

Toople.com



Toople Plc Prospectus



THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take, you are recommended to seek your own financial advice immediately from an appropriately authorised stockbroker, bank manager, solicitor, accountant or other independent financial adviser who, if you are taking advice in the United Kingdom, is duly authorised under the Financial Services and Markets Act 2000 (“FSMA”).

This document comprises a prospectus relating to Toople plc prepared in accordance with the Prospectus Rules of the Financial Conduct Authority (the “FCA”) made under section 73A of FSMA and approved by the FCA under section 87A of FSMA. This document has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Rules. Application will be made to the FCA for all of the ordinary shares in the Company (the “Ordinary Shares”) to be admitted to the standard listing segment of the Official List of the UK Listing Authority (the “Official List”) by way of a standard listing under Chapter 14 of the listing rules published by the UK Listing Authority under section 73A of FSMA as amended from time to time (the “Listing Rules”) and to the London Stock Exchange plc (the “London Stock Exchange”) for such Ordinary Shares to be admitted to trading on the London Stock Exchange’s main market for listed securities (together, “Admission”). Admission to trading on the London Stock Exchange’s main market for listed securities constitutes admission to trading on a regulated market. No application has been made, or at this time is intended to be made, for the Ordinary Shares to be admitted for listing or dealt with on any other stock exchange. It is expected that Admission will become effective, and that unconditional dealings in the Ordinary Shares will commence, at 8 a.m. on 10 May 2016. When admitted to trading the Ordinary Shares will have an ISIN of GB00BZ8TP087.

The Company and each of the Directors, whose names appear on page 27 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

INVESTORS SHOULD READ THIS DOCUMENT IN ITS ENTIRETY. IN PARTICULAR, YOUR ATTENTION IS DRAWN TO THE PART HEADED “RISK FACTORS” FOR A DISCUSSION OF THE RISKS THAT MIGHT AFFECT THE VALUE OF YOUR SHAREHOLDING IN THE COMPANY.

TOOPLE PLC

(Incorporated in England and Wales under the company number 10037980)

Placing of 25,000,000 new Ordinary Shares of 0.0667 pence each in the capital of the Company at 8 pence per new Ordinary Share accompanied by the issue of warrants over 8,100,000 new Ordinary Shares

Admission of 10,000,000 Ordinary Shares of 0.0667 pence each to the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules) and to trading on the London Stock Exchange’s Main Market for listed securities

Broker



Financial Adviser



The Company is not offering any Ordinary Shares nor any other securities in connection with Admission. This document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, any Ordinary Shares nor any other securities in any jurisdiction. The Ordinary Shares will not be generally made available or marketed to the public in the UK or any other jurisdiction in connection with Admission.

The Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) (the “Securities Act”), or under the securities laws or with any securities regulatory authority of any state or other jurisdiction of the United States or of any province or territory of Australia, Canada, Japan, South Africa or the Republic of Ireland. Securities may not be offered or sold in the United States absent: (i) registration under the Securities Act; or (ii) an available exemption from registration under the Securities Act. The Ordinary Shares have not been and will not be offered or sold in the United States, Australia, Canada, Japan, South Africa or the Republic of Ireland or to or for the account or benefit of any person resident in Australia, Canada, Japan, South Africa or the Republic of Ireland and this document does not constitute an offer to sell or a solicitation of an offer to purchase or subscribe for Ordinary Shares in such jurisdictions or in any jurisdiction in which such offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements.

on the Company. These materials may not be published, distributed or transmitted by any means or media, directly or indirectly, in whole or in part, in or into the United States, Australia, Canada, Japan, South Africa or the Republic of Ireland. The distribution of this document in other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves of and observe any restrictions.

Application will be made for the Ordinary Shares to be admitted to the standard segment of the Official List. A Standard Listing affords investors in the Company a lower level of regulatory protection than that afforded to investors in companies whose securities are admitted to the premium segment of the Official List, which are subject to additional obligations under the Listing Rules. It should be noted that the UK Listing Authority will not have the authority to (and will not) monitor the Company's compliance with any of the Listing Rules and/or any provision of the Model Code or those aspects of the Disclosure and Transparency Rules which the Company has indicated herein that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company to so comply.

Vicarage Capital Limited ("VCL"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company and for no one else in relation to Admission and the arrangements referred to in this document. VCL will not regard any other person (whether or not a recipient of this document) as its client in relation to Admission and will not be responsible to anyone other than the Company for providing the protections afforded to clients of VCL or for providing any advice in relation to Admission, the contents of this document or any transaction or arrangement referred to herein. No liability whatsoever is accepted by VCL for the accuracy of any information or opinions contained in this document or for the omission of any material information, for which it is not responsible.

Cairn Financial Adviser LLP ("Cairn"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company and for no one else in relation to Admission and the arrangements referred to in this document. Cairn will not regard any other person (whether or not a recipient of this document) as its client in relation to Admission and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Cairn or for providing any advice in relation to Admission, the contents of this document or any transaction or arrangement referred to herein. No liability whatsoever is accepted by Cairn for the accuracy of any information or opinions contained in this document or for the omission of any material information, for which it is not responsible.

Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to section 87G of the FSMA or Rule 3.4 of the Prospectus Rules, the publication of this document does not create any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to, the date of this document. Notwithstanding any reference herein to the Company's website, the information on the Company's website does not form part of this document.

