>30 April 2015 £000</i>
Loan to Director	64

On 17 March 2015, a £64,000 loan was advanced to Miles Hodkinson, a director of 365 Agile. The loan is repayable on 17 March 2020 and accrues interest at LIBOR plus 3%.

12. Inventory

	<i>30 April 2015 £000</i>
Inventory held for resale	35
Work in progress	64
	<u>99</u>

During the period, the cost of inventories recognised as an expense and included in cost of sales amounted to £13,000.

13. Trade and other receivables

	<i>30 April 2015</i>
	<i>£000</i>
Trade receivables	736
Less: Provision for impairment of trade receivables	—
Trade receivables – net	<u>736</u>
Prepayments	7
Accrued revenue	201
Other receivables	18
	<u>962</u>

Included within trade receivables is £161,000 due from Documotive Limited, a related party; see note 22.

The ageing of trade receivables that were not impaired at the period end was as follows:

	<i>30 April 2015</i>
	<i>£000</i>
Not past due	270
Up to 3 months past due	420
More than 3 months past due	46
	<u>736</u>

The Agile Group trades with recognised, credit-worthy third parties and with individual customers who pay via an online payment provider before the goods are despatched. Receivable balances are monitored on an ongoing basis with the aim of minimising the Agile Group's exposure to bad debts. The debtor profile of the Agile Group has reviewed in detail, all items comprising the above not past due and overdue to ensure that no impairment exists. As at 30 April 2015, trade receivables of £nil were impaired and provided for. There has been no impairment of trade receivables in the eight month period ended 30 April 2015.

The other classes within trade and other receivables do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable disclosed above.

The Agile Group's trade and other receivables are all denominated in Sterling.

14. Trade and other payables

	<i>30 April 2015</i>
	<i>£000</i>
Current	
Trade payables	55
Deferred revenue	303
Social security and other taxes	192
Accrued expenses	58
Other creditors	16
	<u>624</u>

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

15. Borrowings

	<i>30 April 2015</i>
	<i>£000</i>
Current	
Business loan	8
Other related party loan	20
	<hr/> 28
	<i>30 April 2015</i>
	<i>£000</i>
Non-current	
Shareholder loan	854
Director loan	103
Business loan	29
	<hr/> 986

A maturity analysis of borrowings is as follows:

	<i>30 April 2015</i>
	<i>£000</i>
Within 1 year	28
Between 1 and 2 years	8
Between 2 and 5 years	978
Greater than 5 years	–
	<hr/> 1,014

Shareholder loan

On 18 November 2014, 365 Agile Limited entered into a facility agreement with MXC Capital Limited (formerly MXC Capital plc) who owns 20.4% of the issued share capital of 365 Agile at 30 April 2015 for an amount of £750,000, which was fully drawn down at that date. The facility is interest-free and is repayable in full on 18 November 2017.

On 17 March 2015, 365 Agile entered into a facility agreement with MXC Guernsey Limited, parent of MXC Capital Limited (formerly MXC Capital plc) who owns 20.4% of the issued share capital of 365 Agile at 30 April 2015 for an amount of £200,000, £100,000 of which was drawn down at that date. The remaining £100,000 of the facility was not drawn down at 30 April 2015. The drawn down facility accrues interest at 12% per annum with the undrawn facility accruing a commitment fee of 6% per annum. A facility arrangement fee of £2,000 was payable on the facility agreement date. The facility agreement, interest and commitment fee are repayable in full on 17 March 2018.

Director loan

On 17 March 2015, 365 Agile entered into a facility agreement with Jonathan Holyhead, a director of 365 Agile who owns 36.6% of the issued share capital of 365 Agile at 30 April 2015, for an amount of £200,000, £100,000 of which was drawn down at that date. The remaining £100,000 of the facility was not drawn down at 30 April 2015. The drawn down facility accrues interest at 12% per annum. A facility arrangement fee of £2,000 was payable on the facility agreement date. The facility agreement and interest fee are repayable in full on 17 March 2018.

Business loan

On 12 August 2014, Ciseco Limited, a wholly owned subsidiary of 365 Agile entered into a Business Loan with Funding Circle, the peer-to-peer lender for an amount of £42,500. The loan accrues interest at 10.72%

per annum and is repayable in 60 monthly instalments to 12 August 2019. A facility arrangement fee of 4% of the Business Loan value was paid on the Business Loan date.

Other related party loan

Ciseco Limited, a wholly owned subsidiary of 365 Agile has an outstanding loan with Robertus van der Linden, a former director and shareholder of Ciseco Limited. At 30 April 2015, the outstanding loan balance is £20,000, £6,000 of which is repayable in monthly instalments under the terms of a three year loan agreement dated 20 November 2012 for £30,000, repayable in 36 monthly instalments. The loan is unsecured and accrues interest at 8.714% per annum. The remaining loan balance is interest-free and is repayable on demand.

16. Deferred consideration

	<i>30 April 2015</i>
	<i>£000</i>
Acquisition of South View Solutions Limited	<u>350</u>

On 27 February 2015, 365 Agile acquired 100% of the share capital of South View Solutions Limited for consideration of £1,100,000, excluding stamp duty of £5,000. £750,000 of the consideration was paid in cash with the balance of £350,000 deferred as a zero coupon loan note, redeemable on 27 February 2016 for cash or for consideration shares, such number of shares in the capital of 365 Agile as have an aggregate value of £350,000, representing 10% of the entire issued share capital of 365 Agile as at 27 February 2015, as enlarged by the consideration shares.

17. Financial instruments and financial risk management

The Agile Group’s activities are exposed to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk, liquidity risk and capital risk. The Agile Group uses financial instruments, comprising cash, trade receivables and trade payables, to manage financial and commercial risk wherever it is appropriate to do so.

Market risk

Foreign exchange risk

All of the Agile Group’s revenues and the vast majority of its costs are in Sterling and involve an immaterial level of currency risk. All cash and cash equivalents, receivables and payables are in Sterling. As the functional currency for operations is Sterling, foreign exchange risk is not material and therefore a sensitivity analysis has not been performed.

Interest rate risk

Sterling cash amounts are held in the Agile Group’s bank current accounts and are not subject to variable interest rates. Therefore, the Agile Group’s income and operating cash flows are substantially independent of changes in market interest rates.

Credit risk

The Agile Group has no significant concentrations of credit risk. The Agile Group’s standard policies require appropriate credit checks on potential trade customers before sales commence. Although credit terms in 365 Agile and South View Solutions Limited can be up to 90 days depending on customer, our end customers are from the social housing sector which are not-for-profit organisations, are regulated by the government and commonly receive public funding, so have a low credit risk. Credit terms for trade customers in Ciseco Limited are up to 45 days, with all trade customers paying within terms, so again, have a low credit risk. Individual customers in Ciseco Limited pay via an online payment provider before the goods are despatched, so incur no risk. Surplus funds in the Agile Group are held in bank current accounts.

The IFRS 7 analysis of financial assets included in the statement of financial position is as follows:

	<i>30 April 2015</i>
	<i>Loans and receivables</i>
	<i>£000</i>
Trade receivables	736
Other debtors	219
Cash and cash equivalents	307
Loan to Director	64
	<hr/>
	1,326
	<hr/>

The carrying amounts for loans and receivables above reflect the Agile Group's maximum exposure to credit risk.

Liquidity risk

Prudent liquidity risk management requires the Agile Group to maintain sufficient cash and available facilities to be able to settle its short-term payables as they fall due. The Agile Group monitors rolling forecasts of its cash and cash equivalent short-term investments on the basis of expected cash flow.

The IFRS 7 analysis of financial liabilities included in the statement of financial position is as follows:

	<i>30 April 2015</i>
	<i>Financial liabilities</i>
	<i>at amortised cost</i>
	<i>£000</i>
Trade payables	55
Deferred revenue	303
Borrowings	1,014
Deferred consideration	350
Other creditors	16
Accruals	58
	<hr/>
	1,796
	<hr/>

The remaining contractual term for all of the liabilities above at each year end is less than 6 months, except for borrowings and deferred consideration, which are disclosed in notes 15 and 16 respectively.

Capital management

The Agile Group's objectives when managing capital are to safeguard the Agile Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to minimise the Agile Group's cost of capital. At 30 April 2015, the total capital and equity attributable to shareholders of the Agile Group was £869,000 and the Agile Group held cash and cash equivalents at 30 April 2015 of £307,000. In order to further maintain or adjust the capital structure in the future, the Agile Group may make dividend payments to shareholders (should distributable reserves allow for it), return capital to shareholders, issue or buy back shares and raise and repay debt.

18. Share capital

	<i>Number of</i>	<i>Share</i>
	<i>shares</i>	<i>capital</i>
		<i>£000</i>
<i>Ordinary A shares of £0.01 each</i>		
Share issue as £1 ordinary shares	300	–
Subdivision into £0.01 ordinary shares	29,700	–
	<hr/>	<hr/>
At 30 April 2015	30,000	–
	<hr/>	<hr/>

	<i>Number of shares</i>	<i>Share capital £000</i>
<i>Ordinary B shares of £0.01 each</i>		
Share issue as £1 ordinary shares	100	–
Subdivision into £0.01 ordinary shares	9,900	–
At 30 April 2015	<u>10,000</u>	<u>–</u>
<i>Ordinary C shares of £0.01 each</i>		
Share issue as £0.01 ordinary shares	9,120	–
At 30 April 2015	<u>9,120</u>	<u>–</u>

The authorised share capital of 365 Agile at 30 April 2015 is 912,000 ordinary shares of £0.01 each.

Ordinary shares are subdivided into “Ordinary A” shares, “Ordinary B” shares and “Ordinary C” shares. All Ordinary shares, regardless of subdivision rank *pari passu* in respect of voting, dividend and capital distribution rights.

On 28 August 2015, 365 Agile was incorporated with an issued share capital of 100 ordinary shares of £1 each at par value. A further 200 ordinary shares of £1 each were issued at par value on 27 October 2015.

On 18 November 2014, the ordinary shares in issue were reclassified as Ordinary A shares.

On 18 November 2014, 100 Ordinary B shares of £1 each were issued at a fair value of £2,500 per share.

On 17 March 2015, a resolution of 365 Agile was passed to:

- subdivide the Ordinary A shares from 300 Ordinary A shares of £1 each to 30,000 Ordinary A shares of £0.01 shares each; and
- subdivide the Ordinary B shares from 100 Ordinary B shares of £1 each to 10,000 Ordinary B shares of £0.01 each.

On 17 March 2015, 365 Agile acquired 100% of the share capital of Ciseco Limited, when 9,120 Ordinary C shares of £0.01 each were issued to then shareholders of Ciseco Limited. The fair value of the shares was £50 per share.

19. Commitments and contingencies

Operating leases

At 30 April 2015, the Agile Group had aggregate minimum lease payments under non-cancellable operating leases as follows:

	<i>Property 2015 £000</i>	<i>Vehicles 2015 £000</i>	<i>Total 2015 £000</i>
Due within 1 year	24	5	29
Within 2 to 5 years	26	24	50
Greater than 5 years	–	–	–
	<u>50</u>	<u>29</u>	<u>79</u>

The Agile Group’s property lease expires in March 2016.

Ciseco Limited’s office and workshop accommodation lease agreement is for an initial term of 1 year, with the lease agreement becoming cancellable with a 2 month notice period to the lessor.

South View Solutions Limited’s property lease expires in October 2016, with a break period from October 2015. The table above assumes that the property lease is committed to October 2016.

Leases on motor vehicles have remaining lease terms of between 9 and 27 months.

Capital commitments

The Agile Group had no contracted but not provided for capital commitments at 30 April 2015.

20. Subsidiary undertakings

365 Agile holds investments in the following subsidiary undertakings:

Held by 365 Agile

	<i>Principal activity</i>	<i>County of incorporation</i>	<i>% ordinary share capital owned</i>
South View Solutions Limited	Software developer	England and Wales	100%
Ciseco Limited	Wireless technology	England and Wales	100%

21. Purchase of subsidiary undertakings, net of cash acquired

	<i>30 April 2015</i>
	<i>£000</i>
Cash consideration on acquisition of South View Solutions	750
Stamp duty paid on acquisition of South View Solutions	5
Stamp duty paid on acquisition of Ciseco	2
Other acquisition costs	14
Less cash acquired on acquisition of South View Solutions	(176)
Less cash acquired on acquisition of Ciseco	(8)
	<hr/>
	587
	<hr/>

22. Related party transactions

Documotive Limited

Jonathan Holyhead, a director who holds 36.6% of the issued share capital in 365 Agile at 30 April 2015, was formerly a majority shareholder and director of Documotive Limited. Davinder Sanghera, a shareholder who holds 24.4% of the issued share capital in 365 Agile at 30 April 2015, is a director of both 365 Agile and Documotive Limited. MXC Capital Limited (formerly MXC Capital plc), who holds 20.4% of the issued share capital in 365 Agile at 30 April 2015, is also the largest shareholder in Castleton Technology plc which acquired 100% of the issued share capital in Documotive Limited on 18 November 2014.

On 18 November 2014, 365 Agile entered into an agreement with Documotive Limited to acquire the element of the software development business that created the "Agile" product for a consideration of £1,000.

On 18 November 2014, 365 Agile entered into a reseller agreement with Documotive Limited whereby Documotive Limited were granted an exclusive non transferrable licence to market and sell 365 Agile products to its existing client base and by mutual agreement, to other clients in the sector for a period of three years. Under the agreement, Documotive Limited is entitled to a percentage of the software licence revenue and the annual maintenance charge. Payment terms are 30 days net from date of invoice. During the eight month period to 30 April 2015, 365 Agile generated sales income under the reseller agreement of £336,000, of which £173,000 was invoiced at 30 April 2015. At 30 April 2015, the trade debtor balance outstanding from Documotive Limited was £161,000.

On 18 November 2014, 365 Agile entered into a transitional services agreement with Documotive Limited, whereby Documotive Limited provides property accommodation and motor vehicles to 365 Agile. At 30 April 2015, invoices totalling £24,000 were received from Documotive Limited and costs of £14,000 were accrued at the period end. At 30 April 2015, the trade creditor balance due to Documotive Limited was £nil.

On 30 January 2015, 365 Agile purchased computer equipment totalling £4,000 from Documotive Limited.

In addition, 365 Agile provide administration and IT support services to Documotive Limited. Included in Accrued Revenue at 30 April 2015 is an amount of £28,000 yet to be invoiced by 365 Agile to Documotive Limited for services provided.

MXC Capital Limited (formerly MXC Capital plc)

On 18 November 2014, 365 Agile entered into a facility agreement with MXC Capital Limited (formerly MXC Capital plc) who owns 20.4% of the issued share capital of the Agile Group at 30 April 2015, for an amount of £750,000, which was fully drawn down at that date. The facility is interest-free and is repayable in full on 18 November 2017. As the facility is interest-free, there is no interest charge in the income statement.

On 17 March 2015, the Agile Group entered into a facility agreement with MXC Guernsey Limited, parent of MXC Capital Limited (formerly MXC Capital plc) who owns 20.4% of the issued share capital of the Agile Group at 30 April 2015 for an amount of £200,000, £100,000 of which was drawn down at that date. The remaining £100,000 of the facility was not drawn down at 30 April 2015. The drawn down facility accrues interest at 12% per annum with the undrawn facility accruing a commitment fee of 6% per annum. A facility arrangement fee of £2,000 was payable on the facility agreement date. The facility agreement, interest and commitment fee are repayable in full on 17 March 2018. The interest charged in the income statement amounts to £2,000.

In addition, MXC Capital Limited charged fees totalling £36,000 to the Agile Group in respect of its work on the acquisitions of South View Solutions Limited and Ciseco Limited. These fees are accrued at 30 April 2015.

Jonathan Holyhead

On 17 March 2015, the Agile Group entered into a facility agreement with Jonathan Holyhead, a director of 365 Agile Limited who owns 36.6% of the issued share capital of 365 Agile at 30 April 2015, for an amount of £200,000, £100,000 of which was drawn down at that date. The remaining £100,000 of the facility was not drawn down at 30 April 2015. The drawn down facility accrues interest at 12% per annum. A facility arrangement fee of £2,000 was payable on the facility agreement date. The facility agreement and interest fee are repayable in full on 17 March 2018. The interest charge in the income statement amounts to £1,000.

Miles Hodkinson

On 17 March 2015, a £64,000 loan was advanced to Miles Hodkinson, a director of the Agile Group, who holds 13.7% of the issued share capital in the Agile Group as at 30 April 2015. The loan is repayable on 17 March 2020 and accrues interest at LIBOR plus 3%.

On 17 March 2015, Miles Hodkinson's non-interest bearing director's current account with Ciseco Limited, a wholly owned subsidiary of 365 Agile, totalling £16,000 was repaid by 365 Agile.

IOT Research Limited is a company in which Miles Hodkinson, a director of the Agile Group, is a shareholder. During the eight month period ended 30 April 2015, management charges were paid to IOT Research Limited of £nil. At 30 April 2013, amounts due to IOT Research Limited were £11,000.

Robertus van der Linden

Ciseco Limited, a wholly owned subsidiary of 365 Agile has an outstanding loan with Robertus van der Linden, a former director and shareholder of Ciseco Limited. At 30 April 2015, the outstanding loan balance is £20,000, £6,000 of which is repayable in monthly instalments under the terms of a three year loan agreement dated 20 November 2012 for £30,000, repayable in 36 monthly instalments. The loan is unsecured and accrues interest at 8.714% per annum. The remaining loan balance is interest-free and is repayable on demand. Loan repayments totalling £17,000 were made to Mr van der Linden in the eight month period ended 30 April 2015; loan repayments of £9,000 were made from date of acquisition to 30 April 2015.

23. Post balance sheet events

On 9 July 2015 MXC Guernsey Limited purchased the £350,000 zero coupon loan note from the vendors of South View Solutions Limited. The terms of the loan note were amended to allow for redemption via conversion into shares in the capital of the Agile Group before 27 February 2016. On 31 July 2015, MXC Guernsey Limited redeemed the loan note for 4,444 Ordinary A shares in the capital of the Agile Group.

A conditional share purchase agreement was entered into on 31 July 2015 between (1) Jonathan Holyhead, Davinder Sanghera, MXC Capital, MXC Guernsey Limited, Maria Crouchley and Miles Hodgkinson (together, the “Vendors”) and (2) the Company for the sale and purchase of the entire share capital of 365 Agile in consideration for the issue and allotment of the Consideration Shares to the Vendors.

It is the intention that the capital amount of the shareholder and director loans with MXC Capital and with Jonathan Holyhead amounting to £950K will be converted into New Ordinary Shares at the Issue Price alongside the Acquisition and Placing as set out in paragraph 11 of Part 1.

SECTION C: ACCOUNTANT'S REPORT ON SOUTH VIEW SOLUTIONS LIMITED

The following is the full text of a report on South View Solutions from Baker Tilly Corporate Finance LLP, the Reporting Accountants, to the Directors of Iafyds plc.



The Directors
Iafyds plc
Unit 514 Metal Box Factory
30 Great Guildford Street
London
SE1 0HS

3 August 2015

Dear Sirs,

South View Solutions Limited (“South View Solutions”)

We report on the historical financial information of South View Solutions set out in Section D of this Part IV of the Admission Document dated 3 August 2015 (“Admission Document”) of Iafyds plc. This historical financial information of South View Solutions has been prepared for inclusion in the Admission Document on the basis of the accounting policies set out at Note 2 to the historical financial information of South View Solutions. This report is required by paragraph 20.1 of Annex I of Appendix 3.1.1 of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules and is given for the purpose of complying with that paragraph and for no other purpose.

Save for any responsibility arising under paragraph 20.1 of Annex I of Appendix 3.1.1 of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules to any person as and to the extent there provided, to the fullest extent permitted by law, we do not accept or assume responsibility and will not accept any liability to any other person for any loss suffered by any such other 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 20.1 of Annex I of Appendix 3.1.1 of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules, or consenting to its inclusion in the Admission Document.

Responsibilities

The directors of Iafyds plc (“the Directors”) are responsible for preparing the historical financial information in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the historical financial information and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the historical 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 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 historical financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of South View Solutions as at the dates stated and of its results, cash flows and changes in equity for the periods then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Declaration

For the purposes of part (a) of Schedule Two to 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 item 1.2 of Annex I and item 1.2 of Annex III of Appendix 3.1.1 of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules.

Yours faithfully

Baker Tilly Corporate Finance LLP

Regulated by the Institute of Chartered Accountants in England and Wales

Baker Tilly Corporate Finance LLP is a limited liability partnership registered in England and Wales, registered no. OC325347, at 25 Farringdon Street, London, EC4A 4AB

SECTION D: HISTORICAL FINANCIAL INFORMATION ON SOUTH VIEW SOLUTIONS FOR THE THREE YEARS ENDED 31 JULY 2014

Statement of comprehensive income

for the years ended 31 July

	<i>Note</i>	<i>2012</i> £000	<i>2013</i> £000	<i>2014</i> £000
Continuing operations				
Revenue		589	847	941
Cost of sales		(22)	(10)	(29)
Gross profit		<u>567</u>	<u>837</u>	<u>912</u>
Administrative costs	4	(386)	(594)	(733)
Operating profit		<u>181</u>	<u>243</u>	<u>179</u>
Profit before taxation		181	243	179
Taxation	6	(36)	(49)	(36)
Profit for the financial year attributable to the equity holders of South View Solutions		<u>145</u>	<u>194</u>	<u>143</u>

No other comprehensive income has arisen in the three years ended 31 July 2014.

Statement of financial position*as at 31 July*

	<i>Note</i>	<i>2012</i> <i>£000</i>	<i>2013</i> <i>£000</i>	<i>2014</i> <i>£000</i>
Non-current assets				
Property, plant and equipment	7	15	9	14
Deferred tax	6	47	39	39
		<u>62</u>	<u>48</u>	<u>53</u>
Current assets				
Inventory	8	20	16	19
Trade and other receivables	9	129	245	298
Cash and cash equivalents		231	285	285
		<u>380</u>	<u>546</u>	<u>602</u>
Total assets		<u>442</u>	<u>594</u>	<u>655</u>
Current liabilities				
Trade and other payables	10	(212)	(263)	(346)
Current tax liabilities	6	(18)	(41)	(36)
		<u>(230)</u>	<u>(304)</u>	<u>(382)</u>
Total liabilities		<u>(230)</u>	<u>(304)</u>	<u>(382)</u>
Net assets		<u>212</u>	<u>290</u>	<u>273</u>
Capital and reserves				
Share capital	12	–	–	–
Retained earnings		212	290	273
Total equity attributable to the equity holders of South View Solutions		<u>212</u>	<u>290</u>	<u>273</u>

Statement of changes in equity
for the years ended 31 July

	<i>Attributable to the equity holders of the company</i>		
	<i>Share capital £000</i>	<i>Retained earnings £000</i>	<i>Total £000</i>
Balance at 1 August 2011	–	221	221
Profit and total comprehensive income for the financial year	–	145	145
Transactions with owners recognised directly in equity			
Payment of dividends	–	(154)	(154)
Balance at 31 July 2012	–	212	212
Profit and total comprehensive income for the financial year	–	194	194
Transactions with owners recognised directly in equity			
Payment of dividends	–	(116)	(116)
Balance at 31 July 2013	–	290	290
Profit and total comprehensive income for the financial year	–	143	143
Transactions with owners recognised directly in equity			
Payment of dividends	–	(160)	(160)
Balance at 31 July 2014	–	273	273

Retained earnings represents the cumulative value of the profits not distributed to shareholders, but retained to finance the future capital requirements of South View Solutions.

Statement of cash flows
for the years ended 31 July

	2012 £000	2013 £000	2014 £000
Cash flows from operating activities			
Profit before taxation	181	243	179
Depreciation	5	10	6
Changes in working capital:			
(Increase)/decrease in inventory	8	4	(3)
(Increase)/decrease in trade and other receivables	46	(116)	(53)
Increase/(decrease) in trade and other payables	3	21	39
Increase in deferred revenue	29	30	44
	<hr/>	<hr/>	<hr/>
Cash flows from operating activities – continuing operations	272	192	212
Income taxes paid	(49)	(18)	(41)
	<hr/>	<hr/>	<hr/>
Net cash flows from operating activities – continuing operations	223	174	171
	<hr/>	<hr/>	<hr/>
Cash flows from investing activities			
Payments to acquire property, plant and equipment	(10)	(4)	(11)
	<hr/>	<hr/>	<hr/>
Net cash flows used in investing activities – continuing operations	(10)	(4)	(11)
	<hr/>	<hr/>	<hr/>
Cash flows from financing activities			
Dividends paid to the owners of the company	(154)	(116)	(160)
	<hr/>	<hr/>	<hr/>
Net cash flows used in Financing activities – continuing operations	(154)	(116)	(160)
	<hr/>	<hr/>	<hr/>
Net increase in cash and cash equivalents in the year	59	54	–
Cash and cash equivalents at beginning of year	172	231	285
	<hr/>	<hr/>	<hr/>
Cash and cash equivalents at end of year	231	285	285
	<hr/>	<hr/>	<hr/>

Notes to the historical financial information

1. General

South View Solutions is a private company limited by shares and incorporated in the United Kingdom under the UK Companies Act. South View Solutions is domiciled in the United Kingdom and the registered office is 3 Coventry Innovation Village, Cheetah Road, Coventry, CV1 2T. The principal place of business is Warwick HRI, Wellesbourne, Warwickshire, CV35 9EF.

The principal activity of South View Solutions for the three years ended 31 July 2012, 2013 and 2014 is that of providing information technology solutions.

2. Accounting policies

Basis of preparation

The historical financial information has been prepared in accordance with applicable International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and adopted by the European Union, the International Financial Reporting Interpretations Committee (IFRIC) interpretations issued by the International Accounting Standards Boards (“IASB”) that are effective or issued and early adopted as at the time of preparing this Historical Financial Information.

The historical financial information has been prepared using the measurement bases specified by IFRS for each type of asset, liability or expense. The detailed measurement bases and principal accounting policies of South View Solutions are set out below. The presentational and functional currency of South View Solutions is Sterling.

The accounting policies that have been applied in the opening balance sheet have also been applied throughout all periods presented in this historical financial information.

Going concern

The historical financial information has been prepared on a going concern basis, which assumes that South View Solutions will continue in operational existence for the foreseeable future. The Directors of the Company have confirmed that South View Solutions shall be supported by the Enlarged Group should South View Solutions experience a cash shortfall and therefore consider it appropriate to continue to prepare the historical financial information on a going concern basis.

Revenue

South View Solutions derives its revenues from the sale and maintenance of software. Revenue is recognised at point of delivery to the customer on sales and over the life of maintenance contracts.

Revenue represents the fair value of consideration receivable by South View Solutions for services provided, net of value added tax.

Research and development

Expenditure on research is written off in the period in which it is incurred, except where such expenditure is recoverable from third parties. In the case of development costs, expenditure which meets the conditions of IAS38 are capitalised. All other development costs are written off in the period in which they are incurred.

Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation and any provision for impairment. Depreciation is provided to write down the cost to the residual value over the assets’ estimated useful economic lives with the following lives:

Fixtures and fittings	30% on reducing balance
Motor Vehicles	20% on reducing balance
Computer equipment	33% on cost

The residual values and economic lives of assets are reviewed by the directors on at least an annual basis and are amended as appropriate.

Impairment testing of property, plant and equipment

An impairment loss is recognised for the amount by which the carrying value of property, plant and equipment exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs to sell, and value in use based on an internal discounted cash flow valuation.

Inventory

Inventory comprises work in progress, and is valued at the lower of cost and net realisable value. Cost is calculated as cost expensed to date. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Leases

Rentals paid under operating leases are charged to the income statement on a straight line basis over the period of the lease.

Taxation

Current tax is the tax currently payable based upon the taxable profit for the period.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or of any other asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Tax losses which are available to be carried forward and other income tax credits to South View Solutions are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying temporary differences will be able to be offset against future taxable income.

Current and deferred tax assets and liabilities are measured at tax rates that are expected to apply in the period of realisation based on tax rates and laws that have been enacted or substantively enacted at the reporting date.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged or credited directly to equity or where they relate to other comprehensive income, in which case the related deferred tax is also charged or credited directly to equity or recognised in the statement of comprehensive income.

Dividends

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

Financial assets

Financial assets are recognised when South View Solutions becomes a party to the contractual provisions of the contract. They are assigned to the categories described below by management on initial recognition, depending on the purpose for which they were acquired. The designations of financial assets are re-evaluated at every reporting date at which a choice of classification or accounting treatment is available, and are as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed payments that are not quoted in an active market. These are initially recognised at fair value and subsequently are measured at amortised cost using the effective interest rate method, less provision for estimated irrecoverable amounts. Receivables are

assessed for impairment based on a number of factors including their credit-worthiness, previous payment history and future prospects. Any change in their value through impairment or reversal of impairment is recognised in the income statement. The carrying value less impairment provision of loans and receivables is assumed to approximate to their fair value. South View Solutions' trade receivables and cash and cash equivalents fall into this category.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

Financial liabilities

Financial liabilities are obligations to pay cash or other financial assets and are recognised when South View Solutions Limited becomes a party to the contractual provisions of the contract. South View Solutions' financial liabilities include trade payables which are measured initially at fair value and subsequently at amortised cost using the effective interest rate method.

Derecognition of financial assets and liabilities

A financial asset or liability is generally derecognised only when the contract that gives rise to it is settled, sold, cancelled or expires.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are reported at the rates of exchange prevailing at that date. Exchange differences arising on the settlement and retranslation of monetary items are included in the operating result for the year.

Equity

Equity comprises ordinary share capital, representing the nominal value of shares of South View Solutions.

Segmental reporting

The Board of Directors, as the chief operating decision-maker, reviews financial information for and makes decisions about South View Solutions' business activities and has identified a single operating segment, which is that of the provision of information technology solutions.

Recently issued accounting pronouncements

At the date of issue of this historical financial information, the following Standards, amendments and Interpretations which have not been applied in this historical financial information were in issue but not yet effective. The Directors anticipate that the adoption of these Standards and Interpretations, which is expected to occur on their effective dates, will not have a material impact on South View Solutions' historical financial information.

New Standards:

- IFRS 9 – Financial instruments
- IFRS 14 – Regulatory deferral accounts
- IFRS 15 – Revenue from contracts with customers

Amendments:

- IFRS 5 – Non-current assets held for sale and discontinued operations
- IFRS 7 – Financial instruments, disclosures
- IAS 1 – Presentation of financial statements
- IAS 16 – Property, plant and equipment
- IAS 19 – Employee benefits
- IAS 27 – Consolidated and separate financial statements
- IAS 34 – Interim financial reporting
- IAS 38 – Intangible assets

Critical accounting estimates and judgements

Estimates and judgements 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.

Critical accounting estimates and their underlying assumptions affect the reported amounts of assets and liabilities at the date of the financial information and the reported revenue and expenses during the periods presented. Actual results may differ significantly from the estimates, the effect of which is recognised in the period in which the facts that give rise to the revision become known. The following paragraphs detail the critical accounting estimates South View Solutions believes to have the most significant impact on the annual results under IFRS.

Work in progress

South View Solutions evaluates the progress made on contracts whose delivery spans a reporting period end based on time records and experience. An appropriate provision is made in respect to work performed but not invoiced at the period end, the actual revenue recognised on such contracts and the recoverability of such revenue may differ from the estimated work in progress, which could impact operating results positively or negatively.

The value of the provision for work in progress at 31 July 2014 is £19,000 (2013: £16,000, 2012: £20,000).

3. Analysis of revenue by major customers

Revenues derived from major customers, which individually represent 10 per cent or more of total revenue are as follows:

	<i>2012</i>	<i>2013</i>	<i>2014</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Customer A	306	451	552
Other customers	283	396	389
	<u>589</u>	<u>847</u>	<u>941</u>

4. Administrative costs

Administrative costs comprise:

	2012	2013	2014
	£000	£000	£000
Depreciation of owned assets	5	10	6
Operating leases – rental of buildings	10	18	21
Employee costs	306	436	556
Travel and subsistence	19	34	53
Legal and professional fees	15	5	7
Advertising and marketing	9	28	24
Software and licences	8	13	13
Other administrative costs	14	50	53
	<u>386</u>	<u>594</u>	<u>733</u>

5. Particulars of staff

The average number of persons employed by South View Solutions, including executive directors, during each year was:

	2012	2013	2014
	No	No	No
Management	3	4	3
Technical and operations	7	8	12
Administration	1	1	1
	<u>11</u>	<u>13</u>	<u>16</u>

The aggregate payroll costs of these persons were:

	2012	2013	2014
	£000	£000	£000
Wages and salaries	275	391	502
Social security costs	27	40	49
Pension costs	4	5	5
	<u>306</u>	<u>436</u>	<u>556</u>

Directors' remuneration

Remuneration of directors, who were the key management, during each year was as follows:

	2012	2013	2014
	£000	£000	£000
Aggregate emoluments including short-term employee benefits	14	15	17
Social security costs	2	2	2
Pension costs	2	2	2
	<u>18</u>	<u>19</u>	<u>21</u>

The remuneration of the highest paid director during each year was:

	2012 £000	2013 £000	2014 £000
Aggregate emoluments including short-term employee benefits	7	8	8
Pension costs	1	1	1
	<u>8</u>	<u>9</u>	<u>9</u>

Retirement benefits are accruing to 2 directors (2013: 2, 2012: 2) in respect of defined contribution schemes.

6. Taxation

(a) Tax on profit on ordinary activities

	2012 £000	2013 £000	2014 £000
Current income tax			
Current year charge	34	41	36
Deferred tax			
In respect of the current year	2	8	–
Income tax charge reported in the income statement	<u>36</u>	<u>49</u>	<u>36</u>

(b) Reconciliation of the total income tax charge

	2012 £000	2013 £000	2014 £000
Profit before taxation	181	243	179
Accounting profit multiplied by the UK small profits rate of 20% (2013: 20%, 2012 20%)	36	49	36
Total income tax reported in the income statement	<u>36</u>	<u>49</u>	<u>36</u>

(c) Deferred tax assets

	2012 £000	2013 £000	2014 £000
Opening balance at 1 August	49	47	39
Recognised in income statement	(2)	(8)	–
Closing balance at 31 July	<u>47</u>	<u>39</u>	<u>39</u>

(d) Current tax liabilities

	2012 £000	2013 £000	2014 £000
Opening balance at 1 August	33	18	41
Recognised in income statement	34	41	36
Paid in year	(49)	(18)	(41)
Closing balance at 31 July	<u>18</u>	<u>41</u>	<u>36</u>

7. Property, plant and equipment

	<i>Motor vehicles £000</i>	<i>Office furniture and fittings £000</i>	<i>Computer equipment £000</i>	<i>Total £000</i>
Cost				
At 1 August 2011	–	4	22	26
Additions	–	3	7	10
At 31 July 2012	–	7	29	36
Additions	–	1	3	4
At 31 July 2013	–	8	32	40
Additions	2	1	8	11
Disposals	–	(1)	(20)	(21)
At 31 July 2014	2	8	20	30
Depreciation				
At 1 August 2011	–	2	14	16
Charge for the year	–	1	4	5
At 31 July 2012	–	3	18	21
Charge for the year	–	2	8	10
At 31 July 2013	–	5	26	31
Charge for the year	–	1	5	6
Disposals	–	(1)	(20)	(21)
At 31 July 2014	–	5	11	16
Net book value				
At 31 July 2014	2	3	9	14
At 31 July 2013	–	3	6	9
At 31 July 2012	–	4	11	15

Depreciation is included within administrative costs in the statement of comprehensive income.

8. Inventory

	<i>2012 £000</i>	<i>2013 £000</i>	<i>2014 £000</i>
Work in progress	20	16	19
	<u>20</u>	<u>16</u>	<u>19</u>

Movement in inventory is included within revenue in the statement of comprehensive income.

9. Trade and other receivables

	<i>2012 £000</i>	<i>2013 £000</i>	<i>2014 £000</i>
Trade receivables	129	237	284
Less: Provision for impairment of trade receivables	–	(1)	–
Trade receivables – net	129	236	284
Prepayments	–	9	14
	<u>129</u>	<u>245</u>	<u>298</u>

The ageing of trade receivables that were past due but not impaired at each period end was:

	<i>2012</i>	<i>2013</i>	<i>2014</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Not past due	27	134	150
Up to 3 months past due	42	24	62
More than 3 months past due	60	78	72
	<u>129</u>	<u>236</u>	<u>284</u>

Receivable balances are monitored on an ongoing basis with the aim of minimising South View Solutions' exposure to bad debts. South View Solutions has reviewed in detail all items comprising the above not past due and overdue but not impaired trade receivables to ensure that no impairment exists. As at 31 July 2014, trade receivables of £nil (2013: £826, 2012: £nil) were impaired and provided for, all of which were more than 3 months old (2012 and 2011: more than 3 months old). The amount of the provision was £nil as at 31 July 2014 (2013: £826, 2012: £nil). Movements on the provision for impairment of trade receivables are as follows:

	<i>2012</i>	<i>2013</i>	<i>2014</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
At 1 August	–	–	1
Provision for receivables impairment	–	1	–
Release of receivables impairment	–	–	(1)
At 31 July	<u>–</u>	<u>1</u>	<u>–</u>

The other classes within trade and other receivables do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable disclosed above.

South View Solutions' trade and other receivables are all denominated in Sterling.

10. Trade and other payables

	<i>2012</i>	<i>2013</i>	<i>2014</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Current			
Trade payables	13	14	24
Deferred income	127	157	201
Taxation and social security	72	86	114
Other creditors	–	2	2
Accruals	–	4	5
	<u>212</u>	<u>263</u>	<u>346</u>

Deferred revenue arises on the sale of maintenance contracts, which is recognised over the life of the maintenance contract.

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

11. Financial instruments and financial risk management

South View Solutions activities are exposed to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk, liquidity risk and capital risk. South View Solutions uses financial instruments, comprising cash, trade receivables and trade payables, to manage financial and commercial risk wherever it is appropriate to do so.

Market risk

Foreign exchange risk

All of South View Solutions' revenues and the vast majority of its costs are in Sterling and involve an immaterial level of currency risk. All cash and cash equivalents, receivables and payables are in Sterling. As the functional currency for operations is Sterling, foreign exchange risk is not material and therefore a sensitivity analysis has not been performed.

Interest rate risk

Sterling cash amounts are held in South View Solutions' bank current account. Therefore, South View Solutions' income and operating cash flows are substantially independent of changes in market interest rates.

Credit risk

Other than with its main customer, South View Solutions has no significant concentrations of credit risk. The company's standard policies require appropriate credit checks on potential trade customers before sales commence. In the case of its significant customer, the directors of South View Solutions closely monitor receivables balances and assess and manage the credit risk accordingly. The ultimate end-customers of the significant customer are from the social housing sector and are generally not-for-profit organisations, commonly receiving public funding, and so are perceived to have a low credit risk. Surplus funds in South View Solutions are held in a bank current account.

The IFRS 7 analysis by category of financial assets included in the statement of financial position is as follows:

	<i>2012</i>	<i>2013</i>	<i>2014</i>
	<i>Loans and receivables</i>	<i>Loans and receivables</i>	<i>Loans and receivables</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Trade receivables	129	236	284
Inventory	20	16	19
Cash and cash equivalents	231	285	285
	<u>380</u>	<u>537</u>	<u>588</u>

The carrying amounts for loans and receivables above reflect South View Solutions' maximum exposure to credit risk.

Liquidity risk

Prudent liquidity risk management requires South View Solutions to maintain sufficient cash and available facilities to be able to settle its short-term payables as they fall due. South View Solutions monitors rolling forecasts of its cash and cash equivalent short-term investments on the basis of expected cash flow.

The IFRS 7 analysis by category of financial liabilities included in the statement of financial position is as follows:

	<i>2012</i> <i>Financial</i> <i>liabilities at</i> <i>amortised</i> <i>cost</i> <i>£000</i>	<i>2013</i> <i>Financial</i> <i>liabilities at</i> <i>amortised</i> <i>cost</i> <i>£000</i>	<i>2014</i> <i>Financial</i> <i>liabilities at</i> <i>amortised</i> <i>cost</i> <i>£000</i>
Trade payables	13	14	24
Deferred revenue	127	157	201
Current income tax	18	41	36
Other creditors	–	2	2
Accruals	–	4	5
	<u>158</u>	<u>218</u>	<u>268</u>

The remaining contractual term for all of the liabilities above at each year end is less than 6 months, except for deferred revenue, which is phased in line with the invoice date of the individual contracts.

Capital management

South View Solutions' objectives when managing capital are to safeguard South View Solutions' ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to minimise South View Solutions' cost of capital. At 31 July 2014 the total capital and equity attributable to shareholders of South View Solutions was £147,176 (2013: £161,405, 2012: £83,762) and South View Solutions held cash and cash equivalents of £285,222 (2013: £284,747, 2012: £230,825). In order to further maintain or adjust the capital structure in the future, South View Solutions may make dividend payments to shareholders (should distributable reserves allow for it), return capital to shareholders, issue or buy back shares and raise and repay debt.

12. Share capital

The authorised share capital of South View Solutions is 1,000 (2013 and 2012: 1,000) ordinary shares of £1 each. The share capital allotted, called up and fully paid at 31 July 2014 was 100 (2013 and 2012: 100) ordinary shares of £1 each.

	<i>Number of</i> <i>shares</i>	<i>Share</i> <i>capital</i> <i>£000</i>
At 1 August 2011, 31 July 2012, 2013 and 2014	<u>100</u>	<u>0.1</u>

13. Operating lease commitments

At each year end, South View Solutions had aggregate minimum lease payments under non-cancellable operating lease for office and workshop accommodation is as follows:

	<i>2012</i> <i>£000</i>	<i>2013</i> <i>£000</i>	<i>2014</i> <i>£000</i>
Due within 1 year	<u>10</u>	<u>18</u>	<u>21</u>

14. Related party transactions

During the year to 31 July 2014, total dividends of £80,000 (2013: £58,000, 2012: £77,000) were paid to A Swift, a director of South View Solutions.

During the year to 31 July 2014, total dividends of £80,000 (2013: £58,000, 2012: £77,000) were paid to S Swift, also a director of South View Solutions.

Included within other creditors at 31 July 2014 is £122 (2013: £122, 2012 – £122) owed to the directors. During the year ended 31 July 2012, £14,000 of the then loan balance was repaid. No interest has been charged on these loans.

15. Post balance sheet events

On 27 February 2015 the entire issued share capital of South View Solutions was acquired by 365 Agile, details of which are covered in the Agile Group consolidated financial information included in Section B of this Part IV.