Forward Looking Statements

This document contains statements that are or may be forward-looking statements. All statements other than statements of historical facts included in this document may be forward-looking statements, including statements that relate to the Company's future prospects, developments and strategies. Forward-looking statements are identified by their use of terms and phrases such as "believe", "targets", "expects", "aim", "anticipate", "projects", "would", "could", "envisage", "estimate", "intend", "may", "plan", "will" or the negative of those, variations or comparable expressions, including references to assumptions. The forward looking statements in this document are based on current expectations and are subject to known and unknown risks and uncertainties that could cause actual results, performance and achievements to differ materially from any results, performance or achievements expressed or implied by such forward-looking statements. Factors that may cause actual results to differ materially from those expressed or implied by such forward looking statements include, but are not limited to, those described in the Risk Factors. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such entity and the environment in which each will operate in the future. All subsequent oral or written forward-looking statements attributed to the Company or any persons acting on its behalf are expressly qualified in their entirety by the cautionary statement above. Each forward looking statement speaks only as at the date of this document. Except as required by the Prospectus Rules, the Listing Rules, Disclosure and Transparency Rules or applicable law, neither the Company nor any other party intends to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

Dated 4 May 2016

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SUMMARY INFORMATION

Summaries are made up of disclosure requirements known as “Elements”. These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of security and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of security and issuer, it is possible that no relevant information can be given regarding the Element. In this case, a short description of the Element is included in the summary with the mention of “not applicable”.

Section A – Introduction and warnings		
A1	Introduction and warnings	<p>THIS SUMMARY MUST BE READ AS AN INTRODUCTION TO THIS PROSPECTUS. ANY DECISION TO INVEST IN ORDINARY SHARES SHOULD BE BASED ON CONSIDERATION OF THIS PROSPECTUS AS A WHOLE.</p> <p>Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the Ordinary Shares.</p>
A2	Consent for intermediaries	Not applicable. This is not a public offer of securities and consent will not be given by the Company for the use of this Prospectus for subsequent resale or final placement of securities by financial intermediaries.
Section B – Issuer		
B1	Legal and commercial name	The legal and commercial name of the issuer is Toople plc.
B2	Domicile/legal form/legislation/country of incorporation	The Company was incorporated and registered in England and Wales on 2 March 2016 with registered number 10037980 as a public company limited by shares under the Act. It is domiciled in the United Kingdom and is subject to the City Code.
B3	Key factors of the issuer’s current operations/principal activities and markets	The Group provides a range of telecoms services primarily targeted at the UK SME market. Its services offered include business broadband, fibre, EFM and Ethernet data services, business mobile phones, cloud PBX and SIP Trunking and Traditional Services (calls and lines) all of which are delivered and managed through Merlin, the Group’s proprietary software platform. The Group currently has a small number of customers (41 SMEs, as at the date of this document), to whom it provides

		<p>telecoms services directly, which have been acquired during the development phase of the Group's business. The Group intends to officially launch its services on a larger scale, commencing with an on-line marketing campaign, shortly following Admission (the "Business"). Additionally, the Group has 10 customers that it provides telecoms services to on a wholesale basis although this is not currently a strategic focus for the Group.</p> <p>The growth of the Group's Business and the success of its strategy is highly dependent on the effectiveness of the Group's marketing campaign in attracting potential customers to the Group's website and a significant proportion of these potential customers signing up for the Group's services. The Directors believe that one of the Group's key differentiators, compared to its competitors, is its Merlin platform. Merlin allows potential customers to build a bespoke package online, tailored to each customer's particular requirements accompanied by an instant, accurate online quote and the ability to purchase the services online. Merlin connects via application program interface ("API") to the Group's network suppliers to identify the best available service provider for each customer. Merlin also delivers cross-device functionality, allowing customers to share bundled packages and minutes across devices and employees and captures these arrangements in straight-forward billing. The Directors are unaware of any other platforms currently used in the telecoms industry to serve the UK SME market that match Merlin's capabilities and customer relationship management ("CRM") interface. Merlin is fully operational and has been successfully implemented across the Group's existing customer base.</p> <p>The Group does not own any telecommunications infrastructure itself but is dependent on the use of the networks of telecommunication wholesale companies.</p> <p>The target market of the Group is UK SMEs who have between 1 and 50 employees (of which there are 5.4 million, with around 15.6 million employees).</p>
B4a	Significant recent trends	<p>As the Group has conducted minimal levels of trading to date with a small customer base, an analysis of significant recent business trends within the Group is not applicable.</p> <p>Trends within the telecoms industry will impact directly upon the Group moving forward post Admission, including (but not limited to) regulatory changes, competition, technology and consumer preferences. The most significant trends affecting the industry at present are as follows:</p> <p>Regulatory Changes & Competition</p> <p>Ofcom is keen to ensure that the recent and potential activity within the mobile sector (including the BT acquisition of EE) is not anticompetitive. On 25 February 2016, Ofcom published its Strategic Review of Digital Communications report which places focus on five key areas. A summary of the report is included within Part I of this Prospectus. The content of the report indicates that Ofcom is committed to ensuring consumer needs within the</p>