On 1 May 2015, South View Solutions agreed to transfer its development and licence services business and assets to 365 Agile and to transfer its implementation, support and professional services business to Documotive for nil consideration. Please refer to paragraph 13 of Part VI for further details.

SECTION E: UNAUDITED INTERIM FINANCIAL INFORMATION ON SOUTH VIEW SOLUTIONS FOR THE SIX MONTHS ENDED 31 JANUARY 2015

Unaudited interim condensed statement of comprehensive income
for the six month period ended 31 January

	<i>Note</i>	<i>Unaudited Six months ended 31 January 2014 £000</i>	<i>Unaudited Six months ended 31 January 2015 £000</i>
Continuing operations			
Revenue	3	420	492
Cost of sales		(15)	(29)
Gross profit		<u>405</u>	<u>463</u>
Administrative costs		(343)	(428)
Operating profit		<u>62</u>	<u>35</u>
Profit before taxation		62	35
Taxation		(13)	(8)
Profit for the financial period attributable to the equity holders of South View Solutions		<u>49</u>	<u>27</u>

No other comprehensive income has arisen in the six months period ended 31 January 2015 and 2014.

Unaudited interim condensed statement of financial position
as at 31 January

	<i>Note</i>	<i>Audited 31 July 2014 £000</i>	<i>Unaudited 31 January 2015 £000</i>
Non-current assets			
Property, plant and equipment		14	13
Deferred tax		39	37
Total non-current assets		<u>53</u>	<u>50</u>
Current assets			
Inventory		19	19
Trade and other receivables	4	298	394
Cash and cash equivalents		285	165
Total current assets		<u>602</u>	<u>578</u>
Total assets		<u>655</u>	<u>628</u>
Current liabilities			
Trade and other payables	5	(346)	(359)
Current tax liabilities		(36)	(41)
Total current liabilities		<u>(382)</u>	<u>(400)</u>
Total liabilities		<u>(382)</u>	<u>(400)</u>
Net assets		<u>273</u>	<u>228</u>
Equity			
Share capital		–	–
Retained earnings		273	228
Total equity attributable to the equity holders of South View Solutions		<u>273</u>	<u>228</u>

Unaudited interim condensed statement of changes in equity
for the six month period ended 31 January

	<i>Attributable to equity holders of South View Solutions Limited</i>		
	<i>Share capital £000</i>	<i>Retained earnings £000</i>	<i>Total £000</i>
Balance at 1 August 2013	–	290	290
Profit and total comprehensive income for the period	–	49	49
Transactions with owners recognised directly in equity			
Dividends paid	–	(100)	(100)
Balance at 31 January 2014	–	239	239
Profit and total comprehensive income for the period	–	94	94
Transactions with owners recognised directly in equity			
Dividends paid	–	(60)	(60)
Balance at 31 July 2014	–	273	273
Profit and total comprehensive income for the period	–	27	27
Transactions with owners recognised directly in equity			
Dividends paid	–	(72)	(72)
Balance at 31 January 2015	–	228	228

Retained earnings represents the cumulative value of the profits not distributed to shareholders, but retained to finance the future capital requirements of South View Solutions.

Unaudited interim condensed statement of cash flows
for the six month period ended 31 January

	<i>Unaudited Six months ended 31 January 2014 £000</i>	<i>Unaudited Six months ended 31 January 2015 £000</i>
Cash flows from operating activities		
Profit before taxation	62	35
Depreciation	2	1
Changes in working capital:		
(Increase) in trade and other receivables	(7)	(96)
Increase/(decrease) in trade and other payables	(10)	13
Net cash flows from operating activities – continuing operations	<u>47</u>	<u>(47)</u>
Cash flows from investing activities		
Payments to acquire property, plant and equipment	(5)	(1)
Net cash flows used in investing activities – continuing operations	<u>(5)</u>	<u>(1)</u>
Cash flows from financing activities		
Dividends paid to the owners of the company	(100)	(72)
Net cash flows used in financing activities – continuing operations	<u>(100)</u>	<u>(72)</u>
Net increase in cash and cash equivalents in the period	<u>(58)</u>	<u>(120)</u>
Cash and cash equivalents at beginning of period	<u>285</u>	<u>285</u>
Cash and cash equivalents at end of period	<u>227</u>	<u>165</u>

Notes to the unaudited interim condensed financial statements

1. General

South View Solutions is a private company limited by shares and incorporated in the United Kingdom under the UK Companies Act. South View Solutions is domiciled in the United Kingdom and the registered office is 3 Coventry Innovation Village, Cheetah Road, Coventry, CV1 2T. The principal place of business is Warwick HRI, Wellesbourne, Warwickshire, CV35 9EF.

The principal activity of South View Solutions is that of providing information technology solutions.

2. Accounting policies

Basis of preparation

The interim condensed financial statements have been prepared in accordance with applicable International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and adopted by the European Union and in accordance with IAS 34, 'Interim financial reporting'.

This interim information has been prepared using the measurement bases specified by IFRS for each type of asset, liability or expense. The detailed measurement bases and principal accounting policies of South View Solutions are set out in the historical financial information within this Admission Document. There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the interim financial statements of South View Solutions. The presentational and functional currency of South View Solutions is Sterling.

3. Analysis of revenue by major customers

Revenues derived from major customers, which individually represent 10 per cent, or more of total revenue are as follows:

	<i>Unaudited Six months ended 31 January 2014 £000</i>	<i>Unaudited Six months ended 31 January 2015 £000</i>
Customer A	253	309
Other customers	167	183
	<hr/>	<hr/>
	420	492

4. Trade and other receivables

	<i>Audited 31 July 2014 £000</i>	<i>Unaudited 31 January 2015 £000</i>
Trade receivables	284	387
Prepayments	14	7
	<hr/>	<hr/>
	298	394

5. Trade and other payables

	<i>Audited</i> 31 July 2014 £000	<i>Unaudited</i> 31 January 2015 £000
Trade payables	24	49
Deferred income	201	207
Taxation and social security	114	95
Other creditors	2	3
Accruals	5	5
	<hr/> 346	<hr/> 359

6. Related party transactions

During the six months to 31 January 2015, total dividends of £36,000 (six months to 31 January 2014: £50,000, were paid to A Swift, a director of South View Solutions.

During the six months to 31 January 2015, total dividends of £36,000 (six months to 31 January 2014: £50,000, were paid to S Swift, a director of South View Solutions.

Included within other creditors at 31 January 2015 is £122 (31 July 2014 – £122) owed to the directors. No interest has been charged on this loan.

7. Post balance sheet events

On 27 February 2015 the entire issued share capital of South View Solutions was acquired by 365 Agile, details of which are covered in the Agile Group consolidated financial information included in Section B of this Part IV.

On 1 May 2015, South View Solutions agreed to transfer its development and licence services business and assets to 365 Agile and to transfer its implementation, support and professional services business to Documotive for nil consideration. Please refer to paragraph 13 of Part VI for further details.

SECTION F: ACCOUNTANT'S REPORT ON CISECO LIMITED

The following is the full text of a report on Ciseco from Baker Tilly Corporate Finance LLP, the Reporting Accountants, to the Directors of Iafyds plc.



The Directors
Iafyds plc
Unit 514 Metal Box Factory
30 Great Guildford Street
London SE1 0HS
England

3 August 2015

Dear Sirs,

Ciseco Limited (“Ciseco”)

We report on the historical financial information of Ciseco set out in Section G of this Part IV of the Admission Document dated 3 August 2015 (“Admission Document”) of Iafyds plc. This historical financial information of Ciseco has been prepared for inclusion in the Admission Document on the basis of the accounting policies set out at Note 2 to the historical financial information of Ciseco. This report is required by paragraph 20.1 of Annex I of Appendix 3.1.1 of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules and is given for the purpose of complying with that paragraph and for no other purpose.

Save for any responsibility arising under paragraph 20.1 of Annex I of Appendix 3.1.1 of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules to any person as and to the extent there provided, to the fullest extent permitted by law, we do not accept or assume responsibility and will not accept any liability to any other person for any loss suffered by any such other 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 20.1 of Annex I of Appendix 3.1.1 of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules, or consenting to its inclusion in the Admission Document.

Responsibilities

The directors of Iafyds plc (“Directors”) are responsible for preparing the historical financial information in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the historical financial information and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council 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 historical 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 we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the consolidated financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Basis of Qualified Opinion on historical financial information

With respect to inventory, having a carrying amount of £38,000, £35,000 and £5,000 at 31 July 2014, 2013 and 2012 respectively and corresponding cost of sales of £140,000, £74,000 and £24,000 for the years ended 31 July 2014, 2013 and 2012 respectively, the audit evidence available to us was limited due to the lack of a physical inventory count being performed and insufficient inventory valuation records having been retained by Ciseco. Owing to the nature of the company's records, we were unable to obtain sufficient appropriate audit evidence regarding the inventory valuation and the accuracy of cost of sales by using other audit procedures.

Qualified Opinion on historical financial information

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the historical financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of Ciseco as at the dates stated and of its results, cash flows and changes in equity for the periods then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Declaration

For the purposes of part (a) of Schedule Two to 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 item 1.2 of Annex I and item 1.2 of Annex III of Appendix 3.1.1 of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules.

Yours faithfully

Baker Tilly Corporate Finance LLP

Regulated by the Institute of Chartered Accountants in England and Wales

Baker Tilly Corporate Finance LLP is a limited liability partnership registered in England and Wales, registered no. OC325347, at 25 Farringdon Street, London, EC4A 4AB

SECTION G: HISTORICAL FINANCIAL INFORMATION ON CISECO FOR THE THREE YEARS ENDED 31 JULY 2014

Statement of comprehensive income

for the years ended 31 July

	<i>Note</i>	<i>2012</i> <i>£000</i>	<i>2013</i> <i>£000</i>	<i>2014</i> <i>£000</i>
Continuing operations				
Revenue	3	48	199	276
Cost of sales		(24)	(74)	(140)
Gross profit		<u>24</u>	<u>125</u>	<u>136</u>
Administrative costs	4	(21)	(114)	(124)
Operating profit		<u>3</u>	<u>11</u>	<u>12</u>
Other operating income		–	–	8
Profit before taxation		<u>3</u>	<u>11</u>	<u>20</u>
Taxation	6	3	(3)	–
Profit for the financial year attributable to equity holders of Ciseco		<u>6</u>	<u>8</u>	<u>20</u>

No other comprehensive income has arisen in the three years ended 31 July 2014.

Statement of financial position*as at 31 July*

	<i>Note</i>	<i>2012</i> <i>£000</i>	<i>2013</i> <i>£000</i>	<i>2014</i> <i>£000</i>
Non-current assets				
Property, plant and equipment	7	10	41	35
Deferred tax	6	3	–	–
Total non-current assets		<u>13</u>	<u>41</u>	<u>35</u>
Current assets				
Inventory	8	5	35	38
Trade receivables	9	–	18	44
Cash and cash equivalents	12	11	12	15
Total current assets		<u>16</u>	<u>65</u>	<u>97</u>
Total assets		<u>29</u>	<u>106</u>	<u>132</u>
Current liabilities				
Trade and other payables	10	(23)	(50)	(67)
Borrowings	11	(5)	(11)	(11)
Total current liabilities		<u>(28)</u>	<u>(61)</u>	<u>(78)</u>
Non-current liabilities				
Borrowings	11	–	(36)	(25)
Total non-current liabilities		<u>–</u>	<u>(36)</u>	<u>(25)</u>
Net assets		<u>1</u>	<u>9</u>	<u>29</u>
Equity				
Share capital	13	12	12	12
Retained earnings/(losses)		(11)	(3)	17
Total equity attributable to equity holders of Ciseco		<u>1</u>	<u>9</u>	<u>29</u>

Statement of changes in equity
for the years ended 31 July

	<i>Attributable to equity holders of Ciseco</i>		
	<i>Share capital £000</i>	<i>Retained (losses)/ earnings £000</i>	<i>Total £000</i>
Balance at 1 August 2011	12	(17)	(5)
Profit and total comprehensive income for the financial year	–	6	6
Balance at 31 July 2012	12	(11)	1
Profit and total comprehensive income for the financial year	–	8	8
Balance at 31 July 2013	12	(3)	9
Profit and total comprehensive income for the financial year	–	20	20
Balance at 31 July 2014	12	17	29

Retained earnings/(losses) represents the cumulative value of the profits/(losses) not distributed to shareholders, but retained to finance the future capital requirements of Ciseco.

Statement of cash flows
for the years ended 31 July

	2012 £000	2013 £000	2014 £000
Cash flows from operating activities			
Profit before taxation	3	11	20
Adjustments for:			
Depreciation	4	12	13
Increase in inventory	(1)	(30)	(3)
(Increase)/decrease in trade and other receivables	5	(18)	(26)
Increase in trade and other payables	5	22	19
Net cash flows from operating activities – continuing operations	<u>16</u>	<u>(3)</u>	<u>23</u>
Cash flows from investing activities			
Payments to acquire property, plant and equipment	(1)	(43)	(7)
Net cash flows from investing activities – continuing operations	<u>(1)</u>	<u>(43)</u>	<u>(7)</u>
Cash flows from financing activities			
Proceeds from directors' loans and current account	5	55	–
Repayment of directors' loans and current account	(9)	(8)	(13)
Net cash flows from financing activities – continuing operations	<u>(4)</u>	<u>47</u>	<u>(13)</u>
Net increase in cash and cash equivalents in the year	11	1	3
Cash and cash equivalents at beginning of year	–	11	12
Cash and cash equivalents at end of year	<u>11</u>	<u>12</u>	<u>15</u>

Notes to the historical financial information

1. General

Ciseco is a private company limited by shares and incorporated in the United Kingdom under the UK Companies Act. Ciseco is domiciled in the United Kingdom and the registered office and principal place of business is 81 Burton Road, Derby, Derbyshire, DE1 1TJ.

The principal activities of Ciseco for the three years ended 31 July 2012, 2013 and 2014 is the provision of goods, services and software utilising wireless technology.

2. Accounting policies

Basis of preparation

The historical financial information has been prepared in accordance with applicable International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and adopted by the European Union, the International Financial Reporting Interpretations Committee (IFRIC) interpretations issued by the International Accounting Standards Boards (“IASB”) that are effective or issued and early adopted as at the time of preparing this Historical Financial Information.

The historical financial information has been prepared using the measurement bases specified by IFRS for each type of asset, liability or expense. The detailed measurement bases and principal accounting policies of Ciseco are set out below. The presentational and functional currency of Ciseco is Sterling.

The accounting policies that have been applied in the opening balance sheet have also been applied throughout all periods presented in this historical financial information.

Going concern

The historical financial information has been prepared on a going concern basis, which assumes that Ciseco will continue in operational existence for the foreseeable future. The Directors of the Company have confirmed that Ciseco shall be supported by the Enlarged Group should Ciseco experience a cash shortfall and therefore consider it appropriate to continue to prepare the historical financial information on a going concern basis.

Revenue

Ciseco derives its revenues from the manufacture and sale of wireless devices that allow for secure two-way communication between smart devices. Revenue is recognised at point of delivery to the customer.

Revenue represents the fair value of consideration receivable by Ciseco for services provided, net of value added tax.

Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation and any provision for impairment. Depreciation is provided to write down the cost to the residual value over the assets’ estimated useful economic lives with the following lives:

Plant and machinery	25% on reducing balance
Fixtures and fittings	30% on reducing balance
Motor Vehicles	20% on reducing balance
Computer equipment	33% on cost

The residual values and economic lives of assets are reviewed by the directors on at least an annual basis and are amended as appropriate.

Impairment testing of property, plant and equipment

An impairment loss is recognised for the amount by which the carrying value of property, plant and equipment exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs to sell, and value in use based on an internal discounted cash flow valuation.

Inventory

Inventory is valued at the lower of cost and net realisable value on a first in first out (FIFO) after making allowance for any obsolete or slow moving stock. Cost is calculated as purchase price. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Leases

Rentals paid under operating leases are charged to the income statement on a straight line basis over the period of the lease.

Taxation

Current tax is the tax currently payable based upon the taxable profit for the period.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or of any other asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Tax losses which are available to be carried forward and other income tax credits to Ciseco are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying temporary differences will be able to be offset against future taxable income.

Current and deferred tax assets and liabilities are measured at tax rates that are expected to apply in the period of realisation based on tax rates and laws that have been enacted or substantively enacted at the reporting date.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement except where they relate to items that are charged or credited directly to equity or where they relate to other comprehensive income, in which case the related deferred tax is also charged or credited directly to equity or recognised in the statement of comprehensive income.

Financial assets

Financial assets are recognised when Ciseco becomes a party to the contractual provisions of the contract. They are assigned to the categories described below by management on initial recognition, depending on the purpose for which they were acquired. The designations of financial assets are re-evaluated at every reporting date at which a choice of classification or accounting treatment is available, and are as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed payments that are not quoted in an active market. These are initially recognised at fair value and subsequently are measured at amortised cost using the effective interest rate method, less provision for estimated irrecoverable amounts. Receivables are assessed for impairment based on a number of factors including their credit-worthiness, previous payment history and future prospects. Any change in their value through impairment or reversal of impairment is recognised in the income statement. The carrying value, less impairment provision of loans and receivables is assumed to approximate to their fair value. Ciseco trade receivables and cash and cash equivalents fall into this category.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

Financial liabilities

Financial liabilities are obligations to pay cash or other financial assets and are recognised when Ciseco becomes a party to the contractual provisions of the contract. Ciseco's financial liabilities include trade payables which are measured initially at fair value and subsequently at amortised cost using the effective interest rate method.

Derecognition of financial assets and liabilities

A financial asset or liability is generally derecognised only when the contract that gives rise to it is settled, sold, cancelled or expires.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are reported at the rates of exchange prevailing at that date. Exchange differences arising on the settlement and retranslation of monetary items are included in the operating result for the year.

Equity

Equity comprises ordinary share capital, representing the nominal value of shares of Ciseco.

Segmental reporting

The Board of Directors, as the chief operating decision-maker, reviews financial information for and makes decisions about Ciseco's business activities and has identified a single operating segment, which is that of the provision of goods, services and software utilising wireless technology.

Recently issued accounting pronouncements

At the date of issue of this historical financial information, the following Standards, amendments and Interpretations which have not been applied in this historical financial information were in issue but not yet effective. The Directors anticipate that the adoption of these Standards and Interpretations, which is expected to occur on their effective dates, will not have a material impact on Ciseco's historical financial information.

New Standards:

- IFRS 9 – Financial instruments
- IFRS 14 – Regulatory deferral accounts
- IFRS 15 – Revenue from contracts with customers

Amendments:

- IFRS 5 – Non-current assets held for sale and discontinued operations
- IFRS 7 – Financial instruments, disclosures
- IAS 1 – Presentation of financial statements
- IAS 16 – Property, plant and equipment
- IAS 19 – Employee benefits
- IAS 27 – Consolidated and separate financial statements
- IAS 34 – Interim financial reporting
- IAS 38 – Intangible assets

Critical accounting estimates and judgements

Estimates and judgements 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.

Critical accounting estimates and their underlying assumptions affect the reported amounts of assets and liabilities at the date of the financial information and the reported revenue and expenses during the periods presented. Actual results may differ significantly from the estimates, the effect of which is recognised in the period in which the facts that give rise to the revision become known. The following paragraphs detail the critical accounting estimates Ciseco believes to have the most significant impact on the annual results under IFRS.

3. Analysis of revenue by major customers

Revenues derived from major customers, which individually represent 10 per cent, or more of total revenue are as follows:

	<i>2012</i>	<i>2013</i>	<i>2014</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Customer A	–	4	41
Customer B	–	31	10
Other customers	48	164	225
	<u>48</u>	<u>199</u>	<u>276</u>

4. Administrative costs

Administrative costs is stated after charging:

	<i>2012</i>	<i>2013</i>	<i>2014</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Management charges – IOT Research Limited	6	47	–
Employee costs	–	14	65
Depreciation of owned assets	4	12	13
Audit fee	1	2	–
Operating leases – rental of buildings	–	7	13
Advertising and promotion	–	16	12
Other administrative costs	10	16	21
	<u>21</u>	<u>114</u>	<u>124</u>

5. Particulars of staff

The average number of persons employed by Ciseco, including executive directors, during each year was:

	<i>2012</i>	<i>2013</i>	<i>2014</i>
	<i>No</i>	<i>No</i>	<i>No</i>
Management	–	1	1
Administration	–	5	4
	<u>–</u>	<u>6</u>	<u>5</u>

The aggregate payroll costs of these persons were:

	<i>2012</i> <i>£000</i>	<i>2013</i> <i>£000</i>	<i>2014</i> <i>£000</i>
Wages and salaries	–	13	63
Social security costs	–	1	2
	<u>–</u>	<u>14</u>	<u>65</u>

During the year ended 31 July 2014, management charges were paid to IOT Research Limited of £nil (2013: £47,000, 2012: £6,000) in relation to consultancy work performed by employees of IOT Research Limited.

Directors' remuneration

Remuneration of Directors during each year was as follows:

	<i>2012</i> <i>£000</i>	<i>2013</i> <i>£000</i>	<i>2014</i> <i>£000</i>
Aggregate emoluments including short-term employee benefits	–	2	11
Social security costs	–	–	–
Pension costs	–	–	–
	<u>–</u>	<u>2</u>	<u>11</u>

The remuneration of the highest paid director during each year was:

	<i>2012</i> <i>£000</i>	<i>2013</i> <i>£000</i>	<i>2014</i> <i>£000</i>
Aggregate emoluments including short-term employee benefits	–	2	11
Pension costs	–	–	–
	<u>–</u>	<u>2</u>	<u>11</u>

The Directors were not remunerated in the year ended 31 July 2012.

Retirement benefits are not accruing to directors (2013: none, 2012: none) in respect of defined contribution schemes.

6. Taxation

(a) ***Tax on profit on ordinary activities***

	<i>2012</i> <i>£000</i>	<i>2013</i> <i>£000</i>	<i>2014</i> <i>£000</i>
Current income tax			
Current year charge	–	–	–
Reversal of prior period provisions	–	–	–
	<u>–</u>	<u>–</u>	<u>–</u>
Deferred tax			
Origination and reversal of timing differences – tax losses	(3)	3	–
	<u>(3)</u>	<u>3</u>	<u>–</u>
Income tax charge/(credit) reported in the income statement	<u>(3)</u>	<u>3</u>	<u>–</u>

(b) **Reconciliation of the total income tax charge/(credit)**

	2012 £000	2013 £000	2014 £000
Profit before taxation	3	11	20
Accounting profit multiplied by the UK small profits rate of 20% (2013: 20%, 2012: 20%)	(1)	(2)	(4)
Trading losses brought forward	1	2	4
Movement in recognised deferred tax	(3)	3	—
Total income tax reported in the income statement	(3)	3	—

(c) **Deferred tax assets**

	2012 £000	2013 £000	2014 £000
Opening balance at 1 August	—	3	—
Recognised in income statement	3	(3)	—
Closing balance at 31 July	3	—	—

Deferred tax assets are recognised when it is the view of the Directors that it is probable that there will be future sustainable taxable profits against which prior year tax losses can be offset.

7. Property, plant and equipment

	<i>Plant and machinery</i> £000	<i>Motor vehicles</i> £000	<i>Fixtures and fittings</i> £000	<i>Computer equipment</i> £000	<i>Total</i> £000
Cost					
At 1 August 2011	—	6	13	—	19
Additions	—	—	1	—	1
At 31 July 2012	—	6	14	—	20
Additions	32	—	—	11	43
At 31 July 2013	32	6	14	11	63
Additions	7	—	—	—	7
At 31 July 2014	39	6	14	11	70
Depreciation					
At 1 August 2011	—	1	5	—	6
Charge for the year	—	1	3	—	4
At 31 July 2012	—	2	8	—	10
Charge for the year	7	1	1	3	12
At 31 July 2013	7	3	9	3	22
Charge for the year	8	1	1	3	13
At 31 July 2014	15	4	10	6	35
Net book value					
At 31 July 2014	24	2	4	5	35
At 31 July 2013	25	3	5	8	41
At 31 July 2012	—	4	6	—	10

Depreciation of property plant and equipment is included within administrative costs in the statement of comprehensive income.

8. Inventory

	<i>2012</i> <i>£000</i>	<i>2013</i> <i>£000</i>	<i>2014</i> <i>£000</i>
Inventory	5	35	38
	<u>5</u>	<u>35</u>	<u>38</u>

Movement in inventory is included within cost of sales in the statement of comprehensive income.

9. Trade and other receivables

	<i>2012</i> <i>£000</i>	<i>2013</i> <i>£000</i>	<i>2014</i> <i>£000</i>
Trade receivables	–	19	44
Less: Provision for impairment of trade receivables	–	(1)	–
	<u>–</u>	<u>18</u>	<u>44</u>

The ageing of trade receivables that were past due but not impaired at each period end was:

	<i>2012</i> <i>£000</i>	<i>2013</i> <i>£000</i>	<i>2014</i> <i>£000</i>
Not past due	–	10	43
Up to 3 months past due	–	5	1
More than 3 months past due	–	3	–
	<u>–</u>	<u>18</u>	<u>44</u>

Ciseco trades with recognised, credit-worthy third parties and with individual customers who pay via an online payment provider before the goods are despatched. Receivable balances are monitored on an ongoing basis with the aim of minimising Ciseco's exposure to bad debts. Ciseco has reviewed in detail all items comprising the above not past due and overdue but not impaired trade receivables to ensure that no impairment exists. As at 31 July 2014, trade receivables of £nil (2013: £1,000, 2012: £nil) were impaired and provided for, all of which were more than 3 months old (2012 and 2011: more than 3 months old). The amount of the provision was £nil as at 31 July 2014 (2013: £1,000, 2012: £nil). Movements on the provision for impairment of trade receivables are as follows:

	<i>2012</i> <i>£000</i>	<i>2013</i> <i>£000</i>	<i>2014</i> <i>£000</i>
At 1 August	–	–	1
Provision for receivables impairment	–	1	–
Release of receivables impairment	–	–	(1)
At 31 July	<u>–</u>	<u>1</u>	<u>–</u>

The other classes within trade and other receivables do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable disclosed above.

Ciseco's trade and other receivables are all denominated in Sterling.

10. Trade and other payables

	2012 £000	2013 £000	2014 £000
Current			
Trade payables	6	16	35
Amounts due to related parties	–	11	11
Directors' current account (note 16)	13	18	16
Taxation and social security	2	3	3
Accruals	2	2	2
	<u>23</u>	<u>50</u>	<u>67</u>

The director's current account relate to amounts due to M Hodgkinson in respect of his non-interest bearing director current account. M Hodgkinson paid monies into this current account of £nil in 2014 (2013: £5,000, 2012: £nil) and withdrew £2,000 in 2014 (2013: £nil, 2012: £9,000).

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

11. Borrowings

	2012 £000	2013 £000	2014 £000
Current			
Director's loan (note 16)	5	11	11
	<u>5</u>	<u>11</u>	<u>11</u>
	2012 £000	2013 £000	2014 £000
Non-current			
Director's loan (note 16)	–	36	25
	<u>–</u>	<u>36</u>	<u>25</u>

Ciseco, has an outstanding loan with Robertus van der Linden, a former director and shareholder of Ciseco. At 31 July 2014, the outstanding loan balance is £36,000 (2013: £47,000, 2012: £5,000), £14,300 of which is repayable in monthly instalments under the terms of a three year loan agreement dated 20 November 2012 for £30,000, repayable in 36 monthly instalments. The loan is unsecured and accrues interest at 8.714% per annum. The remaining loan balance is interest-free and is repayable on demand.

At each year end, Ciseco had amounts payable in relation to the Director's loan as follows:

	2012 £000	2013 £000	2014 £000
Due within 1 year	5	11	11
Due in 1 – 2 years	–	11	11
Due in 2 – 5 years	–	25	14
	<u>5</u>	<u>47</u>	<u>36</u>

12. Financial instruments and financial risk management

Ciseco's activities are exposed to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk, liquidity risk and capital risk. Ciseco Limited uses financial instruments, comprising cash, trade receivables and trade payables, to manage financial and commercial risk wherever it is appropriate to do so.

Market risk

Foreign exchange risk

All of Ciseco revenues and the vast majority of its costs are in Sterling and involve an immaterial level of currency risk. All cash and cash equivalents, receivables and payables are in Sterling. As the functional currency for operations is Sterling, foreign exchange risk is not material and therefore a sensitivity analysis has not been performed.

Interest rate risk

Sterling cash amounts are held in Ciseco's bank current account. Therefore, Ciseco's income and operating cash flows are substantially independent of changes in market interest rates.

Credit risk

Ciseco has no significant concentrations of credit risk. Ciseco's standard policies require appropriate credit checks on potential trade customers before sales commence. Individual customers pay via an online payment provider before the goods are despatched, so incur little risk. Surplus funds in Ciseco are held in a bank current account.

The IFRS 7 analysis of financial assets by category included in the statement of financial position is as follows:

	<i>2012</i>	<i>2013</i>	<i>2014</i>
	<i>Loans and receivables</i>	<i>Loans and receivables</i>	<i>Loans and receivables</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Trade receivables	–	18	44
Cash and cash equivalents	11	12	15
	<u>11</u>	<u>30</u>	<u>59</u>

The carrying amounts for loans and receivables above reflect Ciseco's maximum exposure to credit risk.

Liquidity risk

Prudent liquidity risk management requires Ciseco to maintain sufficient cash and available facilities to be able to settle its short-term payables as they fall due. Ciseco monitors rolling forecasts of its cash and cash equivalent short-term investments on the basis of expected cash flow.

The IFRS 7 analysis of financial liabilities by category included in the statement of financial position is as follows:

	<i>2012</i>	<i>2013</i>	<i>2014</i>
	<i>Financial liabilities at amortised cost</i>	<i>Financial liabilities at amortised cost</i>	<i>Financial liabilities at amortised cost</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Trade payables	6	16	35
Amounts due to related parties	–	11	11
Directors' current account	13	18	16
Directors' loan	5	47	36
Accruals	2	2	2
	<u>26</u>	<u>94</u>	<u>100</u>

The remaining contractual term for all of the liabilities above at each year end is less than 6 months, except for directors' loan, £30,000 of which is repayable in 36 equal monthly instalments to 20 November 2015.

Capital management

Ciseco's objectives when managing capital are to safeguard Ciseco Limited's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to minimise Ciseco's cost of capital. At 31 July 2014 the total capital and equity attributable to shareholders of Ciseco was £29,000 (2013: £9,000, 2012: £1,000) and Ciseco held cash and cash equivalents of £15,000 (2013: £12,000, 2012: £11,000). In order to further maintain or adjust the capital structure in the future, Ciseco may make dividend payments to shareholders (should distributable reserves allow for it), return capital to shareholders, issue or buy back shares and raise and repay debt.

13. Share capital

The authorised share capital of Ciseco is 50,000 (2013 and 2012: 50,000) ordinary shares of £1 each. The share capital allotted, called up and fully paid at 31 July 2014 was 12,500 (2013 and 2012: 12,500) ordinary shares of £1 each.

	<i>Number of shares</i>	<i>Share capital £000</i>
At 1 August 2011, 31 July 2012, 2013 and 2014	<u>12,500</u>	<u>12</u>

14. Operating lease commitments

At each year end, Ciseco had aggregate minimum lease payments under non-cancellable operating lease for office and workshop accommodation is as follows:

	<i>2012 £000</i>	<i>2013 £000</i>	<i>2014 £000</i>
Due within 1 year	<u>2</u>	<u>2</u>	<u>2</u>

Ciseco's office and workshop accommodation lease agreement is for an initial term of 1 year, with the lease agreement becoming cancellable with a 2 month notice period to the lessor.

15. Related party transactions

IOT Research Limited is a company in which M Hodkinson, a director of Ciseco, is a shareholder. During the year ended 31 July 2014, management charges were paid to IOT Research Limited of £nil (2013: £47,000, 2012: £6,000). At 31 July 2014, amounts due to IOT Research Limited were £11,000 (2013: £11,000, 2012: £nil).

At 31 July 2014, amounts due to M Hodkinson in respect of his non-interest bearing director current account were £16,000 (2013: £18,000, 2012: £13,000). M Hodkinson paid monies into this current account of £nil in 2014 (2013: £5,000, 2012: £nil) and withdrew £2,000 in 2014 (2013: £nil, 2012: £9,000).

At 31 July 2014, amounts due to R van der Linden in respect of director loans advanced to Ciseco were £36,000 (2013: £47,000, 2012: £5,000). Interest of 8.714% per annum is payable on this loan.

16. Post balance sheet events

On 17 March 2015 the entire issued share capital of Ciseco was acquired by 365 Agile, details of which are covered in the Agile Group consolidated financial information included in Section B of this Part IV.

SECTION H: UNAUDITED INTERIM FINANCIAL INFORMATION CISECO FOR THE SIX MONTHS ENDED 31 JANUARY 2015

Unaudited interim condensed statement of comprehensive income
for the six month period ended 31 January

	<i>Note</i>	<i>Unaudited Six months ended 31 January 2014 £000</i>	<i>Unaudited Six months ended 31 January 2015 £000</i>
Continuing operations			
Revenue	3	113	183
Cost of sales		(63)	(111)
Gross profit		<u>50</u>	<u>72</u>
Administrative costs		(66)	(106)
Operating loss		<u>(16)</u>	<u>(34)</u>
Other operating income		–	33
Loss before interest and taxation		<u>(16)</u>	<u>(1)</u>
Interest payable and similar charges		–	(1)
Loss before taxation		<u>(16)</u>	<u>(2)</u>
Taxation		–	–
Loss for the six month period attributable to equity holders of Ciseco		<u>(16)</u>	<u>(2)</u>

No other comprehensive income has arisen in the six months period ended 31 January 2015 and 2014.

Unaudited interim condensed statement of financial position
as at 31 January

	<i>Note</i>	<i>Audited 31 July 2014 £000</i>	<i>Unaudited 31 January 2015 £000</i>
Non-current assets			
Property, plant and equipment		35	67
Total non-current assets		<u>35</u>	<u>67</u>
Current assets			
Inventory		38	55
Trade and other receivables	4	44	44
Cash and cash equivalents		15	22
Total current assets		<u>97</u>	<u>121</u>
Total assets		<u>132</u>	<u>188</u>
Current liabilities			
Trade and other payables	5	(67)	(91)
Borrowings	6	(11)	(40)
Total current liabilities		<u>(78)</u>	<u>(131)</u>
Non-current liabilities			
Borrowings	6	(25)	(30)
Total non-current liabilities		<u>(25)</u>	<u>(30)</u>
Net assets		<u>29</u>	<u>27</u>
Equity			
Share capital		12	12
Retained earnings		17	15
Total equity attributable to equity holders of Ciseco		<u>29</u>	<u>27</u>

Unaudited interim condensed statement of changes in equity
for the six month period ended 31 January

	<i>Attributable to equity holders of Ciseco Limited</i>		
	<i>Share capital £000</i>	<i>Retained (losses)/ earnings £000</i>	<i>Total £000</i>
Balance at 1 August 2013	12	(3)	9
Loss and total comprehensive loss for the financial period	–	(16)	(16)
Balance at 31 January 2014	12	(19)	(7)
Profit and total comprehensive income for the financial period	–	36	36
Balance at 31 July 2014	12	17	29
Loss and total comprehensive loss for the financial period	–	(2)	(2)
Balance at 31 January 2015	12	15	27

Retained earnings/(losses) represents the cumulative value of the profits/(losses) not distributed to shareholders, but retained to finance the future capital requirements of Ciseco.

Unaudited interim condensed statement of cash flows
for the six month period ended 31 January

	<i>Unaudited Six months ended 31 January 2014 £000</i>	<i>Unaudited Six months ended 31 January 2015 £000</i>
Cash flows from operating activities		
Loss before taxation	(16)	(2)
Adjustments for:		
Depreciation	6	8
Interest	–	1
Changed in working capital:		
(Increase)/decrease in inventory	5	(17)
(Increase) in trade and other receivables	(8)	–
Increase in trade and other payables	21	22
Net cash flows from operating activities – continuing operations	<u>8</u>	<u>12</u>
Cash flows from investing activities		
Payments to acquire property, plant and equipment	–	(39)
Directors’ repayments	(8)	(5)
Business loan advances	–	42
Business loan repayments	–	(3)
Net cash flows used in investing activities – continuing operations	<u>(8)</u>	<u>(5)</u>
Net increase in cash and cash equivalents in the period	–	7
Cash and cash equivalents at beginning of period	12	15
Cash and cash equivalents at end of period	<u>12</u>	<u>22</u>

Notes to the unaudited interim condensed financial statements

1. General

Ciseco is a private company limited by shares and incorporated in the United Kingdom under the UK Companies Act. Ciseco is domiciled in the United Kingdom and the registered office is 3 Coventry Innovation Village, Cheetah Road, Coventry, CV1 2TL. The principal place of business is Nottingham Cleantech Centre, St Peter's Street, Nottingham NG7 3EN.

The principal activity of Ciseco for the period is that of providing wireless technology solutions.

2. Accounting policies

Basis of preparation

The interim condensed financial statements have been prepared in accordance with applicable International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and adopted by the European Union and in accordance with IAS 34, 'Interim financial reporting'.

This interim information has been prepared using the measurement bases specified by IFRS for each type of asset, liability or expense. The detailed measurement bases and principal accounting policies of Ciseco are set out in the historical financial information within this Admission Document. There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the interim financial statements of Ciseco. The presentational and functional currency of Ciseco is Sterling.

3. Analysis of revenue by major customers

Revenues derived from major customers, which individually represent 10 per cent, or more of total revenue are as follows:

	<i>Unaudited</i> <i>31 January</i> <i>2014</i> <i>£000</i>	<i>Unaudited</i> <i>31 January</i> <i>2015</i> <i>£000</i>
Customer A	17	45
Customer B	–	36
Other Customers	96	102
	<hr/> 113	<hr/> 183

4. Trade and other receivables

	<i>Audited</i> <i>31 July</i> <i>2014</i> <i>£000</i>	<i>Unaudited</i> <i>31 January</i> <i>2015</i> <i>£000</i>
Trade receivables	44	35
Social security and other taxes	–	8
Prepayments	–	1
	<hr/> 44	<hr/> 44

5. Trade and other payables

	<i>Audited</i> 31 July 2014 £000	<i>Unaudited</i> 31 January 2015 £000
Current		
Trade payables	35	61
Amounts due to related parties	11	11
Directors' current account	16	16
Taxation and social security	3	2
Accruals	2	1
	<u>67</u>	<u>91</u>

6. Borrowings

	<i>Audited</i> 31 July 2014 £000	<i>Unaudited</i> 31 January 2015 £000
Current		
Director's loan	11	31
Business loan	–	9
	<u>11</u>	<u>40</u>
Non-current		
Director's loan	25	–
Business loan	–	30
	<u>25</u>	<u>30</u>

7. Related party transactions

IOT Research Limited is a company in which M Hodkinson, a director of Ciseco, is a shareholder. During the period ended 31 January 2015, management charges were paid to IOT Research Limited of £nil (period ended 31 January 2014: £nil). At 31 January 2015, amounts due to IOT Research Limited were £11,000 (31 July 2014: £11,000).

At 31 January 2015, amounts due to M Hodkinson in respect of his non-interest bearing director current account were £16,000 (31 July 2014: £16,000).

At 31 January 2015, amounts due to R van der Linden in respect of director loans advanced to Ciseco were £31,000 (31 July 2014: £36,000).

8. Post balance sheet events

On 17 March 2015 the entire issued share capital of Ciseco was acquired by 365 Agile, details of which are covered in the Agile Group consolidated financial information included in Section B of this Part IV.

PART V

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE ENLARGED GROUP

The unaudited pro forma statement of net asset set out below has been prepared to illustrate the effect of the acquisition of 365 Agile on the net assets of the Company as if it had occurred on 31 December 2014. It has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and therefore does not represent the Company or the Enlarged Group's actual financial position or results. The unaudited pro forma statement of net assets has been prepared on the basis set out in the notes below.

	<i>Net assets of the Company at 31 December 2014 (Note 1)</i>	<i>Net assets of the Agile Group at 30 April 2015 (Note 2)</i>	<i>Adjustments (Notes 3 and 4)</i>	<i>Pro forma net assets of the Enlarged Group</i>
	£'000	£'000	£'000	£'000
Assets				
Non-current assets				
Intangible assets	–	1,476	–	1,476
Property, plant and equipment	–	134	–	134
Other non-current assets	–	64	–	64
Deferred taxation	–	46	–	46
	<u>–</u>	<u>1,720</u>	<u>–</u>	<u>1,720</u>
Current assets				
Inventory	–	99	–	99
Trade and other receivables	237	962	–	1,199
Cash and cash equivalents	70	307	1,370	1,747
	<u>307</u>	<u>1,368</u>	<u>1,370</u>	<u>3,045</u>
Total assets	<u>307</u>	<u>3,088</u>	<u>1,370</u>	<u>4,765</u>
Current liabilities				
Trade and other payables	(255)	(624)	–	(879)
Current tax liabilities	–	(64)	–	(64)
Borrowings	–	(28)	–	(28)
Deferred consideration	–	(350)	–	(350)
Total current liabilities	<u>(255)</u>	<u>(1,066)</u>	<u>–</u>	<u>(1,321)</u>
Non-current liabilities				
Borrowings	–	(986)	950	(36)
Deferred taxation	–	(167)	–	(167)
Total non-current liabilities	<u>–</u>	<u>(1,153)</u>	<u>950</u>	<u>(203)</u>
Total liabilities	<u>(255)</u>	<u>(2,219)</u>	<u>950</u>	<u>(1,524)</u>
Net assets	<u>52</u>	<u>869</u>	<u>2,320</u>	<u>3,241</u>

Notes

- The net assets of the Company have been extracted without material adjustment from the annual report and financial statements for the year ended 31 December 2014 which has been incorporated by reference in this document as set out in Part III.

2. The net asset of the Agile Group have been extracted without material adjustment from the consolidated historical financial information as set out in Part IV.
3. The proceeds of the Placing are expected to be £2.24 million gross, £1.37 million net after deduction of issue costs of £870,000.
4. It is the intention that shareholder and director loans amounting to £950,000 will be converted into New Ordinary Shares at the Issue Price alongside the Acquisition and Placing as set out in paragraph 11 of Part I.
5. No account has been taken of any movement in the net assets of the Company since 31 December 2014 or the Agile Group since 30 April 2015, nor of any other event save as disclosed above.