		<p>telecoms industry are met through allowing BTs competitors improved access to its infrastructure. This will likely lead to greater competition within the telecoms industry and drive both innovation and affordable prices. Increased access to Openreach’s network will allow competing providers to build their own fibre networks. Ofcom will set prices in respect of access to the Openreach network in ways that are designed to encourage providers to build these networks.</p> <p>Technology & Consumer Preferences</p> <p>The telecoms industry advances continually, driven by both improved technology and shifts in consumer preferences. Recent years have seen an increased focus on the Hosted Market (inclusive of Cloud PBC/VoIP) and consumers are driven by both pricing and quality of service. The Directors believe that it is not only important to deliver quality whilst remaining competitively priced, but also be able to identify and implement new technologies on an ongoing basis to meet the ever changing needs of the consumer. The Group has an in-house software development team who are focused on innovation and developing the Merlin platform.</p>																									
B5	Group Structure	<p>The Company is the holding company of the Group. The Company has four wholly owned subsidiaries: Toople.com Limited, AskMerlin Limited, Toople Finance Limited and Toople Management Services Limited, all of which are registered and incorporated in England. Ask Merlin SP ZOO, which is incorporated in Poland, is the wholly owned subsidiary of AskMerlin Limited.</p>																									
B6	Major Shareholders	<p>As at 3 May 2016, (being the latest practicable date prior to the publication of this document), the Company has been notified that the following persons are directly or indirectly interested in three per cent. or more of the Company’s issued ordinary share capital or voting rights:</p> <p>All of the Ordinary Shares rank <i>pari passu</i> in all aspects.</p> <table><tr><td></td><td><i>Number of Ordinary Shares as at the date of this document</i></td><td><i>Percentage of Existing Ordinary Shares as at the date of this document</i></td><td><i>Number of Ordinary Shares held on Admission</i></td><td><i>Percentage of Ordinary Shares held on Admission</i></td></tr><tr><td><i>Name</i></td><td></td><td></td><td></td><td></td></tr><tr><td>David Breith</td><td>39,000,000</td><td>52.00%</td><td>39,000,000</td><td>39.00%</td></tr><tr><td>Andrew Hollingworth</td><td>26,000,000</td><td>34.67%</td><td>26,000,000</td><td>26.00%</td></tr><tr><td>Piotr Kwiatkowski</td><td>5,000,000</td><td>6.67%</td><td>5,000,000</td><td>5.00%</td></tr></table> <p>David Breith, Andrew Hollingworth and Matthew Donaldson, who are treated as acting in concert for the purpose of the City Code, will on Admission be interested in 65.50 per cent. of the Enlarged Share Capital.</p> <p>David Breith and Andrew Hollingworth have entered into a relationship agreement with the Company to govern that the Board will operate independently of them and all decisions taken by the Board will be made for the benefit of Shareholders as a whole.</p>		<i>Number of Ordinary Shares as at the date of this document</i>	<i>Percentage of Existing Ordinary Shares as at the date of this document</i>	<i>Number of Ordinary Shares held on Admission</i>	<i>Percentage of Ordinary Shares held on Admission</i>	<i>Name</i>					David Breith	39,000,000	52.00%	39,000,000	39.00%	Andrew Hollingworth	26,000,000	34.67%	26,000,000	26.00%	Piotr Kwiatkowski	5,000,000	6.67%	5,000,000	5.00%
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B7	Selected historical key financial information	<p>The tables below set out the summary financial information of Toople Plc, and its material subsidiaries, Toople.com Limited and Ask Merlin Limited, for the periods indicated. The data below has been extracted, without material adjustment, from the relevant audited financial statements prepared in accordance with International Financial Reporting Standards.</p> <p>Toople Plc (“Toople”)</p> <p>Toople Plc was incorporated on 2 March 2016 and has not yet commenced trading. The following balance sheet was drawn up as at 31 March 2016.</p> <table><tr><td></td><td>£</td></tr><tr><td>Assets</td><td></td></tr><tr><td>Current Assets</td><td></td></tr><tr><td>Cash</td><td>24,012</td></tr><tr><td>Total Assets</td><td><u>24,012</u></td></tr><tr><td>Equity and liabilities</td><td></td></tr><tr><td>Capital and reserves</td><td></td></tr><tr><td>Share Capital</td><td><u>24,012</u></td></tr><tr><td>Total equity attributable to equity holders</td><td>–</td></tr><tr><td>Total liabilities</td><td>–</td></tr><tr><td>Total equity and liabilities</td><td><u>24,012</u></td></tr></table> <p>No income statement or statement of cash flows is presented in respect of Toople Plc as the Company has not traded following the date of its incorporation.</p> <p>Toople.com Limited (“Toople.com”)</p> <p>Toople.com Limited was incorporated on 1 December 2008. The following balance sheet was drawn up as at 30 September 2015 and is shown together with comparative information for the periods ending 30 September 2013 and 30 September 2014. Prior to the year ended 30 September 2015, trading in this company was primarily unrelated to the current or future activities of the Group, therefore, the financial information below for these years is not representative of the business of the Group going forwards.</p> <table><tr><td></td><td>30 Sept 2013 £</td><td>30 Sept 2014 £</td><td>30 Sept 2015 £</td></tr><tr><td>ASSETS</td><td></td><td></td><td></td></tr><tr><td>Non-current assets</td><td></td><td></td><td></td></tr><tr><td>Property and equipment, net</td><td>168,243</td><td>159,025</td><td>–</td></tr><tr><td>Intangible fixed assets, net</td><td>–</td><td>–</td><td>2,328</td></tr><tr><td></td><td><u>168,243</u></td><td><u>159,025</u></td><td><u>2,328</u></td></tr><tr><td>Current assets</td><td></td><td></td><td></td></tr><tr><td>Prepaid expenses and other receivables</td><td>104,772</td><td>98,676</td><td>191,546</td></tr><tr><td>Cash and cash equivalents</td><td>2,730</td><td>117</td><td>128,698</td></tr><tr><td></td><td><u>107,502</u></td><td><u>98,793</u></td><td><u>320,244</u></td></tr><tr><td>Total assets</td><td><u>275,745</u></td><td><u>257,818</u></td><td><u>322,572</u></td></tr></table>		£	Assets		Current Assets		Cash	24,012	Total Assets	<u>24,012</u>	Equity and liabilities		Capital and reserves		Share Capital	<u>24,012</u>	Total equity attributable to equity holders	–	Total liabilities	–	Total equity and liabilities	<u>24,012</u>		30 Sept 2013 £	30 Sept 2014 £	30 Sept 2015 £	ASSETS				Non-current assets				Property and equipment, net	168,243	159,025	–	Intangible fixed assets, net	–	–	2,328		<u>168,243</u>	<u>159,025</u>	<u>2,328</u>	Current assets				Prepaid expenses and other receivables	104,772	98,676	191,546	Cash and cash equivalents	2,730	117	128,698		<u>107,502</u>	<u>98,793</u>	<u>320,244</u>	Total assets	<u>275,745</u>	<u>257,818</u>	<u>322,572</u>
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	30 Sept 2013 £	30 Sept 2014 £	30 Sept 2015 £
LIABILITIES			
Current liabilities			
Trade and other payables	160,367	139,965	70,379
	<u>160,367</u>	<u>139,965</u>	<u>70,379</u>
Non-current liabilities			
Other loans	–	–	507,014
Deferred tax liability	20,882	21,336	–
	<u>20,882</u>	<u>21,336</u>	<u>507,014</u>
Total liabilities	<u>181,249</u>	<u>161,301</u>	<u>577,393</u>
Net assets/(liabilities)	<u>94,496</u>	<u>96,517</u>	<u>(254,821)</u>
SHAREHOLDERS’ FUNDS/(DEFICIT)			
Ordinary shares	100	100	100
Retained deficit	<u>94,396</u>	<u>96,417</u>	<u>(254,921)</u>
Total shareholders’ funds/(deficit)	<u>94,496</u>	<u>96,517</u>	<u>(254,821)</u>
Significant changes in financial condition of Toople.com			
<p>Over the period under review Toople.com has moved into a net liability position due to the increased level of borrowings, represented by the Founder Loan made to the Company by David Breith.</p> <p>Toople.com was used to acquire assets as part of the sale of O-bit Telecom Limited to Daisy Group plc by Dave Breith by way of a Transitional Service Agreement (“TSA”). Toople.com then became a facilities management until 2015 when these activities ceased.</p> <p>The reduction in trade and other payables over the period has arisen due to the cessation of the TSA services provided and the related costs of such services declining as a result. This has also caused a decrease in trade receivables over the period, although the balance as at 30 September 2015 shows a rise due to prepayments made to BT in respect of the network services required to provide services to wholesale and SME customers (revenue from which has been generated subsequent to the financial year end of Toople.com).</p> <p>The following income statement for Toople.com was drawn up as at 30 September 2015 and is shown together with comparative information for the period ending 30 September 2013 and 30 September 2014. The revenue generated in each of the 3 years ended 30 September 2015 does not relate to the current or future business activities of the Group, however Toople.com started to incur expenses in relation to developing the current business of the Group in the year ended 30 September 2015.</p>			