PART VI

ADDITIONAL INFORMATION

1. RESPONSIBILITY

- 1.1 The Company (whose registered number and office appears on page 11), the Directors and the Proposed Directors, whose names and functions appear on page 11, accept 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 Proposed Directors (who have 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 there are no other facts the omission of which is likely to affect the import of such information.

2. THE COMPANY, INCORPORATION AND GENERAL

- 2.1 The Company's legal and commercial name is Iafyds plc. The Company was incorporated and registered in England and Wales on 10 November 2003 with the name Flightstore Group plc as a public company limited by shares under the Companies Act 1985 with registered number 4958332. On 26 September 2007, the Company changed its name to Vphase plc and on 10 February 2014 it changed its name to Iafyds plc.
- 2.2 The Company is domiciled in the United Kingdom.
- 2.3 The principal legislation under which the Company operates is the Act and the regulations made thereunder. The liability of the members of the Company is limited to the amount, if any, unpaid on the shares held by them.
- 2.4 The Company's registered office and principal place of business is at Unit 514 Metal Box Factory, 30 Great Guildford Street, London, England, SE1 0HS and its telephone number is: +44 (0)203 763 5909. The Company's website is www.iafyds.co.uk.
- 2.5 On 12 December 2003, the Company's entire issued share capital was admitted to trading on AIM. Following completion of an acquisition constituting a reverse takeover under the AIM Rules for Companies, the Company's enlarged share capital was re-admitted to trading on AIM on 26 September 2007. Due to adverse trading conditions, the Company's shares were suspended from trading on AIM on 20 June 2013 and on 4 September 2013 the Company was placed into administration under the Insolvency Act 1986. Following the approval of the company voluntary arrangement ("CVA") proposed by the administrators as a means of rescuing the Company as a going concern, the Company exited administration on 27 December 2013. On 24 September 2013, the Company disposed of all of the intellectual property and tooling of its former operating subsidiary, VPhase Smart Energy Limited, which is currently in the process of liquidation. On 10 February 2014, simultaneously with a fundraising and other consequential corporate actions, the Company became an investment company under the AIM Rules for Companies and its shares recommenced trading on AIM. On 23 January 2015, the supervisors of the CVA filed a notice of the completion of the CVA.
- 2.6 The Company's UK auditors during the period covered by the historical financial information referred to in Part III of this document were Deloitte LLP, a member of the Institute of Chartered Accountants in England and Wales.
- 2.7 The Company's principal activity following Admission will be to act as the holding company of its subsidiaries.

3. SUBSIDIARIES, CURRENT AND PROPOSED

3.1 As at the date of this document, the Company has the following wholly owned subsidiaries:

<i>Name</i>	<i>Company number</i>	<i>Country of incorporation</i>	<i>Registered office</i>	<i>Activity</i>
Flightstore Inflight Retailing Limited	3845485	England and Wales	39, Long Acre, London, WC2E 9LG	Dormant
FG Employee Trustee Company Limited	4984477	England and Wales	39, Long Acre, London, WC2E 9LG	Dormant
VPhase Smart Energy Limited	5244769	England and Wales	Castlefield House Liverpool Road, Castlefield, Manchester, Greater Manchester, England, M3 4SB	In liquidation

3.2 On Completion, the Company will hold the following additional subsidiaries:

<i>Name</i>	<i>Company number</i>	<i>Country of incorporation</i>	<i>Registered office</i>	<i>Activity</i>	<i>Shareholder</i>	<i>% Ownership interest</i>
365 Agile Limited	9190713	England and Wales	3 Coventry Innovation Village, Cheetah Road, Coventry, England, CV1 2TL	Information technology services	Company	100
Ciseco Limited	6643524	England and Wales	3 Coventry Innovation Village, Cheetah Road, Coventry, England, CV1 2TL	Information technology services	365 Agile	100
South View Solutions Limited	5864554	England and Wales	3 Coventry Innovation Village, Cheetah Road, Coventry, England, CV1 2TL	Information technology services	365 Agile	100

3.3 Save as disclosed in paragraphs 3.1 and 3.2, there are no undertakings in which the Company has a capital interest.

3.4 Save as disclosed in paragraphs 3.1 and 3.2, each of the subsidiaries has been in continuous and unbroken existence since the date of its incorporation and is not in liquidation or subject to an administration order and no receiver or manager of the any of their property has been appointed.

4. SHARE CAPITAL OF THE COMPANY

4.1 The issued and fully paid up share capital of the Company as at the date of this document is as follows:

Issued and fully paid up share capital

<i>Aggregate nominal value (£)</i>	<i>Number</i>	<i>Class</i>
301,692.90	10,056,430,000	Existing Ordinary Shares
3,432,699.30	1,389,756,800	Deferred Shares

4.2 On Completion, following the Share Capital Reorganisation and the issue of the Consideration Shares and the Placing Shares, the issued share capital will be:

Issued and fully paid up share capital

	<i>Number of New Ordinary Shares</i>
<i>Aggregate nominal value (£)</i>	16,682,365
5,004,710	
4.3	The New Ordinary Shares are denominated in and the currency of issue is pounds sterling. The legislation under which the Ordinary Shares have been created is the Act and regulations made under the Act. The Ordinary Shares in issue on Admission will be in registered form and, following Admission, may be held either in certificated form or in uncertificated form. The records in respect of Ordinary Shares held in uncertificated form will be maintained by CREST.
4.4	The Ordinary Shares are freely transferable provided that: i) they are fully paid; ii) the Company does not have a lien over them; and iii) the instrument of transfer is duly stamped and is in favour of not more than four joint transferees and is in respect of only one class of shares, or, in the case of uncertificated shares, is in accordance with CREST Regulations.
4.5	No shareholder of the Company has different voting rights from any other shareholder of the Company in respect of Ordinary Shares held by them.
4.6	On 31 December 2014, the Company's issued share capital was 10,056,423,666 Existing Ordinary Shares and 1,389,777,890 Deferred Shares. Since 1 January 2012, there have been the following changes in the issued share capital of the Company:
4.6.1	on 9 January 2012, the Company issued 910,087 ordinary shares with nominal value of 0.25 pence each at a price of 0.575 pence per share;
4.6.2	on 3 February 2012 the Company issued 872,166 ordinary shares with a nominal value of 0.25 pence each at a price of 0.60 pence per share;
4.6.3	on 2 March 2012 the Company issued 805,080 ordinary shares with a nominal value of 0.25 pence each at a price of 0.65 pence per share;
4.6.4	on 10 April 2012 the Company issued 598,058 ordinary shares with a nominal value of 0.25 pence each at a price of 0.875 pence per share;
4.6.5	on 3 May 2012 the Company issued 699,832 ordinary shares with a nominal value of 0.25 pence each at a price of 0.835 pence per share;
4.6.6	on 1 June 2012 the Company issued 648,205 ordinary shares with a nominal value of 0.25 pence each at a price of 0.78 pence per share;
4.6.7	on 10 July 2012 the Company issued 682,725 ordinary shares with a nominal value of 0.25 pence each at a price of 0.675 pence per share;
4.6.8	on 3 August 2012 the Company issued 882,728 ordinary shares with a nominal value of 0.25 pence each at a price of 0.55 pence per share;
4.6.9	on 12 September 2012 the Company issued 772,487 ordinary shares with a nominal value of 0.25 pence each at a price of 0.575 pence per share;
4.6.10	on 9 October 2012 the Company issued 602,001 ordinary shares with a nominal value of 0.25 pence each at a price of 0.70 pence per share;
4.6.11	on 7 November 2012 the Company issued 729,009 ordinary shares with a nominal value of 0.25 pence each at a price of 0.575 pence per ordinary share;
4.6.12	on 19 December 2012 the Company issued 381,967 ordinary shares with a nominal value of 0.25 pence each at a price of 0.60 pence per ordinary share;

- 4.6.13 on 15 January 2013 the Company issued 103,800,000 ordinary shares with a nominal value of 0.25 pence each at a price of 0.50 pence per ordinary share;
- 4.6.14 on 15 February 2013 the Company issued 358,473 ordinary shares with a nominal value of 0.25 pence each at a price of 0.60 pence per share;
- 4.6.15 on 15 February 2013 the Company issued 612,776 ordinary shares with a nominal value of 0.25 pence each at a price of 0.725 pence per share;
- 4.6.16 on 1 March 2013 the Company issued 781,969 ordinary shares with a nominal value of 0.25 pence each at a price of 0.6 pence per share;
- 4.6.17 on 15 April 2013 the Company issued 893,697 ordinary shares with a nominal value of 0.25 pence each at a price of 0.525 pence per share;
- 4.6.18 on 7 May 2013 the Company issued 1,287,556 ordinary shares with a nominal value of 0.25 pence each at a price of 0.45 pence per share;
- 4.6.19 on 14 June 2013 the Company issued 1,227,644 ordinary shares with a nominal value of 0.25 pence each at a price of 0.45 pence per share;
- 4.6.20 on 7 February 2014 the Company subdivided and reclassified each existing ordinary share as (a) one Existing Ordinary Share (being an ordinary share in the capital of the Company with a nominal value of 0.003 pence each); and (b) one Deferred Share (being a deferred share in the capital of the Company with a nominal value of 0.247 pence each);
- 4.6.21 on 10 February 2014 the Company issued 5,000,000,000 Existing Ordinary Shares at a price of 0.003 pence per share;
- 4.6.22 on 4 July 2014 the Company issued 3,666,666,606 ordinary shares with a nominal value of 0.003 pence each at a price of 0.003 pence per share; and
- 4.6.23 on 31 July 2015 the Company issued 6,534 ordinary shares with a nominal value of 0.003 pence each at a price of 0.003 pence per share.
- 4.7 Save as disclosed in paragraphs 4, 8 and 13.15 of this document:
- 4.7.1 no share or loan capital of the Company has been issued or is proposed to be issued;
- 4.7.2 there are currently no outstanding convertible securities, exchangeable securities or securities with warrants issued by the Company;
- 4.7.3 there are no shares in the Company not representing capital;
- 4.7.4 there are no shares in the Company held by or on behalf of the Company or its subsidiaries;
- 4.7.5 there are no acquisition rights and/or obligations over share capital of the Company and the Company has given no undertaking to increase its share capital;
- 4.7.6 no person has any preferential or subscription rights for any share capital of the Company; and
- 4.7.7 no share or loan capital of the Company or any of its subsidiaries is under option or agreed conditionally or unconditionally to be put under option.
- 4.8 Pursuant to resolutions passed by the members of the Company on 23 June 2015, the Board has an existing authority to allot shares in the Company or grant rights to subscribe for or convert any securities into shares up to a maximum aggregate nominal amount of £301,692.70 provided that this authority shall expire on the date of the conclusion of the next annual general meeting of the Company unless previously renewed, varied or revoked by the Company in general meeting, but 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 after such expiry and the directors may allot shares and grant rights pursuant

to such offer or agreement as if this authority had not expired. Pre-emption rights are disapplied in respect of such authority.

- 4.9 The New Ordinary Shares will, on Admission, rank *pari passu* in all respects and will rank in full for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company.

5. ARTICLES OF ASSOCIATION

Below is a summary of the principal provisions of the New Articles proposed to be adopted by special resolution at the General Meeting, proposed as resolution 7 in the Notice. The Company's Articles in force as at the date of this document contain similar provisions unless identified by the heading "Amended Article".

5.1 *Limited liability*

The liability of the Company's members is limited to the amount (if any) unpaid on the shares in the Company held by them.

5.2 *Unrestricted objects*

The objects of the Company are unrestricted.

5.3 *Change of name*

The Articles allow the Company to change its name by resolution of the Board. This is in addition to the power of the Company under section 77 of the Act to change its name by special resolution.

5.4 *Share rights*

Amended Article – Rights of different classes of shares

The Articles do not specify the Company's right to attach rights to different classes of shares. The New Articles provide that, subject to any rights attached to any existing shares, the Company may issue shares with such rights or restrictions as the Company may by ordinary resolution determine or, in the absence of any such determination, as the Board may decide.

Under the Articles, subject to any rights attached to any existing shares, the Company may by special resolution also issue shares which are to be redeemed or which, at the option of the Company or the holder, are liable to be redeemed. Under the New Articles, a special resolution is no longer required and, subject to any rights attached to any existing shares, the Board may decide the terms, conditions and manner of redemption of any redeemable shares which are issued.

Voting rights

Subject to any rights or restrictions as to voting attached to any shares and to any suspension or abrogation of voting rights pursuant to the Articles:

- (a) on a vote on a resolution on a show of hands, every member present (not being present by proxy) and entitled to vote on the resolution has one vote and every proxy present who has been duly appointed by a member entitled to vote on the resolution has one vote (save that a proxy who has been appointed by more than one member has one vote for and one vote against if he has been instructed to vote in different ways on the resolution); and
- (b) on a vote on a resolution on a poll, every member who is present in person or by proxy and entitled to vote on the resolution has one vote for every share of which he is the holder.

Unless the Board otherwise decides, no member is entitled in respect of any share held by him to vote on any resolution at a shareholders meeting, either in person or by proxy, if any call or other sum presently payable by him to the Company in respect of that share remains unpaid.

Variation of rights

If at any time the capital of the Company is divided into different classes of share, the rights attached to any class may be varied either with the written consent of the holders of not less than three-fourths in nominal value of the issued shares of that class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate meeting of the holders of the issued shares of that class and may be so varied either while the Company is a going concern or during or in contemplation of a winding up. The quorum at any such separate meeting (other than an adjourned meeting) shall be not less than two persons entitled to vote and holding or representing by proxy at least one-third in nominal value of the issued shares of the relevant class (excluding any shares of that class held as treasury shares).

Transfer of shares

A member may transfer all or any of his shares which are in certificated form by an instrument of transfer in any usual form or common form or in any other form approved by the Board. The instrument of transfer must be signed by or on behalf of the transferor and, if the share is not fully paid, by or on behalf of the transferee. A member may transfer all or any of his shares which are in uncertificated form by means of a relevant system in accordance with the CREST Regulations.

The Board may refuse to register the transfer of a share which is not fully paid or on which the Company has a lien provided that, in the case of a class of shares admitted to trading on AIM, such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis.

The Board may refuse to register a transfer of a certificated share unless the instrument of transfer is:

- (a) in respect of only one class of share;
- (b) in favour of not more than four persons jointly; and
- (c) lodged (duly stamped if required) at the place where the register of members is situated (or such other place as the Board may appoint) accompanied (except in the case of a transfer by a person to whom the Company is not by law required to issue a certificate and to whom a certificate has not been issued) by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer.

The Board may refuse to register a transfer of an uncertificated share in the circumstances set out in the CREST Regulations or if the transfer is in favour of more than four persons jointly.

Subject to the above and subject to the transfer restrictions summarised in the paragraph headed "Suspension of rights attaching to shares" below, the Articles contain no restrictions on the free transferability of fully paid shares.

Pre-emption rights

There are no pre-emption rights under the Articles in respect of transfers of issued shares or the allotment of new shares.

Section 561 of the Act confers on holders of Ordinary Shares rights of pre-emption in respect of the allotment by the Company of equity securities (as defined in section 560 of the Act) which are, or are to be, paid up in cash. Under these statutory pre-emption rights, the Company is, subject to certain limited exceptions, required to offer to allot the equity securities concerned to holders of Ordinary Shares on a pro rata basis before allotting them to other persons. These statutory pre-emption rights have been disapplied to the extent set out in paragraph 4.8 above.

Suspension of rights attaching to shares

Under section 793 of the Act, the Company may send out a notice (a “section 793 notice”) to any person whom the Company knows or has reasonable cause to believe to be interested in its shares (or to have been so interested at any time during the preceding three years) asking for information concerning his interest in the shares and information concerning any other interest in the shares of which he is aware. Where a person receives a section 793 notice and fails to provide the information required by the notice within the time specified in it, the Company can apply to the court for an order directing that the relevant shares be subject to restrictions. The effect of a court order imposing restrictions is that (i) any transfer of the shares is void; (ii) no voting rights are exercisable in respect of the shares; (iii) no further shares may be issued in right of the shares or in pursuance of an offer made to the holder of them; and (iv) except in a liquidation, no payment may be made of sums due from the Company on the shares (whether in respect of capital or otherwise). The Articles also contain provisions for the imposition of restrictions on shares in circumstances where a person fails to comply with a section 793 notice which are described below.

If a member, or any other person appearing to be interested in shares held by that member, has been served with a section 793 notice and has failed in relation to any shares (the “default shares” which expression includes any further shares issued in respect of those shares) to give the Company the information required by the notice for a period of 14 days from the date of its service, then (unless the Board otherwise determines) the following sanctions apply:

- (a) the member is not entitled in respect of the default shares to attend or to vote (either in person or by proxy) at any meeting or on a poll or to exercise any other right conferred by membership in relation to shareholder meetings;
- (b) where the default shares represent 0.25 per cent. or more in nominal value of the issued shares of any class of shares (excluding any shares of that class held as treasury shares):
 - (i) any dividend or any other amount payable in respect of the default shares is to be withheld by the Company (without the Company being liable to pay interest on it) and the member is not entitled to elect to receive shares in lieu of dividend; and
 - (ii) save for an excepted transfer, no transfer of any default shares is to be registered unless the member is not himself in default in supplying the information required and he proves to the satisfaction of the Board that no person in default in supplying the information required is interested in any of the shares included the subject of the transfer.

Where the sanctions described above apply, they cease to have effect (and any dividend or other money withheld becomes payable) at the expiry of seven days (or such shorter period as the Board may decide) following the earlier of:

- (a) the date on which the Company receives notification that the default shares have been transferred by means of an excepted transfer; and
- (b) the date on which the Company receives, in a form satisfactory to the Board, all of the information required by the relevant section 793 notice.

For the purposes of the above, an “excepted transfer” is (i) a transfer by way of acceptance of a takeover offer, (ii) a transfer in consequence of a sale made through a recognised investment exchange or any other stock exchange outside the UK on which the Company’s shares are normally traded or (iii) a transfer which is shown to the satisfaction of the Board to be made in consequence of a sale of the whole of the beneficial interest in the shares to a person who is unconnected with the member and with any other person appearing to be interested in the shares.

Dividends

The Company may, by ordinary resolution, declare dividends to be paid to members according to their respective rights and interests in the profits of the Company. However, no dividend shall exceed the

amount recommended by the Board. If and so far as in the opinion of the Board, the profits of the Company available for distribution justify such payments, the Board may declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as the Board thinks fit.

Except as otherwise provided by the rights attaching to, or the terms of issue of, any shares, all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is declared and paid and shall be apportioned and paid proportionately to the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. For this purpose, no amount paid up on a share in advance of the date on which a call is payable shall be treated as paid up on the share.

Unless otherwise provided by the rights attaching to the share, no dividend payable in respect of a share shall bear interest as against the Company. The Board may deduct from any dividend payable to any person in respect of a share all such sums as may be due from that person to the Company on account of calls or otherwise in relation to shares in the Company.

Any unclaimed dividend may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. Any dividend which has remained unclaimed for a period of 12 years after it was declared or became due for payment shall, if the Board so resolves, be forfeited and shall cease to remain owing by the Company.

The Board may, with the prior authority of an ordinary resolution of the Company, offer holders of Ordinary Shares (excluding Ordinary Shares held as treasury shares) the right to elect to receive new Ordinary Shares, credited as fully paid, instead of cash in respect of all or any part of any dividend specified by the ordinary resolution. The ordinary resolution may specify a particular dividend or dividends (whether declared or not) or may specify all or any dividends declared within a specified period but such period may not end later than the fifth anniversary of the date of the meeting at which the resolution is passed.

Distribution of assets on liquidation

If the Company is wound up (whether the liquidation is voluntary, under supervision of the court or by the court), the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by legislation, divide among the members in specie the whole or any part of the assets of the Company. For this purpose, the liquidator may set such value as he considers fair on any one or more class or classes of property and may determine how such division shall be carried out as between members or classes of members. The liquidator may, with the same authority, transfer the whole or any part of the assets to trustees on such trusts for the benefit of members as he thinks fit.

Deferred shares

The Deferred Shares are transferable only with the consent of the Company and will not be admitted to trading on AIM (or any other investment exchange). The holders of the Deferred Shares shall not, by virtue or in respect of their holdings of Deferred Shares, have the right to receive notice of any general meeting of the Company nor the right to attend, speak or vote at any such general meeting.

Save as required by law, the Company will not issue share certificates to the holders of the Deferred Shares in respect of their holdings thereof. The Deferred Shares will not entitle their holders to receive any dividend or other distribution. The Deferred Shares will, on a return of assets in a winding up, entitle the holder only to the repayment of the amounts so paid up on such Deferred Shares after repayment of the capital paid up on the Ordinary Shares plus the payment of £10,000,000 per Ordinary Share.

The Company will have irrevocable authority at any time to appoint any person to execute on behalf of the holders of the Deferred Shares a transfer thereof and/or agreement to the transfer of the same to such person as the Company determines as custodian thereof, without making any payment to the holders thereof, and/or to cancel the same (in accordance with the provisions of the Act) without

making any payment to or obtaining the sanction of the holders thereof. The Company may, at its option at any time, purchase all or any of the Deferred Shares so purchased.

5.5 **Shareholder meetings**

Annual general meetings

In accordance with the requirements of the Act, the Company must hold a general meeting as its annual general meeting in each six month period following its accounting reference date.

Calling of general meetings

The Board may call a general meeting whenever it thinks fit. The Board must, on the requirement of members under the Act, call a general meeting in accordance with the requirements of that Act.