	<i>12 months ended 30 Sept 2013 (Audited) £</i>	<i>12 months ended 30 Sept 2014 (Audited) £</i>	<i>12 months ended 30 Sept 2015 (Audited) £</i>
Revenue	90,596	34,000	34,299
Cost of revenue	32,450	5,561	76,083
Gross margin	58,146	28,439	(41,784)
General and administrative expenses	66,382	25,963	330,890
Operating loss	(8,236)	2,476	(372,674)
Finance expense	–	–	–
Loss before income taxes	(8,236)	2,476	(372,674)
Tax (credit)/expense	(4,922)	454	(21,336)
Net (loss)/profit for the period	(3,314)	2,022	(351,338)
Net comprehensive (loss)/ profit for the period	(3,314)	2,022	(351,338)
Significant changes in operating results of Toople.com			
Revenue has shown a decline since 2013 due to the cessation of TSA services and the revenue subsequently generated in the years ended 30 September 2014 and 30 September 2015 respectively represents facilities management services provided to a number of other telecoms entities. The significant increase in administrative expenses seen in the most recent financial period is due to the activities of the entity changing in preparation of implementing the Group's strategy in relation to the current Business.			
The following statement of cash flows was drawn up as at 30 September 2015 and is shown together with comparative information for the periods ending 30 September 2013 and 30 September 2014.			
	<i>12 months ended 30 Sept 2013 (Audited) £</i>	<i>12 months ended 30 Sept 2014 (Audited) £</i>	<i>12 months ended 30 Sept 2015 (Audited) £</i>
Operating activities:			
Operating loss for the period	(8,236)	2,476	(372,674)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation	24,092	24,467	–
Changes in operating assets and liabilities:			
Accounts receivable	(34,752)	6,096	(92,870)
Accounts payable	(104,347)	(20,402)	(69,586)
Net cash used in operating activities	(123,243)	12,637	(535,130)

		<i>12 months ended 30 Sept 2013 (Audited) £</i>	<i>12 months ended 30 Sept 2014 (Audited) £</i>	<i>12 months ended 30 Sept 2015 (Audited) £</i>
	Investing activities			
	Proceeds from sale of tangible fixed assets	16,645	–	159,025
	Purchase of tangible fixed assets	(2,108)	(15,250)	–
	Purchase of intangible fixed assets	–	–	(2,328)
	Net cash used in investing activities	14,537	(15,250)	156,697
	Financing activities:			
	Director loan	–	–	507,014
	Net cash provided by financing activities	–	–	507,014
	Net change in cash	(108,706)	(2,613)	128,581
	Cash, beginning of period	111,437	2,730	117
	Cash, end of period	2,730	117	128,698
	Significant change since 30 September 2015			
	<p>Since 30 September 2015, Toople.com has gained a number of customers and has 41 direct SME customers as at the date of this document. Unaudited revenue since the 30 September 2015 to 31 March 2016 was in excess of £360,000, however, the unaudited loss incurred in this period was comparable to the loss before taxation incurred for the year ended 30 September 2015 as a result of the Group incurring costs in relation to development of the Group's business and strategy including marketing and branding and in relation to Admission, the majority of which were incurred subsequent to 30 September 2015.</p> <p>As at 30 September 2015, there was a director's loan balance of £507,014 owed to David Breith. As at 3 May 2016, being the last practicable date prior to the publication of this document, the total outstanding loan balance was £790,000, of which £65,000 becomes repayable on Admission. It has been agreed that the remainder of this loan will be repayable on the later of the third anniversary of Admission, and the date upon which the Group is in profit and has sufficient funds available to repay the loan.</p>			
	AskMerlin Limited ("Ask Merlin")			
	<p>AskMerlin Limited was incorporated on 1 December 2008. The following balance sheet was drawn up as at 31 March 2015 and is shown together with comparative information for the periods ending 31 March 2013 and 31 March 2014.</p>			