Notice of general meetings

General meetings must be called by at least such minimum period of notice as is required under the Act which, in the case of an annual general meeting, is 21 clear days' notice and, in the case of other general meetings, is 14 clear days' notice. Notice of the meeting must be given to the members (other than any members who, under the Articles or by virtue of any restrictions imposed on any shares, are not entitled to receive notice from the Company), to the Board and to the auditors of the Company. The accidental omission to send notice of a general meeting to any person entitled to receive it does not invalidate the proceedings of the meeting.

Every notice of a general meeting must specify (i) the time, date and place of the meeting, (ii) (in the case of an annual general meeting) that the meeting is an annual general meeting, (iii) the general nature of the business to be transacted at the meeting and (iv) any intention to propose a resolution as a special resolution. In addition, the notice must specify, with reasonable prominence, that a member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at the meeting, that a member may appoint more than one proxy in relation to a meeting provided that each proxy is appointed to exercise the rights attached to different shares and that a proxy need not be a member.

Quorum

No business is to be transacted at any general meeting unless a quorum is present. The quorum for a general meeting is two members present in person or by proxy and entitled to vote on the business to be transacted at the meeting.

Method of voting

At any general meeting, a resolution put to the vote of the meeting is to be decided on a show of hands unless (before or on the declaration of the result on a show of hands) a poll is demanded in accordance with the Articles.

5.6 **Directors**

Number and appointment of Directors

Unless and until otherwise determined by the Company by ordinary resolution, the number of Directors shall not be less than two but shall not be subject to any maximum number. Directors may be appointed by the Company by ordinary resolution or by the Board, in each case either to fill a casual vacancy or as an addition to the existing Board.

A Director is not required to hold any shares in the Company by way of qualification.

Amended Article – Retirement of Directors

The Articles provide that one third of the Directors who are subject to rotation must retire at each annual general meeting. If the number is not three or a multiple of three, then the number nearest to but not exceeding one third must retire from the office. Subject to the provisions of the Act, the Directors to retire by rotation are those who have been longest in office since their last appointment or reappointment.

The New Articles specify that at each annual general meeting, any Director:

- (a) who has been appointed by the Board since the preceding annual general meeting; or
- (b) who held office at the time of the two preceding annual general meetings and who did not retire at either of them; or
- (c) who has held office with the Company, other than employment or executive office, for a continuous period of nine years or more at the date of the meeting,

shall retire from office but shall be eligible for re-appointment.

Removal of a Director by resolution of the Company

The Articles provide that the Company may by special resolution, or by ordinary resolution of which special notice has been given, remove any Director from office. The New Articles provide that, in addition to any power of removal conferred by the Act, the Company may by ordinary resolution remove any Director from office and appoint another person in place of a Director so removed.

Amended Article – Vacation of office

The Articles provide for the office of a Director to be vacated in the following circumstances:

- (a) if he resigns or offers to resign and the Board resolves to accept such offer;
- (b) if he ceases to be a Director by virtue of any provision of the Act, is removed from office pursuant to the Articles or the Act or becomes prohibited by law from acting as a Director;
- (c) if he becomes bankrupt, has an interim receiving order made against him, makes any arrangement with or compounds with his creditors generally or applies to the court for an interim order under the Insolvency Act 1986 in connection with a voluntary arrangement under that Act;
- (d) if he is, or may be, suffering from mental disorder or is otherwise incapable of managing his affairs and either:
 - (i) an order is made by any court or official having jurisdiction (whether in the UK or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
 - (ii) he is admitted to hospital following an application for admission for treatment under the Mental Health Act 1983 or any similar legislation in any other jurisdiction, and the Board resolves that his office be vacated;
- (e) if he is absent from meetings of the Board for a period of six consecutive months without the permission of the Board and his alternate Director (if any) has not attended in his place during that period and the Board resolves that his office be vacated;
- (f) (without prejudice to any claim for damages which he may have for breach of any contract between him and the Company) if he is removed from office by a notice in writing addressed to him at his last known address signed by all of his co-Directors (the Articles currently in force provide that a Director can be removed from the office by a notice signed by at least three of his co-Directors); or
- (g) in the case of any Director who holds any executive office with the Company, if his appointment as such is terminated or expires and the Board resolves that his office be vacated (the Articles currently in force do not provide for the office of a Director to be vacated for such reason).

Alternate directors

Any Director may appoint any person to be his alternate and may remove any alternate appointed by him. The appointment requires the approval of the Board unless the appointee is another Director.

Amended Article – Directors’ remuneration and expenses

Each Director is entitled to be paid by way of remuneration for his services as a Director such fee as may be decided by the Board but the aggregate of all fees so paid to Directors must not exceed £250,000 per annum (or such higher amount as may be decided by ordinary resolution of the Company) (whilst the Articles currently in force set the aggregated fee at £150,000 per annum). Such fee shall be distinct from and additional to any salary, remuneration or other benefits which may be paid or provided to a Director under any other provision of the New Articles.

Any Director who performs any special or extra services which in the opinion of the Board are outside the scope of his ordinary duties as a Director and not in his capacity as a holder of employment or executive office may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may decide in addition to any remuneration paid or provided for pursuant to any other provision of the New Articles.

The New Articles provide that the salary or remuneration of any Director appointed to hold any employment or executive office shall be such as the Board may decide and may be either a fixed sum of money or may, in whole or in part, be governed by business done or profits made or otherwise decided by the Board. Any such salary or remuneration may be in addition to or in lieu of any fee payable to him for his services as a Director under the Articles. The Articles currently in force do not address salary or remuneration in relation to the Directors appointed to hold employment or executive office.

Each Director is entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by him in or about the performance of his duties as a Director, including any expenses incurred in attending meetings of the Board or any committee of the Board or shareholder meetings.

Pensions and other benefits

The Board may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits, death or disability benefits or other allowances or gratuities (whether by insurance or otherwise) to or for the benefit of, amongst other persons, any past or present director of the Company or any of its subsidiary undertakings, members of his family and his dependants.

The Board may also exercise all the powers of the Company to purchase and maintain insurance for or for the benefit of, amongst other persons, any past or present director of the Company or any of its subsidiary undertakings.

Borrowing powers

The Articles do not contain specific provisions in relation to the Board’s power to borrow. In general, the Directors can exercise all the powers of the Company in this regard. The New Articles specifically provide that the Board may exercise all the powers of the Company to borrow money, to mortgage or charge its undertaking, property, assets (present and future) and uncalled capital and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

Amended Article – Proceedings of the Directors

Subject to the provisions of the Articles, the Board may regulate its proceedings as it thinks fit. The quorum necessary for the transaction of business may be determined by the Board and, unless so determined at any other number, shall be two under the New Articles (the Articles currently in force require a quorum of three). A duly convened meeting of the Board at which a quorum is present is competent to exercise all or any of the powers vested in or exercisable by the Board. Questions arising at any meeting of the Board shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting has a second or casting vote.

A resolution in writing signed by all the Directors who would have been entitled to vote on the resolution at a meeting of the Board (provided that those Directors would have formed a quorum at such a meeting) is as valid and effective as a resolution duly passed at a meeting of the Board.

Directors' conflicts of interest

The Board may authorise any situation or matter in which a Director (an "Interested Director") has, or can have, a direct or indirect interest which conflicts, or possibly may conflict, with the interests of the Company and which would, if not so authorised, result in the Interested Director being in breach of his statutory duty to avoid conflicts of interest. An Interested Director seeking authorisation of a conflict of interest must declare to the Board the nature and extent of his interest giving rise to the conflict as soon as reasonably practicable. An Interested Director must not be counted in the quorum or vote in respect of any resolution of the Board giving such authorisation.

Where the Board authorises a situation or matter, it may impose on the Interested Director such terms for the purpose of dealing with the conflict of interest as the Board may determine.

Permitted interests of Directors

A Director, notwithstanding his office, may:

- (a) be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is directly or indirectly interested;
- (b) hold any other office or place of profit with the Company (except that of auditor) in conjunction with the office of Director or act by himself or through a firm with which he is associated in a professional capacity for the Company or any body corporate in which the Company is directly or indirectly interested (otherwise than as auditor);
- (c) be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested (including by the holding of shares or other securities) in, any body corporate promoted by the Company or in which the Company is otherwise directly or indirectly interested or as regards which the Company has any powers of appointment; and
- (d) be a director of any body corporate in which the Company is not directly or indirectly interested if, at the time of his appointment as a director of that other company, such appointment cannot reasonably be regarded as giving rise to a conflict of interest.

If a Director has any interest referred to above, he must, subject to certain exceptions, declare the nature and extent of that interest to the Board. The declaration must be made as soon as is reasonably practicable and, in the case of an interest in a proposed transaction or arrangement with the Company, before the Company enters into the transaction or arrangement.

Directors not liable to account

A Director is not liable to account to the Company for any benefit which he/she derives from any transaction or arrangement or from any office, employment, position or relationship or from any interest in any body corporate if the relevant matter has been authorised by the Board (subject, in any such case, to the terms of such authorisation) or is permitted under the Articles.

No transaction or arrangement is liable to be avoided on the grounds that a Director has an interest in it (or derives a benefit from it) if the interest has been authorised by the Board or is permitted under the Articles.

Amended Article – Restrictions on voting by Directors

A Director must not vote on (or be counted in the quorum in relation to) any resolution of the Board (or of a Board committee) concerning any transaction or arrangement in which he has a direct or indirect interest. However, this prohibition does not apply to any resolution concerning a transaction or arrangement in which his interest cannot reasonably be regarded as likely to give rise to a conflict of interest or to any resolution concerning:

- (a) the giving of any guarantee, security or indemnity to the Director or any other person in respect of (i) 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 (ii) a debt or other obligation of the Company or any of its subsidiary undertakings for which the Director has assumed responsibility (in whole or in part and whether alone or jointly with others) under a guarantee or indemnity or by the giving of security;
- (b) an offer by the Company or any of its subsidiary undertakings of securities for subscription, purchase or exchange, in which offer the Director is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
- (c) a transaction or arrangement in which he has an interest only by virtue of an interest in shares, debentures or other securities of the Company or by reason of any other interest in or through the Company;
- (d) a transaction or arrangement concerning any other body corporate in which the Director (or any person connected with him) is interested (directly or indirectly) and whether as an officer, shareholder, creditor, employee or otherwise, if he and any persons connected with him do not to his knowledge hold an interest in shares representing one per cent. or more of either any class of the equity share capital of that body corporate or the voting rights available to members of that body corporate;
- (e) a transaction or arrangement concerning the adoption, modification or operation of a pension fund, superannuation or similar scheme or retirement, death or disability benefit scheme or employees' share scheme which relates both to directors and employees of the Company or any of its subsidiary undertakings and does not accord to any Director as such any privilege or benefit not accorded to the employees to whom the fund or scheme relates (the Articles currently in force do not provide such an exception);
- (f) a transaction or arrangement for the benefit of employees of the Company or of any of its subsidiary undertakings under which the Director benefits in a similar manner to the employees and which does not accord to any Director as such any privilege or benefit not accorded to the employees to whom the transaction or arrangement relates;
- (g) any proposal relating to the purchase or maintenance of insurance against any liability for the benefit of any Directors (or of persons who include Directors);
- (h) the giving of indemnities in favour of Directors (the Articles currently in force do not provide such an exception); and
- (i) the funding of expenditure incurred or to be incurred by any Director in defending any criminal or civil proceedings or in connection with an application to the court for relief or in defending him in any investigation by, or against action proposed to be taken by, a regulatory authority or the doing of anything to enable any Director to avoid incurring any such expenditure (the Articles currently in force do not provide such an exception).

A Director must not vote on (or be counted in the quorum in relation to) any resolution of the Board 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.

Indemnification of Directors

Subject to the Act, every Director is entitled to be indemnified by the Company against any liability incurred by him in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or any associated company (other than any liability to the Company or any associated company or any liability of the kind referred to in section 234(3) of the Act) and any other liability incurred by him in the performance of his duties.

Subject to the Act, the Company may provide a Director with funding to meet his expenditure in defending any criminal or civil proceedings in connection with any alleged negligence, default, breach

of duty or breach of trust in relation to the Company or any associated company. The Company may also provide a Director with funding to meet his expenditure in connection with any investigation or action undertaken by a regulatory authority.

The above summary of the Articles as currently in force and as proposed to be adopted is qualified in each case by the full provisions of the Articles and New Articles which are available to view at www.iafyds.co.uk.

6. OTHER RELEVANT LAWS AND REGULATIONS

6.1 *Disclosure and transparency rules*

Under Chapter 5 of the Disclosure and Transparency Rules, a person must notify the Company of the percentage of its voting rights he holds as shareholder or through his direct or indirect holding of certain financial instruments (or a combination of such holdings) if the percentage of those voting rights;

- (a) reaches, exceeds or falls below 3 per cent., 4 per cent., 5 per cent., 6 per cent., 7 per cent., 8 per cent., 9 per cent., 10 per cent. and each 1 per cent. threshold thereafter up to 100 per cent. as a result of an acquisition or disposal of shares or such financial instruments; or
- (b) reaches, exceeds or falls below an applicable threshold in (a) as a result of events changing the breakdown of voting rights and on the basis of information disclosed by the Company in accordance with the Disclosure and Transparency Rules.

6.2 *Public takeover bids*

(a) *Takeover Code*

The Company is a public limited company incorporated and centrally managed and controlled in the UK. Accordingly, the Takeover Code applies to the Company and will, amongst other things, regulate any takeover offer for the Company and any other transaction which has its objective or potential effect (directly or indirectly) obtaining or consolidating control of the Company. For this purpose, control is defined as an interest or interests in shares carrying more than 30 per cent. of the voting rights of a company, irrespective of whether such interest or interests give *de facto* control.

(b) *Mandatory bids*

Under Rule 9 of the Takeover Code, if an acquisition of an interest in shares in the Company were to increase the aggregate interests of the acquirer and persons acting in concert with it to interests in shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer and, depending on the circumstances, the persons acting in concert with it would be required (except with the consent of the Takeover Panel) to make an offer for the outstanding shares in the Company. Any such offer must be in cash (or accompanied by a cash alternative) at not less than the highest price paid by the acquirer or any person acting in concert with it for an interest in shares in the Company during the previous 12 months.

A similar obligation to make a mandatory cash offer would also arise on an acquisition of an interest in shares in the Company by a person who (together with persons acting in concert with it) is interested in shares which in the aggregate carry between 30 per cent. and 50 per cent. of the voting rights in the Company if the effect of the acquisition were to increase the percentage of shares carrying voting rights in the Company in which that person is interested.

(c) *Squeeze-out rules*

Under the Act, if a takeover offer (as defined in section 974 of the Act) is made for the Company's shares and the offeror were to acquire, or unconditionally contract to acquire, not less than 90 per cent. in value of the shares to which the offer relates (the "offer shares") and not less than 90 per cent. of the voting rights carried by the offer shares, the offeror would then

be able to acquire compulsorily the remainder of the offer shares. In order to do so, the offeror must send a notice to each holder of outstanding offer shares notifying him that it desires to acquire his shares and, at the end of six weeks from the date of such notices, the offeror must send copies of the notices to the Company accompanied by instruments of transfer in respect of the outstanding offer shares executed on behalf of the holders of those shares by a person appointed by the offeror. At the same time, the offeror must pay or transfer the consideration for the outstanding offer shares to the Company which is required to hold the consideration on trust for the holders of such shares.

(d) *Sell-out rules*

The Act also gives minority shareholders a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If the takeover offer relates to all the shares in the Company and, at any time before the end of the period within which the offer can be accepted, the offeror holds or has agreed to acquire not less than 90 per cent. of the Company's shares, any holder of shares to which the offer relates who has not accepted the offer can by a written communication to the offeror require the offeror to acquire those shares. The offeror is required to give any shareholder who has not accepted the offer notice of his right to be bought out within one month of that right arising. The rights of minority shareholders to be bought out cannot be exercised after the expiry of three months from the end of the period within which the offer can be accepted or, if later, the date of the notice given by the offeror. If a shareholder exercises his rights to be bought out, the offeror is entitled and bound to acquire the relevant shares on the terms of the offer or on such other terms as may be agreed.

7. PLACING

- 7.1 2,986,667 New Ordinary Shares will be allotted for subscription pursuant to the Placing Agreement conditional only on Admission, at a price of 75 pence per New Ordinary Share (representing a premium of 45 pence over the nominal value of 30 pence per New Ordinary Share), which is payable in full on issue. The Placing Shares will be allotted pursuant to the authorities sought in Resolutions 6 and 8.
- 7.2 The Placing Shares, once issued, will represent 18.4 per cent. in total of the Enlarged Share Capital.
- 7.3 The Placing Shares will be issued on 21 August 2015, being the expected date of Admission.
- 7.4 None of the New Ordinary Shares or the Placing Shares have been marketed or are available to the public in whole or in part in connection with the Placing.

8. INTERESTS OF DIRECTORS AND PROPOSED DIRECTORS AND OTHER MAJOR SHAREHOLDERS

- 8.1 So far as the Directors and the Proposed Directors are aware, as at the date of this document, and as expected to be on issue of the Consideration Shares, the Debt Conversion Shares and the Placing Shares on Admission, the holdings of the Directors, Proposed Directors and of persons connected (within the meaning of section 252 of the Act) with a Director or Proposed Director in the issued share capital of the Company which are required to be disclosed by the AIM Rules and the existence of which is known or could with reasonable diligence be ascertained by the Directors and Proposed Directors are as follows:

<i>Name</i>	<i>At the date of this document</i>		<i>At Admission</i>	
	<i>Number of Existing Ordinary Shares</i>	<i>% of Existing Ordinary Shares</i>	<i>Number of New Ordinary Shares</i>	<i>% of Enlarged Share Capital</i>
Clive Carver	–	–	40,000	0.2
Colin Hutchinson	–	–	40,000	0.2
Jill Collighan	–	–	–	–
Jonathan Holyhead*	–	–	7,419,682	44.4
Totals	–	–	7,499,682	45.0

Notes:

* Of which, 2,726,483 New Ordinary Shares are held by Davinder Sanghera, a person connected with Jonathan Holyhead within the meaning of section 252 of the Act. The Company, finnCap, Jonathan Holyhead and Davinder Sanghera have entered into a relationship agreement to regulate the relationship between the Concert Party and the Company following Admission, as is more fully described in paragraph 13.6 of this Part VI.

- 8.2 Save as disclosed in paragraph 8.1 above and in this paragraph 8.2, the Directors and Proposed Directors are not aware of any direct or indirect interest in the Company's ordinary share capital that amounts to or would, on Admission, amount to an interest of three per cent. or more of the voting rights in the Company or who (save as disclosed in this document), directly or indirectly could exercise control over the Company:

<i>Name</i>	<i>At the date of this document</i>		<i>At Admission</i>		
	<i>Number of Existing Ordinary Shares</i>	<i>% of Existing Ordinary Shares</i>	<i>Number of New Ordinary Shares</i>	<i>% of Enlarged Share Capital</i>	<i>Number of warrants*</i>
Henderson	9,023,061,648	89.7	2,235,639	13.4	Nil
Flowgroup plc (previously Energetix Group plc)	355,855,008	3.5	35,585	0.2	Nil
MXC Capital Limited**	–	–	3,875,685	23.2	834,118
Miles Hodgkinson	–	–	796,828	4.8	Nil
Totals	9,378,916,656	93.2	6,943,737	41.6	834,118

* Created and issued pursuant to the Warrant Instrument summarised at paragraph 13.8

** Included in this amount are 759,836 New Ordinary Shares held by MXC Guernsey Limited

- 8.3 Save as set out in paragraphs 8.1 and 8.2 of this Part VI, none of the Directors, Proposed Directors nor any person connected (within the meaning of section 252 of the Act) with any Director has any interest, whether beneficial or otherwise, in the share capital of the Company.
- 8.4 Save as set out in paragraphs 8.1 and 8.2 of this Part VI, the Directors and Proposed Directors are not aware of any person who immediately following Admission, directly or indirectly, jointly or severally, will own or could exercise control over the Company and the Directors and Proposed Directors are not aware of any arrangement, the operation of which may at a date subsequent to this document result in a change in control of the Company.
- 8.5 Save as set out in this paragraph 8 of this Part VI and to the extent known to the Directors or Proposed Directors, there are no major Shareholders or members of the Company's management, supervisory or administrative bodies which intend to subscribe for New Ordinary Shares in the Placing or any persons which intend to subscribe for more than three per cent. of the New Ordinary Shares to be issued pursuant to the Placing.

9. DIRECTORS' SERVICE AGREEMENTS AND LETTERS OF APPOINTMENT

9.1 The following agreements have been entered into between the Directors and the Proposed Directors and the Company:

(a) *Jonathan Holyhead*

Jonathan Holyhead has entered into a service agreement with the Company dated 31 July 2015 setting out the terms of his appointment as Chief Executive Officer. The service agreement is conditional on Admission. The agreement provides for the payment by the Company to Jonathan Holyhead of a salary of £90,000 per annum and, at the discretion of the Company's remuneration committee, a discretionary bonus. Under the agreement, Jonathan Holyhead is also entitled to a car allowance, private medical insurance and 20 days holiday per annum. Either party may terminate the agreement on 3 months' notice. The agreement imposes certain restrictions on Jonathan Holyhead as regards the use of confidential information and intellectual property. In addition, Jonathan Holyhead will be subject to certain restrictive covenants following the termination of the agreement.

(b) *Clive Carver*

Clive Carver, through an associated entity, ELK Associates LLP, which is to act as a consultant to the Company, has entered into a service agreement with the Company dated 31 July 2015 setting out the terms on which his services will be provided to the Company and setting out his appointment as Non-Executive Chairman. The service agreement is conditional on Admission. The agreement provides for the payment by the Company of a fee of £50,000 per annum. Either party may terminate the agreement on 3 months' notice. The agreement imposes certain restrictions on Clive Carver as regards the use of confidential information and intellectual property. Pursuant to the terms of Clive Carver's old service agreement which is to be replaced by the new service agreement summarised above on Admission, Clive Carver is to be paid an amount of £50,000 on Completion by the Company, of which £30,000 will be satisfied by the allotment and issue of 40,000 New Ordinary Shares at the Issue Price.

(c) *Colin Hutchinson*

Colin Hutchinson, through an associated entity, Culmore Limited, which is to act as a consultant to the Company, has entered into a service agreement with the Company dated 31 July 2015 setting out the terms on which his services will be provided to the Company and setting out his appointment as a Non-Executive Director. The service agreement is conditional on Admission. The agreement provides for the payment by the Company of a fee of £35,000 per annum. Either party may terminate the agreement on 3 months' notice. The agreement imposes certain restrictions on Colin Hutchinson as regards the use of confidential information and intellectual property. Pursuant to the terms of Colin Hutchinson's old service agreement which is to be replaced by the service agreement summarised above on Admission, Colin Hutchinson is to be paid an amount of £50,000 on Completion by the Company, of which £30,000 will be satisfied by the allotment and issue of 40,000 New Ordinary Shares at the Issue Price.

(d) *Jill Collighan*

Jill Collighan has entered into a letter of appointment with the Company dated 31 July 2015 setting out the terms of her appointment as Finance Director. The letter of appointment is conditional on Admission. Further details of the terms on which Jill Collighan is engaged by the Company are set out in the description of the secondment agreement between MXC Capital, the Company and Jill Collighan at paragraph 13.10 of this Part VI.

9.2 Save as set out in this paragraph 9 and in paragraph 13.10, there are no existing or proposed service agreements, consultancy agreements or letters of appointment between any of the Directors or the Proposed Directors and any member of the Enlarged Group.

- 9.3 There are no arrangements under which any Director or Proposed Director has agreed to waive future emoluments nor have there been any waivers of such emoluments during the financial year immediately preceding the date of this document.
- 9.4 The aggregate remuneration paid and benefits in kind granted to the Directors in the financial year ended 31 December 2014 was approximately £20,000. It is estimated that, under the agreements in force at the date of this document, the aggregate remuneration payable and benefits in kind to be granted to the Directors and the Proposed Directors in the financial year ending 31 December 2015 will be £175,000.

10. ADDITIONAL INFORMATION ON THE DIRECTORS AND PROPOSED DIRECTORS

- 10.1 In addition to directorships of the Company, the Directors and Proposed Directors hold or have held the following directorships or have been partners in the following partnerships within the five years prior to the date of this Document:

<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Past directorships/partnerships</i>
Clive Carver	ELK Associates LLP Roxi Petroleum plc Eragon Petroleum Limited Fairfax Close Management Limited ELK Corporate Services Limited Ascent Resources plc Darwin Strategic Limited Fastjet plc Eragon Petroleum UAE Ascent Resources d.o.o Ascent Slovenia Limited	Finncap Ltd Lochard Energy Group plc Lochard Energy Limited Zeus Petroleum Limited
Colin Hutchinson	Culmore Limited Ascent Resources plc FG Employee Trustee Company Limited Flightstore Inflight Retailing Limited	
Jonathan Holyhead	All About The Apps Limited 365 Agile Limited South View Solutions Limited Ciseco Limited	Documotive Limited Documotive Scanning Ltd
Jill Collighan	Broca Communications Limited Broca (3) Limited Broca (1) Limited Lammtara Industries EBT Trustees Limited	MXC Capital Limited Eagle Eye Solutions (North) Limited Calyx Managed Services Limited RSBI Limited Marblesquare Limited Wapfly Technologies Limited Sure On Sight Limited Activemedia Technologies Limited GM Mobile Limited Broca (2) Limited 2 Safeguard Limited

- 10.2 Save as stated in paragraph 10.1 above, none of the Directors or Proposed Directors has:

10.2.1 any unspent convictions in relation to indictable offences;

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

- 10.2.3 been a director of a company which has been placed in receivership, insolvent 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 ceased to be a director of that company;
- 10.2.4 been a partner in any partnership which has been placed in insolvent 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;
- 10.2.5 been the owner of any assets 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;
- 10.2.6 been publicly criticised by any statutory or regulatory authority (including recognised professional bodies); or
- 10.2.7 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.
- 10.3 The Company has no administrative, management or supervisory bodies other than the Board, the remuneration and nomination committee and the audit committee, all of whose members are Directors or Proposed Directors, and details of which committees are set out in paragraph 16 of Part I of this document.
- 10.4 Save as disclosed in paragraph 8 of this Part VI, none of the Directors and Proposed Directors nor any of their connected persons, has any interest, whether beneficial or non-beneficial, in any share capital of the Company.
- 10.5 None of the Directors and Proposed Directors nor any of their respective connected persons, is interested in any related financial product (as defined in the AIM Rules for Companies) whose value in whole or in part is determined directly or indirectly by reference to the price of the Ordinary Shares, including a contract for difference or a fixed odds bet.
- 10.6 There are no outstanding loans or guarantees provided by the Company for the benefit of any of the Directors or Proposed Directors nor are there any outstanding loans or guarantees provided by any of the Directors and Proposed Directors for the benefit of the Company.
- 10.7 No Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company since its incorporation and which remains in any respect outstanding or unperformed.
- 10.8 Save as disclosed in this Part VI, there are no contracts, existing or proposed, between any Director, Proposed Director or parties in which they are interested and the Company.

11. EMPLOYEES

Save for the Directors, as at the date of this document the Company has no employees. Save for the Directors and the Proposed Directors on Completion the Enlarged Group will have 26 employees.

12. THE 365 AGILE LONG-TERM INCENTIVE PLAN (“LTIP”)

12.1 Introduction

The Company and 365 Agile propose to adopt the LTIP, which will provide rewards to eligible employees by reference to the share price performance of the Company. The LTIP gives eligible employees the opportunity to acquire A Ordinary Shares in 365 Agile (“A Shares”), the value of which is linked to the share price growth of the Company following Admission. Provided the specified share price performance condition is met, LTIP participants will be able to realise the value of their A Shares in the form of either cash or New Ordinary Shares from the third anniversary of Admission.

A summary of the key terms of the LTIP is set out in paragraphs 12.2 to 12.7 below.

12.2 *Eligibility*

Only employees of companies within the Enlarged Group will be eligible to participate in the LTIP. It is currently intended that participation will be restricted to members of the management team and other key staff.

12.3 *LTIP Awards*

Participants in the LTIP will acquire A Shares in 365 Agile Limited. A Shares will give the holder an entitlement to share in a pool 7.5 per cent. of Shareholder Value created since the date of Admission (the 'LTIP Pool'), subject to a share price performance condition having been achieved over a period of at least three years (see below).

For the purposes of the LTIP, Shareholder Value will be calculated as the growth in the market capitalisation of the Company, as at the date of sale of the A Shares, over the market capitalisation as at Admission at the Issue Price, as adjusted for the issue of New Ordinary Shares after Admission (but excluding New Ordinary Shares issued pursuant to the LTIP) and taking into account dividends and capital returns, if any.

12.4 *Vesting of LTIP Awards*

The payment of any amounts under the LTIP will depend on a share price performance condition having been achieved (the "Performance Condition"). The Performance Condition is that the average mid-market closing price of New Ordinary Shares over a period of ten consecutive days during the period ending on the third anniversary of Admission (the "First Vesting Date") is at least equal to 200 per cent. of the Issue Price.

If the Performance Condition is achieved, participants will be able to realise the value of their A Shares following the First Vesting Date by exercising a put option to sell their A Shares to the Company (or another person nominated by the Company). The amount payable for the A Shares will be the specified percentage of the LTIP pool as at the date of exercise, and this will be either paid in cash or delivered in New Ordinary Shares having an equivalent value, at the discretion of the Company.

If the Performance Condition is not achieved before the First Vesting Date, it will be measured during a further two year period after the First Vesting Date. If the Performance Condition has been achieved at any time during that additional two year period, the put option will become exercisable on that date.

The put option will lapse, if not exercised, at the latest on the seventh anniversary of Admission (or 10 working days after the Company ceases to be in a closed period following that date). Following the lapse of the put option, the Company will be able to exercise a call option to acquire the A Shares, at either the price that would have been payable under the put option (if the Performance Condition has been achieved), or £1 in total (if the Performance Condition has not been achieved).

12.5 *Cessation of Employment*

If a participant ceases employment within the Enlarged Group due to certain 'good leaver' reasons, or for any reason (other than gross misconduct) after the First Vesting Date, any entitlements under the LTIP will remain unaffected. In other circumstances, the participant may be required to transfer any A Shares held for either no consideration or an amount equal to the income tax and National Insurance contributions paid on the acquisition of the A Shares.

12.6 *Change of Control*

If there is a change of control of the Company as a result of a general offer or a compromise or arrangement (other than as part of an internal reorganisation), or a change of control of 365 Agile, participants may be required to sell some or all of their A Shares. In such circumstances, the amount

payable will be, if the Performance Condition has been satisfied, the amount that would have been payable on the exercise of the put option (either in cash or New Ordinary Shares). If the Performance Condition has not been satisfied at the date of the change of control, Participants will only be entitled to receive the nominal value of their A Shares.

12.7 *Other Terms*

The LTIP will be administered by the board of 365 Agile and the remuneration and nomination committee of the Company.

It is intended that A Shares will be issued to employees as employee shareholder status shares in accordance with section 205A Employment Rights Act 1996.

No payment will be made by a participant on the issue of the A Shares.

New Ordinary Shares delivered in consideration for A Shares pursuant to the LTIP will be either newly issued or existing shares.

The above summarises the main features of the LTIP, but does not form part of the LTIP's terms and should not be taken as affecting the interpretation of the detailed terms and conditions of the LTIP.

13. MATERIAL CONTRACTS

13.1 *Introduction*

This paragraph 13 contains summaries of the contracts (not being contracts entered into in the ordinary course of business):

- (a) which have been entered into by any member of the Enlarged Group in the two years immediately preceding the date of this document and are or may be material; or
- (b) which have been entered into by any member of the Enlarged Group and contain provisions under which any member of the Enlarged Group has any obligation or entitlement which is material to the Enlarged Group as at the date of this document.

13.2 *Acquisition Agreement*

A conditional share purchase agreement was entered into on 31 July 2015 between (1) Jonathan Holyhead, Davinder Sanghera, MXC Capital, MXC Guernsey Limited, Maria Crouchley and Miles Hodkinson (together, the "Vendors") and (2) the Company for the sale and purchase of the entire share capital of 365 Agile in consideration for the issue and allotment of the Consideration Shares to the Vendors. The agreement is conditional upon approval by Shareholders. The Vendors have given warranties to the Company regarding their title to the share capital of 365 Agile and their ability to effectively transfer it to the Company as well as warranties in relation to the business and affairs of 365 Agile. In order to give effect to the debt conversion summarised in paragraph 11 of Part I, all of the outstanding debt owed to MXC Capital, MXC Guernsey Limited and Jonathan Holyhead by 365 Agile (being £750,000, £100,000 and £100,000 respectively) will be converted into shares in 365 Agile immediately prior to Completion and these shares will be acquired by the Company in consideration for the issue of the Debt Conversion Shares.

13.3 *Nominated adviser and broker agreement*

On 31 July 2015, the Company entered into an agreement with finnCap pursuant to which the Company appointed finnCap to act as nominated adviser and broker to the Company with effect from Admission. The agreement is for a minimum period of 12 months from the date of Admission and continues thereafter until terminated by either party giving not less than three months' notice. Under the agreement, the Company has agreed to pay finnCap an annual fee of £45,000 for its services, which will increase to £60,000 after 12 months, or upon the completion of a material acquisition or fundraising by the Company if earlier.

13.4 *Placing Agreement*

On 31 July 2015, the Company entered into the Placing Agreement with finnCap, the Directors and the Proposed Directors pursuant to which finnCap has agreed, subject to certain conditions, as agent for the Company to use its reasonable endeavours to procure subscribers for the New Ordinary Shares at the Placing Price. The Placing Agreement is conditional, amongst other things, on Admission taking place on or before 21 August 2015 (or such later date as finnCap and the Company may agree, but in any event not later than 4 September 2015).

The Placing Agreement contains certain warranties by the Company, the Directors and the Proposed Directors in favour of finnCap, including as to the accuracy of the information contained in this document, certain financial information and other matters relating to the Enlarged Group and its businesses. The liability of the Directors and the Proposed Directors under these warranties is limited in time and amount. In addition, the Company has agreed to indemnify finnCap in respect of any losses, damages and liabilities incurred by finnCap resulting from the carrying out by finnCap of its obligations or services under the Placing Agreement or otherwise in connection with the Placing and Admission.

Each of the Directors and Proposed Directors has undertaken to finnCap that, subject to limited exceptions, he will not dispose of any interest in New Ordinary Shares during the period of 12 months from Admission. Each Director and Proposed Director has also undertaken that, during the period of 12 months from the first anniversary of the date of Admission, he will not dispose of any New Ordinary Shares unless such disposal is made on an orderly market basis through the Company's broker from time to time.

finnCap is entitled to terminate the Placing Agreement in certain specified circumstances prior to Admission, principally in the event of a material breach of the Placing Agreement, a breach of any of the warranties contained in the Placing agreement, the occurrence of a material adverse change in the financial position or prospects of the Enlarged Group or the occurrence of other circumstances materially which will or are reasonably likely to seriously and adversely affect the business of the Enlarged Group.

The Placing Agreement provides for the payment by the Company to finnCap of a corporate finance fee and a commission of 3 per cent. on the value of the New Ordinary Shares at the Placing Price together in each case with any applicable VAT, provided that no commission shall be paid on any New Ordinary Shares subscribed by MXC Capital or Henderson. The Placing Agreement also provides for the Company to pay all properly incurred costs, charges and expenses of, or incidental to, the Placing and Admission including all accountancy, legal (subject to a cap of £35,000 (plus VAT and disbursements) unless otherwise agreed in writing) and other professional fees and expenses.

13.5 *Lock-in and orderly market agreements*

On 31 July 2015, the Company and finnCap entered into lock-in deeds with each of MXC Capital, Davinder Sanghera, Miles Hodgkinson and Maria Crouchley (the "Locked-in Parties") pursuant to which each Locked-in Party has undertaken to the Company and finnCap that, subject to limited exceptions, he will not dispose of any interest in New Ordinary Shares during the period of 12 months from Admission. The limited exceptions include the acceptance of a takeover offer for the Company, the execution of an irrevocable commitment to accept such an offer, a disposal by a Locked-in Party to a member of his immediate family or to a trust established for the benefit of members of his immediate family, a disposal following the death of a Locked-in Party to his personal representatives or to the beneficiaries of his estate and a disposal pursuant to a court order.

Each Locked-in Party has also undertaken that, during the period of 12 months from the first anniversary of the date of Admission, he will not dispose of any New Ordinary Shares unless such disposal is made on an orderly market basis through the Company's broker from time to time.

13.6 *Relationship Agreement*

On 31 July 2015, the Company, finnCap and the Concert Party entered into a relationship agreement pursuant to which, conditional on Admission, the Concert Party undertake that, for as long as the Concert Party and any affiliate or connected person of the Concert Party (all as defined therein) holds 30 per cent. or more of the voting rights attaching to the New Ordinary Shares of the Company, it will exercise such voting rights to ensure that, inter alia, the Company is capable at all times of carrying on its business independently of them, the Board is not influenced by them and acts in the best interests of all Shareholders, and that all transactions between them and the Company are and will be made at arm's length and on normal commercial terms. The agreement will terminate automatically upon either (a) the Concert Party and any affiliate or connected person of the Concert Party ceasing to have an interest in 30 per cent. or more of the voting rights attaching to the Company's New Ordinary Shares or (b) following Admission, the Ordinary Shares ceasing to be traded on AIM.

13.7 *Corporate finance advisory agreement*

On 31 July 2015, the Company and MXC Capital Advisory LLP ("MXCA") entered into an agreement pursuant to which MXCA has agreed to provide corporate finance advisory services to the Company in connection with the Proposals and on an ongoing basis following Admission. MXCA's appointment is terminable by the Company on three months' notice. MXCA may terminate the appointment forthwith if the Company commits a material breach of the terms of the agreement. The agreement provides for MXCA to be paid an annual retainer of £30,000 and a fee of 2.5 per cent. of the value of the corporate finance transactions introduced by MXCA, plus, in each case, any applicable VAT. MXCA has the right to appoint one person to the Board and MXCA will continue to have this right for as long as it provides corporate finance advisory services to, and/or MXC Capital, the ultimate holding company of MXCA, holds (directly or indirectly) not less than 10 per cent. of the issued share capital of, the Company, subject to shareholder ratification of any such appointment.

13.8 *Warrant Instrument*

By a warrant instrument dated 31 July (the "Warrant Instrument"), the Company created and issued to MXC Capital, with effect from Admission, 834,118 warrants to subscribe for up to 834,118 New Ordinary Shares on the terms of the Warrant Instrument, representing 5 per cent. of the Enlarged Share Capital. The Warrant Instrument provides that the number of warrants created pursuant to the terms of the Warrant Instrument (when aggregated with those that have been exercised) shall at all times be equal to 5 per cent. of the issued share capital of the Company (the "evergreen provisions"). The subscription price for the initial warrants created and issued on Admission will be the Issue Price and the subscription price for any additional warrants created and issued pursuant to the evergreen provisions will be the price at which the Company allots and issues new shares. The evergreen provisions shall cease to apply should MXC Capital no longer hold (directly or indirectly) 5 per cent. or more of the issued share capital of the Company. The warrants are exercisable over a three year period, a third per annum, commencing on the first anniversary of Admission. In any such exercise period, 50 per cent. of the warrants will be exercisable with immediate effect and the remaining 50 per cent. will only become exercisable subject to 12 per cent. per annum compound growth in the Company's share price with respect to the Issue Price having been achieved.

13.9 *Irrevocable Undertaking*

An irrevocable undertaking in favour of the Company dated 31 July 2015 has been given by Henderson in respect of the 9,023,061,648 Existing Ordinary Shares controlled by it, representing approximately 89.7 per cent. of the Existing Ordinary Shares. Henderson has undertaken to vote, or use all reasonable endeavours to instruct its nominee to vote, in favour of the Acquisition and the Resolutions at the General Meeting.

13.10 *Secondment Agreement*

On 31 July 2015, the Company and MXC Capital entered into an agreement pursuant to which MXC Capital agreed to second Jill Collighan to the Company in order to provide the Company with Jill's services as a financial director and company secretary on the terms of this agreement and the letter of appointment summarised at paragraph 9.1 of this Part VI. The Company shall pay MXC Capital £75,000 per annum (inclusive of VAT) for Jill's services. The secondment agreement is conditional on Admission and is terminable by either party on three month's notice. The secondment agreement imposes certain restrictions on Jill as regards the use of confidential information and intellectual property.

13.11 *South View Solutions Hive Out Agreement*

On 1 May 2015, South View Solutions agreed to transfer its development and licence services business and assets to 365 Agile and to transfer its implementation, support and professional services business to Documotive (the "SVS Hive Out"). The SVS Hive Out constituted a relevant transfer under the Transfer of Undertakings (Protection of Employment) Regulations 2006 and the employees associated with each of these businesses have automatically transferred to 365 Agile and Documotive respectively. Following completion of the SVS Hive Out, it is intended that all of the remaining assets in South View Solutions will be transferred to 365 Agile. No written agreement has been entered into in respect of the SVS Hive Out and there was no consideration for the transfers made or to be made under the SVS Hive Out.

13.12 *Acquisition of Ciseco*

On 17 March 2015, 365 Agile entered into a share purchase agreement with Miles Hodkinson, Maria Crouchley and Robertus Johannes van der Linden pursuant to which 365 Agile acquired the entire issued share capital of Ciseco (the "Ciseco SPA"). The consideration for the sale of the shares in Ciseco was satisfied by the allotment and issue of shares in 365 Agile. Mile Hodkinson, as warrantor, agreed to indemnify 365 Agile against all costs which may be suffered or incurred which arise directly or indirectly in connection with any person claiming to have a right to or an interest in any of the software, code or intellectual property rights owner by Ciseco at completion of the Ciseco SPA or in relation to any person claiming to have an entitlement to any fees, royalties or payments in respect of the use or licensing of any such software, code or intellectual property rights of Ciseco which were not disclosed in the disclosure letter. Pursuant to the terms of the Ciseco SPA, Miles Hodkinson and Maria Crouchley agreed not to compete with Ciseco for a period of two years from completion of the Ciseco SPA and not to solicit or entice employees, suppliers of customers of Ciseco. 365 Agile cannot bring a warranty claim under the Ciseco SPA unless the claim is brought by 17 March 2017 (or in the case of any tax claims, within seven years). The total aggregate liability of Miles Hodkinson under the warranties, the tax covenant or under any indemnity claim is limited to £336,000.