AskMerlin acquired the Merlin platform in February 2011, however, no significant value was attributed to the Merlin platform in the balance sheet of AskMerlin UK.				
		<i>31 March</i>	<i>31 March</i>	<i>31 March</i>
		<i>2013</i>	<i>2014</i>	<i>2015</i>
		£	£	£
ASSETS				
Non-current assets				
Property and equipment	70,822	53,116	35,411	
	<u>70,822</u>	<u>53,116</u>	<u>35,411</u>	
Current assets				
Prepaid expenses and other receivables	216,574	218,168	–	
Cash and cash equivalents	32,338	26,574	60	
	<u>248,912</u>	<u>244,742</u>	<u>60</u>	
Total assets	<u>319,734</u>	<u>297,858</u>	<u>35,471</u>	
LIABILITIES				
Current liabilities				
Trade and other payables	248,811	246,940	1	
Other loans	–	–	2,273	
	<u>248,811</u>	<u>246,940</u>	<u>2,274</u>	
Total liabilities	<u>248,811</u>	<u>246,940</u>	<u>2,274</u>	
Net assets/(liabilities)	<u>70,923</u>	<u>50,918</u>	<u>33,197</u>	
SHAREHOLDERS' FUNDS/(DEFICIT)				
Ordinary shares	100	100	100	
Retained deficit	70,823	50,818	33,097	
Total shareholders' funds/(deficit)	<u>70,923</u>	<u>50,918</u>	<u>33,197</u>	
Significant changes in financial condition of AskMerlin				
The level of assets and liabilities within AskMerlin has decreased over the three years to 31 March 2015 due to the declining trading activities of the entity. There has been a small increase in the level of liabilities post financial year end as a result of the company beginning to trade again and generate licence income.				
The following income statement was drawn up as at 31 March 2015 and is shown together with comparative information for the twelve month period ending 31 March 2013 and 31 March 2014.				
AskMerlin licenced the Merlin software to Daisy Group in the two years ended 31 March 2014, however these arrangements came to an end in 2014. AskMerlin did not trade during the year ended 31 March 2015.				

	<i>12 months ended 31 March 2013 (Audited) £</i>	<i>12 months ended 31 March 2014 (Audited) £</i>	<i>12 months ended 31 March 2015 (Audited) £</i>
Revenue	460,284	157,500	–
Cost of revenue	48,360	157,695	–
Gross margin	411,924	(195)	–
General and administrative	78,509	19,810	17,721
Operating profit/(loss)	333,415	(20,005)	(17,721)
Finance expense	–	–	–
Profit/(Loss) before income taxes	333,415	(20,005)	(17,721)
Tax expense	74,508	–	–
Net profit/(loss) for the period	258,907	(20,005)	(17,721)
Net comprehensive profit/ (loss) for the period	258,907	(20,005)	(17,721)
Significant changes in operating results of AskMerlin			
The revenue generated in the years ended 31 March 2013 and 2014 relates to services provided in connection with a TSA agreement entered into for which AskMerlin provided services. Revenue of this nature ceased in the year ended 31 March 2014, along with associated costs. Administrative expenses in the year ended 31 March 2015 represents depreciation of fixed assets.			
The following statement of cash flows was drawn up as at 31 March 2015 and is shown together with comparative information for the periods ending 31 March 2013 and 31 March 2014.			
	<i>12 months ended 31 Dec 2013 (Audited) £</i>	<i>12 months ended 31 March 2014 (Audited) £</i>	<i>12 months ended 31 March 2015 (Audited) £</i>
Operating activities:			
Operating loss for the period	333,415	(20,005)	(17,721)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation	9,658	17,706	17,705
Interest expense	–	–	–
Changes in operating assets and liabilities:			
Accounts receivable	(139,952)	(1,594)	218,168
Accounts payable and other accrued liabilities	(18,725)	(1,871)	(246,939)
Taxation paid	(74,508)	–	–

		<div><div><div><div><div><div>12 months ended 31 Dec 2013 (Audited) £</div></div><div>12 months ended 31 March 2014 (Audited) £</div><div>12 months ended 31 March 2015 (Audited) £</div></div><div><div>Net cash used in operating activities</div><div>109,888</div><div>(5,764)</div><div>(28,787)</div></div><div><div>Investing activities</div><div>Purchase of tangible fixed assets</div><div>(80,480)</div><div>—</div><div>—</div></div><div><div>Net cash used in investing activities</div><div>(80,480)</div><div>—</div><div>—</div></div><div><div>Financing activities:</div><div>Proceeds from director loan</div><div>—</div><div>—</div><div>2,273</div></div><div><div>Net cash provided by financing activities</div><div>—</div><div>—</div><div>2,273</div></div><div><div>Net change in cash</div><div>29,408</div><div>(5,764)</div><div>(26,514)</div></div><div><div>Cash, beginning of period</div><div>2,930</div><div>32,338</div><div>26,574</div></div><div><div>Cash, end of period</div><div>32,338</div><div>26,574</div><div>60</div></div></div></div><div><div>Significant change since 30 September 2015</div><div>AskMerlin made a loss of approximately £39,000 in the six months ended 30 September 2015. Subsequent to the year end, AskMerlin has entered into a number of licence arrangements in relation to the Merlin platform and has generated an unaudited loss of approximately £24,000 in the period 30 September 2015 to 31 March 2016.</div></div></div>
B8	Selected Key pro forma financial information	<div><div><div>The selected key unaudited pro forma financial information has been prepared for illustrative purposes only, and because of its nature, addresses a hypothetical situation and, therefore, does not represent the Company’s actual financial position or results.</div><div>If Admission had taken place on 30 September 2015 (being the last practicable date as at which the latest audited financial information is available), the net assets of the Group would have been higher by £1.66 million (£2 million of proceeds from the issue of 25,000,000 Ordinary Shares less admission expenses payable of £0.34 million).</div></div><div><div><div><div><div>Pro forma “Group”* (Audited) £</div></div><div>Placing Proceeds (Unaudited) £</div><div>Pro Forma net assets (Unaudited) £</div></div><div><div>Non-current assets</div><div>3,520</div><div>—</div><div>3,520</div></div><div><div>Current assets</div><div>348,431</div><div>1,660,000</div><div>2,008,431</div></div><div><div>Current liabilities</div><div>81,576</div><div>—</div><div>81,576</div></div><div><div>Non-current liabilities</div><div>507,014</div><div>—</div><div>507,014</div></div><div><div>Net assets/(liabilities)</div><div>(236,639)</div><div>1,660,000</div><div>1,423,361</div></div></div><div>* The Company, Toople.com and Ask Merlin</div></div></div>
B9	Profit forecast	Not applicable; this document does not contain profit forecasts or estimates.