13.13 *Acquisition of South View Solutions*

On 27 February 2015, 365 Agile entered into a share purchase agreement with Alan Swift and Sally-Anne Swift (the "SVS Vendors") for the acquisition of the entire issued share capital of South View Solutions by 365 Agile (the "SVS SPA"). Pursuant to the SVS SPA, 365 Agile purchased the entire issued share capital of South View Solutions. The consideration comprised £750,000 in cash on completion of the SVS SPA and £350,000 in zero coupon unsecured convertible loan notes due 12 months after completion of the SVS SPA. These loan notes were subsequently transferred to MXC Guernsey Limited and Jonathan Holyhead and converted into shares in 365 Agile prior to the Acquisition. The SVS SPA contains restrictions on the SVS Vendors to ensure that the SVS Vendors do not compete with 365 Agile. The SVS Vendors also give certain warranties in relation to South View Solutions. 365 Agile must bring any warranty claims before 27 August 2016 and any tax warranties claims before 27 February 2022. The total aggregate liability of the SVS Vendors under the warranties is limited to £1 million.

13.14 *Hive Out Agreement*

On 18 November 2014, 365 Agile and Documotive entered into a hive out agreement (the “Hive Out Agreement”) pursuant to which Documotive agreed to sell the part of the software development business carried on by Documotive that created the Agile product. The Hive Out Agreement also includes certain restrictive covenants to ensure that Documotive does not compete with 365 Agile's business during the two year period ending on November 2016 and to ensure that Documotive does not to use the word 'Agile' at any time after 18 November 2014.

13.15 *Transitional Services Agreement*

On 18 November 2014, 365 Agile and Documotive entered into a transitional services agreement dated 18 November 2014 (the “TSA”) pursuant to which the parties agreed to provide certain services to each other for a maximum period of 12 months. The TSA sets out the transitional services to be provided by Documotive to 365 Agile and includes the provision of vehicles, a licence to occupy the property at Unit 1 Emmanuel Court, representation on the Documotive website and access to Documotive's account for distribution of applications.

13.16 *Disposal by Vphase Smart Energy Limited*

On 24 September 2013, VPhase Smart Energy Limited (in liquidation), a wholly owned subsidiary of the Company, sold all of its intellectual property to Southern Fox Investments Limited and all of its tooling to Bristol Bluegreen Limited for an aggregate consideration of £200,000. The proceeds of the disposal were distributed in accordance with the Insolvency Act 1986 by the administrators of the Company as part of the insolvency process affecting the Iafyds Group at that time.

13.17 *Panmure Gordon (UK) Limited nominated adviser agreement and warrants*

Pursuant to its prior appointment as the Company's nominated adviser and broker, Panmure Gordon (UK) Limited is owed accrued fees of £75,000 and holds a warrant convertible into 100,564,300 Existing Ordinary Shares (representing 1 per cent. of the current issued share capital of the Company) exercisable at a price of 0.003p per share. On Completion, Panmure Gordon (UK) Limited will receive 10,056 New Ordinary Shares (representing 0.06 per cent. of the Enlarged Share Capital) on exercise of its warrant at an aggregate exercise price of £3,017 and a cash payment of £71,983 (being £75,000 less the exercise price of the warrants) in full and final satisfaction of its accrued fees.

14. LEGAL AND ARBITRATION PROCEEDINGS

14.1 No member of the Enlarged Group is or has during the 12 months preceding the date of this document been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Company or the Enlarged Group.

15. WORKING CAPITAL

The Directors and Proposed Directors are of the opinion, having made due and careful enquiry and having taken into account the net Placing proceeds, that following the Admission, the Enlarged Group will have sufficient working capital for its present requirements, that is for at least the next 12 months from Admission.

16. NO SIGNIFICANT CHANGE

16.1 Save as disclosed in Parts I and III and this Part VI of this document, there has been no significant change in the financial or trading position of the Iafyds Group since 31 December 2014, the latest date to which audited accounts have been provided.

16.2 Save as disclosed in Parts I and IV and this Part VI of this document, there has been no significant change in the financial or trading position of the Agile Group since 30 April 2015, the latest date to which audited accounts have been provided.

17. RELATED PARTY TRANSACTIONS

- 17.1 Save as disclosed in paragraph 14 of Part I or referred to in the financial statements incorporated by reference in Part III of this document, no member of the Iafyds Group entered into a transaction with a related party during the period between 1 January 2011 and the date of this document.
- 17.2 Save as disclosed in the financial statements in Part IV of this document no member of the Agile Group entered into a transaction with a related party during the period between 1 August 2011 and the date of this document.

18. UK TAXATION

The following paragraphs are intended as a general guide only for Shareholders who are resident in the UK for tax purposes, holding Ordinary Shares as investments and not as securities to be realised in the course of a trade. They do not purport to be comprehensive nor to describe all potential relevant considerations. They are based on current legislation and HMRC practice. Any shareholder who is in any doubt about his tax position, or who is subject to taxation in a jurisdiction other than the UK, should consult his or her own professional adviser immediately.

18.1 CGT

If a shareholder who is a UK individual disposes of all or some of his Ordinary Shares, a liability to tax on gains of the disposal may arise. The extent of the tax liability on any gains which may arise will depend on the availability of the annual CGT exemption and any other tax relief such as existing capital losses. CGT is currently charged at a rate of 18 per cent. for basic rate taxpayers or 28 per cent. for higher and additional rate taxpayers. Indexation allowance is not available for individuals.

Corporate entities holding shares as an investment will be subject to corporation tax on any gain arising, subject to mitigation by indexation allowance and potentially by losses available for relief. The current rate of corporation tax is 20 per cent., although the UK Government has just announced plans to reduce this rate to 19 per cent. from 2017 and 18 per cent. from 2020. An exemption from corporation tax arising on any gain may be available if the corporate shareholder holds at least 10 per cent. of the Company's Ordinary Shares and has done so for at least 12 months in the two years prior to disposal and certain other conditions are met.

Trustees of a UK trust will also be subject to tax on any gains. Any gain may be capable of mitigation by use of the annual exemption to the extent this has not been used against other gains.

18.2 UK stamp duty and stamp duty reserve tax

No UK stamp duty will be payable on the issue by the Company of Ordinary Shares. Nor should there be any liability to UK stamp duty/stamp duty reserve tax on subsequent transactions involving Ordinary Shares listed on AIM, since the abolition of such tax on transfers post-April 2014.

18.3 UK taxation of dividends

Withholding Tax

Under current UK tax legislation, no amounts in respect of UK tax will be withheld at source from dividend payments made by the Company.

Individuals

Under current UK law, a dividend paid to a non-corporate UK resident Shareholder is treated as being paid with a tax credit equal to one ninth of the net dividend. Thus, for such Shareholders, there will be a tax credit of 10 per cent. on the gross dividend, that gross dividend being equal to the sum of the net dividend and the accompanying tax credit. Individual UK resident Shareholders whose income is within the starting or basic rate bands will be liable to tax at 10 per cent. on their gross dividend income under current UK law and, if eligible for the tax credit, the tax credit will therefore satisfy their income tax liability on such UK dividends.

Individual UK resident Shareholders who are liable to income tax at the higher rate will be charged to tax at 32.5 per cent. on their gross dividend income under current law. After taking account of the 10 per cent. tax credit, where available, this will represent an effective tax rate of 25 per cent. of the net dividend received. Additional rate tax will apply to individual UK resident Shareholders with annual taxable income in excess of £150,000 and the trustees of UK trusts. The additional rate will be 37.5 per cent. on gross dividend income under current UK law. After taking account of the 10 per cent. tax credit, where available, this will represent an effective tax rate of 30.6 per cent. of the net dividend received.

The UK Government has recently announced plans to change the UK law governing the taxation of dividends in the hands of individuals resident in the UK. These new proposals if enacted in law, and which are due to apply from April 2016, will result in different rates of tax applying. UK resident Shareholders should therefore seek the appropriate advice on how such proposed changes may impact their tax affairs.

Companies

A corporate Shareholder (but excluding certain insurance companies and companies that hold shares as trading stock) resident in the UK for tax purposes may meet one of the corporation tax exemptions and not ultimately suffer UK corporation tax or income tax on dividend payments received from the Company. Corporate Shareholders will not, however, be able to claim repayment of tax credits attaching to the dividend payment if such dividends are exempt from UK corporation tax or income tax.

- 18.4 The above comments are intended as a general guide to the current tax position in the UK. This summary is not a substitute for the investor obtaining professional or tax advice before applying for shares. If you are not resident in the UK or are in any doubt as to your tax position you should consult an appropriate professional adviser without delay.

19. GENERAL

- 19.1 The gross proceeds of the Placing are expected to be £2.24 million. The total costs and expenses of and incidental to the Admission and the Placing payable by the Company are estimated to amount to approximately £870,000 (exclusive of VAT). The net proceeds of the Placing after expenses payable on or in respect of Admission are expected to be £1.37 million.
- 19.2 finnCap has given, and not withdrawn, its written consent to the inclusion in this document of reference to its name in the form and context in which it appears.
- 19.3 Baker Tilly Corporate Finance LLP has given, and not withdrawn, its written consent to the inclusion in this document of its reports set out in Sections A, C and F of Part IV, and references to its name in the form and context in which it appears.
- 19.4 Other than the Company's admission to AIM and in respect of the current application for Admission, the Ordinary Shares have not been admitted to dealings on any recognised investment exchange nor has any application for such Admission been made nor are there intended to be any other arrangements for dealings in the Ordinary Shares.
- 19.5 The financial information contained in Part IV of this document does not constitute full statutory accounts as referred to in Sections 430 to 434 of the Companies Act 2006. The Company will publish its audited accounts for the year ended 31 December 2015 on or before 30 June 2016. The Company will publish its interim report for the 6 months to 30 June 2015 on or before 30 September 2015.
- 19.6 The Directors and Proposed Directors are unaware of any exceptional factors which have influenced the Iafyds Group's activities.
- 19.7 The Directors and Proposed Directors are unaware of any exceptional factors which have influenced the Agile Group's activities.

- 19.8 The Directors and Proposed Directors are not aware of any significant recent trends in production, sales and inventory and costs and selling prices. There are no known uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Enlarged Group's prospects for the current financial year.
- 19.9 The Directors and Proposed Directors are not aware of any patents or other intellectual property rights, licenses or particular contracts which are or may be of fundamental importance to the Iafyds Group's business.
- 19.10 Save as referred to in Part I of this document, the Directors and Proposed Directors are not aware of any patents or other intellectual property rights, licenses or particular contracts which are or may be of fundamental importance to the Agile Group's business.
- 19.11 There are no arrangements under which future dividends are waived or agreed to be waived.
- 19.12 The accounting reference date of Iafyds as at the date of this document is 31 December. The annual accounts of the Company have been audited in accordance with national law for the years ended 2012, 2013 and 2014 by Deloitte LLP.
- 19.13 The Ordinary Shares will only be traded on AIM.
- 19.14 The Company's registrar and paying agent for the payment of dividends is Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA.
- 19.15 No person (other than the Company's professional advisors and trade suppliers or save as disclosed in this document) has, directly or indirectly, in the last 12 months, received or is contractually entitled to receive, from the Company on or after Admission any payment or benefit from the Company to the value of £10,000 or more or securities in the Company to such value or entered into any contractual arrangements to receive the same from the Company.
- 19.16 The Directors and Proposed Directors accept responsibility for the financial information contained or referred to in Parts III and IV of this document which has been prepared in accordance with the law applicable to the relevant company.
- 19.17 Where information in this document has been sourced from third parties, the Company confirms that this information has been accurately reproduced and that, so far as the Directors and Proposed Directors are aware and are able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 19.18 Save as set out in paragraph 13 of this Part VI, no commission is payable by the Company to any person in consideration of his agreeing to subscribe for securities to which this document relates or of his procuring or agreeing to procure subscriptions for such securities.
- 19.19 No payment (including commissions) or other benefit has been or is to be paid or given to any promoter of the Company.
- 19.20 No significant investments have been made by the Company during the period covered by the historical financial information set out in Part III of this document and up to the date of this document. There are no investments in progress which are significant and there are no future significant investments by the Company in respect of which a firm commitment has already been made.
- 19.21 To the best of the knowledge of the Directors and Proposed Directors, as at 31 July 2015 (being the latest practicable date prior to the publication of this document), there are no environmental issues that may affect the Iafyds Group's utilisation of its tangible fixed assets.
- 19.22 To the best of the knowledge of the Directors and Proposed Directors, as at 31 July 2015 (being the latest practicable date prior to the publication of this document), there are no environmental issues that may affect the Agile Group's utilisation of its tangible fixed assets.

19.23 There have been no takeover bids by third parties in respect of the Company's equity which have occurred during the last financial year or the current financial year.

19.24 The Directors and Proposed Directors are not aware of any other information that they should reasonably consider as necessary for the investors to form a full understanding of (i) the assets and liabilities, financial positions, profits and losses, and prospects of the Company and the securities for which Admission is being sought; (ii) the rights attached to those securities; and (iii) any other matter contained herein.

20. DOCUMENTS FOR INSPECTION

Copies of this document will be available free of charge to the public at the offices of finnCap, 60 New Broad Street, London, EC2M 1JJ during normal business hours on any day (except Saturdays, Sundays and public holidays) for a period of one month from the date of Admission. This document will also be available for download from the Company's website at www.iafyds.co.uk.

PART VII

NOTICE OF GENERAL MEETING

IAFYDS PLC

(Incorporated and registered in England and Wales with company number 4958332)

NOTICE OF GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that a general meeting of the Company will be held at the offices of K&L Gates LLP, One New Change, London EC4M 9AF on 20 August 2015 at 10 a.m. to consider and, if thought fit, to pass the following resolutions, of which resolutions 1 to 6 (inclusive) will be proposed as ordinary resolutions and resolutions 7 to 8 (inclusive) will be proposed as special resolutions:

ORDINARY RESOLUTIONS

1. THAT the proposed acquisition by the Company of the entire issued share capital of 365 Agile Limited (the "Acquisition") pursuant to and on the terms and subject to the conditions contained in an agreement dated 31 July 2015 made between the Company, as purchaser, and Jonathan Holyhead, Davinder Sanghera, MXC Capital Limited, MXC Guernsey Limited, Maria Crouchley and Miles Hodgkinson as sellers (the "Acquisition Agreement") as more particularly described in the admission document of the Company dated 3 August 2015 (the "Admission Document") be and is hereby approved with such revisions and amendments (including as to price) of a nonmaterial nature as may be approved by the directors of the Company ("Directors") or any duly authorised committee thereof, and that all acts, agreements, arrangements and indemnities which the Directors or any such committee consider necessary or desirable for the purpose of or in connection with the Acquisition be and they are hereby approved.
2. THAT, subject to and conditional on Admission (as such term is defined in the Admission Document), Jonathan Holyhead be appointed as a Director of the Company.
3. THAT, subject to and conditional on Admission (as such term is defined in the Admission Document), Jill Collighan be appointed as a Director of the Company.
4. THAT, subject to and conditional on the passing of resolutions 1 and 7, the terms of the agreement to be entered into between the Company and the holder(s) of the deferred shares of 0.247 pence each in the capital of the Company (the "Deferred Shares") relating to the purchase by the Company of 1,389,756,800 Deferred Shares for a price of one penny for each aggregate holding of Deferred Shares so purchased (the "Buy-Back Agreement"), a copy of which was produced to the meeting and initialled by the chairman of the meeting for the purposes of identification, be and is hereby approved and the directors of the Company be and are hereby authorised to do all such things as they may deem necessary to complete the Buy-Back Agreement and to carry the same into effect.
5. THAT, subject to and conditional on the passing of resolutions 1 and 7, the 10,056,430,000 ordinary shares of 0.003 pence each in the capital of the Company be consolidated and divided into 1,005,643 ordinary shares of 30 pence each.
6. That, subject to and conditional on the passing of resolutions 1 and 5:
 - 6.1 the directors be generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company up to an aggregate nominal amount of:
 - (a) £3.4 million in connection with the Acquisition, provided that this authority shall expire on 20 November 2015;

- (b) £920,000 in connection with the Placing (as such term is defined in the Admission Document), provided that this authority shall expire on 20 November 2015;
- (c) £250,236 in connection with the creation and issue of warrants under the Warrant Instrument (as such term is defined in the Admission Document) provided that this authority shall expire on 20 November 2015;
- (d) £375,353 in connection with the LTIP (as such term is defined in the Admission Document) provided that this authority shall expire on 20 August 2020; and
- (e) £1,668,237, provided that this authority shall, unless previously revoked, varied or renewed, expire at the conclusion of the next annual general meeting of the Company after the date of the passing of this resolution or, if earlier, on 20 November 2016,

but the Company may make offers and enter into agreements before the relevant authority expires which would or might require shares to be allotted or rights to subscribe for or to convert any securities into shares to be granted after such expiry and the directors may allot shares and grant rights to subscribe for or to convert any securities into shares in pursuance of any such offer or agreement as if the relevant authority had not expired; and

- 6.2 all unexercised authorities previously granted to the directors pursuant to section 551 of the Companies Act 2006 be and are hereby revoked.

SPECIAL RESOLUTIONS

7. THAT, subject to and conditional on the passing of resolution 1, the articles of association produced to the meeting and initialled by the Chairman of the meeting for the purpose of identification be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.
8. That, subject to and conditional on the passing of resolution 6, the Directors be empowered pursuant to section 570 and section 573 of the Companies Act 2006 to allot equity securities (within the meaning of section 560 of that Act) for cash:
- (a) pursuant to the authority conferred by paragraph 6.1(b) of resolution 6, as if section 561(1) of that Act did not apply to any such allotment, provided that this authority shall expire on 20 November 2015;
 - (b) pursuant to the authority conferred by paragraph 6.1(c) of resolution 6, as if section 561(1) of that Act did not apply to any such allotment, provided that this authority shall expire on 20 November 2015;
 - (c) pursuant to the authority conferred by paragraph 6.1(d) of resolution 6, as if section 561(1) of the Act did not apply to any such allotment, provided that this authority shall expire on 20 August 2020; and
 - (d) pursuant to the authority conferred by paragraph 6.1(e) of resolution 6, as if section 561(1) of that Act did not apply to any such allotment, provided that this power shall:
 - (i) be limited to the allotment of equity securities in connection with an offer of equity securities:
 - (A) to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings of such shares; and
 - (B) to holders of other equity securities if this is required by the rights of those securities or, if the directors consider it necessary, as permitted by the rights of those securities,

and so that the directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory, the requirements of any regulatory body or stock exchange or any other matter;

- (ii) be limited to the allotment (otherwise than pursuant to paragraph 8(d)(i) of this resolution) of equity securities up to an aggregate nominal amount of £750,706;
- (iii) expire at the conclusion of the next annual general meeting of the Company after the date of the passing of this resolution or, if earlier, on 20 November 2016, but the Company may make offers and enter into agreements before the power expires, 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 as if the power conferred had not expired; and
- (iv) apply in relation to a sale of shares which is an allotment of equity securities by virtue of section 560(3) of the Companies Act 2006 as if in paragraph 8(d) of this resolution the words “pursuant to the authority conferred by paragraph 6.1(e) of resolution 6” were omitted.

By order of the Board

Clive Carver, Director

Registered Office:

Unit 514 Metal Box Factory
30 Great Guildford Street
London SE1 0HS
England

Notes:

1. Only those members registered in the register of members of the Company at 10.00 a.m. on 18 August 2015 shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. If the meeting is adjourned, the time by which a person must be entered in the register of members of the Company in order to have the right to attend and vote at the meeting is 6.00 p.m. on the day that is two days prior to the day of the adjourned meeting. Changes to the register of members after the relevant deadline will be disregarded in determining the rights of any person to attend and vote at the meeting.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to exercise all or any of the rights of the member to attend and to speak and vote on his behalf at the meeting. A proxy need not be a member of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. A proxy may only be appointed using the procedures set out in these notes and the notes to the proxy form. The completion and return of a proxy form will not prevent a member who wishes to do so from attending and voting at the meeting in person.
3. A member may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. Each proxy must be appointed on a separate proxy form. Additional proxy forms may be obtained by contacting the shareholder helpline operated by the Company’s registrar, Neville Registrars Limited, on 0121 585 1131. Alternatively, members may photocopy the accompanying proxy form the required number of times before completing it. A member appointing more than one proxy must indicate on the relevant proxy forms the number of shares in respect of which each proxy is appointed.
4. To be valid, a proxy form and any power of attorney or other authority (if any) under which it is signed (or a duly certified copy of such power or authority) must be received by post or (during normal business hours only) by hand at Neville Registrars Limited, Proxy Department, 18 Laurel Lane, Halesowen, West Midlands B63 3DA, no later than 10.00 a.m. on 18 August 2015.
5. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider should refer to their CREST sponsor or voting service provider who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it relates to the appointment of a proxy, the revocation of a proxy appointment or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 7RA11) by the latest time(s) for receipt of proxy appointments specified in this notice of 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. After this time, any change of instructions to a proxy appointed through CREST should be communicated to the appointee by other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider take) 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. Any corporation which is a member may appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
7. 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).
8. As at 31 July 2015 (being the latest practicable date prior to the publication of this notice), the Company's issued share capital consisted of 10,056,430,000 ordinary shares, carrying one vote each, and 1,389,756,800 deferred shares, carrying no voting rights. The Company does not hold any ordinary shares in treasury. Therefore, the total number of voting rights in the Company as at 31 July 2015 is 10,056,430,000.
9. You may not use any electronic address provided in this notice of meeting or any related documents (including the proxy form) to communicate with the Company for any purposes other than those expressly stated.