B10	Description of the nature of any qualifications in the audit report on the historical financial information	There are no qualifications in the accountants' reports on the historical financial information.
B11	Working capital explanation	<p>Not applicable; working capital is sufficient.</p> <p>The Company is of the opinion that, taking into account the Net Proceeds, the working capital available to the Group is sufficient for its present requirements, that is for at least 12 months from the date of this Prospectus.</p>

Section C – Securities		
C1	Type and class of the securities admitted to trading	<p>The Company proposes to raise gross proceeds of £2,000,000 through the issue of 25,000,000 new Ordinary Shares through the Placing.</p> <p>The issue of the Placing Shares is accompanied by the issue of the Investor Warrants, Adviser Warrants and NED warrants over 8,100,000 Ordinary Shares in aggregate. Neither the Investor Warrants nor the Adviser Warrants will be admitted to the Official List of the UKLA or to trading on the London Stock Exchange's Main Market for listed securities.</p> <p>The securities subject to Admission (including the Placing Shares) are ordinary shares of 0.0667 pence each which will be registered with ISIN number GB00BZ8TP087 and SEDOL number BZ8TP08.</p>
C2	Currency of the securities	The Ordinary Shares are denominated in UK pounds sterling and the Placing Price paid in UK pounds sterling.
C3	Issued share capital	The issued share capital of the Company on Admission will consist of 100,000,000 Ordinary Shares (all of which are fully paid) of 0.0667 pence each comprising 75,000,000 Ordinary Shares held by the Founder and other Shareholders and 25,000,000 Ordinary Shares that have been issued conditional upon Admission to Placees.
C4	Rights attaching to the securities	<p>The Ordinary Shares rank pari passu in all respects with each other, including for voting purposes, dividends and for any distributions made on a winding up of the Company.</p> <p>Each Ordinary Share confers the right to receive notice of and attend all meetings of Shareholders. On a show of hands, each Shareholder has one vote and on a poll each Shareholder has one vote per Ordinary Share held.</p> <p>In accordance with the Act, any Ordinary Shares issued for cash must first be offered to Shareholders in proportion to their holdings of Ordinary Shares. Such pre-emption rights may be altered and/or waived by a special resolution of Shareholders.</p> <p>The Company must hold an annual general meeting each year in addition to any other general meetings held in the year. The Directors can call a general meeting at any time. All members who</p>

		<p>are entitled to receive notice under the Articles must be given notice.</p> <p>Except in relation to dividends which have been declared and rights on a liquidation of the Company, the Shareholders have no right to share in the profits of the Company.</p> <p>The Ordinary Shares are not redeemable, however, the Company may purchase or contract to purchase any of the Ordinary Shares on or off market subject to the Act.</p>
C5	Restrictions on free transferability of the securities	Not applicable; the Ordinary Shares are freely transferable and there are no restrictions on transfer.
C6	Admission to trading	<p>Application will be made for the Ordinary Shares to be admitted to the Official List of the UKLA by means of a Standard Listing and to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective and that unconditional dealings will commence on the London Stock Exchange at 8.00 a.m. on 10 May 2016.</p> <p>No application has been made or is currently intended to be made for the Ordinary Shares to be admitted to trading on any other exchange.</p>
C7	Dividend policy	The Company has never declared or paid any dividends on the Ordinary Shares. The Company currently intends to pay dividends on future earnings, if any, only when it is commercially and financially appropriate to do so. Any decision to declare and pay dividends will be made at the discretion of the Board and will depend on, amongst other things, the Company's results of operations, financial condition and solvency and distributable reserves tests imposed by corporate law and such other factors that the Board may consider relevant.

Section D – Risks		
D1	Key information on the key risks that are specific to the Group or its industry	<p>KEY RISKS RELATING TO THE GROUP'S BUSINESS STRATEGY</p> <ul style="list-style-type: none"> The Group has a limited trading history with limited revenues, therefore, investors have no basis on which to evaluate the Group's ability to achieve its objective of launching a telecoms business. If the Group fails to achieve its strategic objectives it will have a significant adverse effect on the Group's financial position. Due to the early stage of the Group's business development, the Group's ability to generate increased revenues and become profitable is dependent on a number of internal and external factors of which there is no guarantee will occur. The Group intends to invest heavily in on-line marketing, however, there is no guarantee that the marketing spend will be converted into customers at the rate expected by the Directors.

		<ul style="list-style-type: none"> • The Group's executives, key employees and contractors have been and remain material to the business. If one or more of them are unable or unwilling to continue in their present position, the Group may not be able to attract suitably experienced personnel to compensate for those departing which could adversely affect the business of the Group. • The Group is operating in a competitive market and therefore faces competition from a large number of other telecoms companies who may in the future offer a similar service on similar terms as the Group which may result in the Group losing its expected competitive advantage. • The technology upon which the Group's products and services are based may become obsolete due to technological change or the Group not being able to obtain sufficient market acceptance in respect to its products. The costs associated with remaining competitive may be disproportionate to the revenues generated by certain products and services resulting in an adverse impact on the Group's financial position. • The success of the Group is largely dependent on the technical capabilities of the Group's Merlin platform. Any technical issues are likely to have a negative effect on the Group's ability to attract and retain customers. • The Group is heavily dependent on third party suppliers for certain products and services (including network suppliers) and any problems with third party suppliers in relation to quality, willingness or ability to supply or pricing may have an adverse impact on the reputation and financial performance of the Group. • A number of supplier contracts can be terminated by the supplier in the event that the Group does not comply with certain provisions under the agreements. • The Group's performance is dependent on maintaining its competitive customer service levels and there is a risk that the quality of service provided to customers may fall below that which is expected, which could have a significant reputational impact upon the Group. • The Group's ownership and use of intellectual property may be challenged by third parties or otherwise disputed in the future despite the precautions taken by the Group. • Upon completion of the Placing, David Breith and Andrew Hollingworth will beneficially own approximately 65 per cent. of the Enlarged Share Capital. As a result, they could exercise significant control over all matters requiring shareholder approval, which could delay or prevent a third party from acquiring or merging with the Group. • The Group may require additional working capital in the future to finance further business activities and seek to increase profitability, however, no assurance can be given
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		<p>that such working capital will be available at all or on terms which are acceptable to the Group.</p> <ul style="list-style-type: none"> Any change in the tax status of any member of the Group or the tax applicable to holding Ordinary Shares or in taxation legislation or its interpretation, could affect the value of the equity interests held by the Group, the Group's ability to provide returns to Shareholders and/or alter the post-tax returns to Shareholders. Whilst the Group holds business insurances that are relevant to the Group's business, there can be no guarantee that the insurance in place will provide adequate protection and compensation to the Group. The Group's reliance on its online and cloud infrastructure and systems to conduct its operations puts it at risk of falling victim to cyber attacks of both a deliberate and unintentional nature. If the Group suffers from a cyber attack it may lead to significant costs and other negative consequences, such as reputational damage and loss of investor confidence. The Group's landlord in relation to the office premises leased by the Group have certain termination rights under the lease. Should the landlord terminate the lease under the break clause provision then the Group would be required to find alternative suitable premises within three months. <p>KEY RISKS RELATING TO THE INDUSTRY IN WHICH THE GROUP OPERATES</p> <ul style="list-style-type: none"> The pricing environment could become more difficult than currently anticipated by the Group and this could have an adverse impact on the Group's revenues and profit margins. Unforeseen regulatory changes which change the competitive landscape could result in a reduction in profits generated by the Group.
D3	Key information on the key risks that are specific to the securities	<p>KEY RISKS RELATING TO THE ORDINARY SHARES</p> <ul style="list-style-type: none"> There is currently no market for the Ordinary Shares, notwithstanding the Group's intention to be admitted to trading on the London Stock Exchange. A market for the Ordinary Shares may not develop, which would adversely affect the liquidity and price of the Ordinary Shares and an investors ability to realise their returns (if any). Any future issues of Ordinary Shares (including in relation to exercise of the Warrants and Options) would dilute the interests of Shareholders and could impact upon the price of the Ordinary Shares. There can be no assurance provided as to the level or frequency of future dividends, if any. Application will be made for the Ordinary Shares to be admitted to a standard listing on the Official List. A standard listing will afford investors in the Group a lower level of

		<p>regulatory protection than that which is afforded to investors in a company with a premium listing, which is subject to additional obligations under the Listing Rules.</p> <ul style="list-style-type: none"> Any change in the Group's or its subsidiaries' tax status or in tax legislation could affect the nature and amount of tax payable and reliefs available which in turn could affect the Group's ability to provide returns to shareholders.
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Section E – Offer		
E1	Net proceeds/estimate of expenses	The Company has conditionally raised gross proceeds of £2 million through the Placing, resulting in estimated Net Proceeds of £1.66 million (excluding recoverable VAT). The total costs of the Placing and Admission payable by the Company are approximately £0.34 million (exclusive of recoverable VAT).
E2a	Reasons for the offer/use of proceeds/net amount of proceeds	The Net Proceeds of the Placing will be used for the working capital requirements of the Group and in particular for a strategic marketing campaign to launch the Business and drive the growth of the Business.
E3	Terms and conditions of the offer	The Company has allotted 25,000,000 Ordinary Shares at 8 pence per share under the Placing, conditional on Admission occurring and becoming effective by 8.00 a.m. London time on 10 May 2016 (or such later date as agreed with the Company). The rights attaching to the Ordinary Shares will be uniform in all respects and all of the Ordinary Shares will form a single class for all purposes.
E4	Interests material to the issue/conflicting interests	Not applicable; there are no interests that are material to the Placing and there are no conflicting interests that are material to the Placing.
E5	Name of the offeror and Lock-in agreements	<p>Not applicable; no person or entity is offering to sell the relevant securities.</p> <p>Each of the existing shareholders (Locked In Persons) has entered into a lock-in agreement whereby they will not sell any of their holdings in the Company for a period of twelve months from the date of Admission, and for a further twelve months to dispose of their Ordinary Shares so as to maintain an orderly market. The lock-ins are subject to certain limited exceptions whereby the Locked in Persons may dispose of their Ordinary Shares during the locked in period.</p>
E6	Dilution	<p>Not applicable; there is no subscription offer to existing equity holders.</p> <p>The Placing and Admission will result in the ordinary share capital in issue as at the date of this Prospectus, namely 75,000,000 Ordinary Shares held by the Existing Shareholders, being diluted so as to constitute 75 per cent. of the Enlarged Share Capital.</p>
E7	Estimated expenses charged to the investor	Not applicable; no expenses will be charged directly by the Company to any investor who subscribes for new Ordinary Shares pursuant to the Placing.

RISK FACTORS

The Group's business, financial condition or results of operations could be materially and adversely affected by the risks described below. In such cases, the market price of the Ordinary Shares may decline due to any of these risks and investors may lose all or part of their investment. Additional risks and uncertainties not presently known to the Directors, or that the Directors currently deem immaterial, may also have an adverse effect on the Group. The Directors consider the following risks to be the material risks for potential investors in the Company, but the risks listed do not necessarily comprise all those associated with an investment in the Company.

Any investment in the Ordinary Shares is speculative and subject to a high degree of risk. Prior to investing in the Ordinary Shares, prospective investors should carefully consider the risks and uncertainties associated with any investment in the Ordinary Shares, the Group's business and the sector in which it operates, together with all other information contained in this Prospectus, including, in particular, the risk factors described below. Any of the risks described below, as well as other risks and uncertainties discussed in this Prospectus, could have a material adverse effect on the Group's business and could therefore have a negative effect on the trading price of the Ordinary Shares. Prospective investors should note that the risks relating to the Group, its industry and the Ordinary Shares summarised in this part of the Prospectus headed: "Summary Information" are the key risks associated with an investment in the Ordinary Shares. However, as the risks which the Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in that part but also, among other things, the risks and uncertainties described below.

The following factors do not purport to be a complete list or explanation of all the risk factors involved in investing in the Ordinary Shares and should be used as guidance only. Additional risks and uncertainties that are not currently known to the Company, or that it currently deems immaterial, may individually or cumulatively also have an adverse effect on the Group's business, results of operations, financial condition and prospects. If this occurs, the price of the Ordinary Shares may decline and investors could lose all or part of their investment. Prospective investors should also consider carefully whether an investment in the Ordinary Shares is suitable for them in light of the information in this Prospectus and their personal circumstances.

RISKS RELATING TO THE GROUP'S BUSINESS STRATEGY

As the Group has a limited trading history, actual performance may differ materially from expectations

The Group has only a limited trading history to date with limited revenues. Investors therefore have a limited basis on which to evaluate the Company's ability to achieve its objective of launching a successful telecoms business targeting the SME market which the Directors expect will result in the Group gaining a significant number of customers in a relatively short period of time. The actual performance of the Group following Admission may differ materially from the expectations of both the Directors and Shareholders.

There is no guarantee that the SME market will find the Group's services sufficiently appealing or differentiated from the Group's competitors. If the Group fails to achieve its strategic objectives, this will have a significant adverse effect on the Group's cash flows and income statement.

Due to the early stage of the Group's business development, the Group may generate sustained losses

The Group's ability to generate increased levels of revenue and to become profitable is dependent on a number of factors including, but not limited to: the success of the Group's intended marketing activities in attracting potential customers to the Group's website; the conversion rate of website visitors into customers; the level of customer service provided by the Group; the retention rate of customers; the reliability and quality of the Group's services; the Group's pricing remaining attractive and the Group's ability to remain operationally robust. If any one of these factors is materially different to the Directors' expectations, it could have material adverse effect on the Group's ability to generate increased levels of revenues and to become profitable. For the avoidance of doubt, nothing in this risk factor constitutes a qualification of the working capital statement contained in paragraph 12 of Part VIII of this Document.

Although the Group has a limited trading history and has not yet commenced a widescale launch of its business, the Placing Shares will be issued at a significant premium to the net asset value of the Ordinary Shares

The Placing Shares are being issued at the Placing Price of 8 pence per share. The estimated net asset value of the Group as per the unaudited pro forma financial information included in Part V(H) of this document is approximately 1.4 pence per share. The placing price premium to net asset value of approximately 6.6 pence per share places an intangible value on the strategy proposed by the Board, the human capital contained in the board and its employees, the perceived value of Merlin (which to date has not been significantly capitalised), as well as reflecting the costs incurred in the Placing and Admission. At 3 May 2016, the Company had cash resources of nil, an overdraft of approximately £0.10 million and outstanding loans of £790,000. The Net Proceeds of the Placing will be £1.66 million (excluding VAT). On Admission the Company expects to have cash resources of £1.66 million (excluding VAT) prior to repayment of the Group's current overdraft facility and the Short Term Loan. There is no guarantee that the intangible value of the strategy will be realised.

The marketing investment estimated to be required by the Group may not be sufficient to attract the number of customers that the Group intends to target

The Group's brand is currently an unknown brand and accordingly the Group will have to build up its brand awareness and reputation from a low base in order to attract potential customers. The Group intends to invest heavily in on-line marketing using the Net Proceeds and have assumed that a certain number of customers will be acquired as a direct result of that marketing. There is however no guarantee that the marketing spend will be converted into customers at the rate expected by the Group, nor that it will result in increased brand awareness or reputation. In the event that the ratio of marketing spend to customer acquisition is significantly lower than expected, the Group could incur significant sustained losses if it continued to invest in marketing at the same level and may need to raise further funds in the future.

The loss of/inability to attract key personnel could adversely affect the business of the Group

The Company is heavily dependent on the continued contribution of its Executive Directors and key employees and contractors due not only to their experience and ability, but also their relationships and business networks, particularly the relationships with suppliers that certain key individuals have developed over a number of years. If such individuals were to leave the Group, and the Group was unable to attract suitable experienced personnel to compensate for those departing, it could have a significant negative impact on the Group's ability to achieve its objectives.

The Group anticipates being able to sell multiple products to customers

Whilst the Group's entry point strategy is to offer competitively priced broadband and line-rental to customers, part of the Group's strategy is to upsell higher margin additional products to its customers such as hosted VoIP and mobile services. There is no guarantee that the Group will be successful in achieving this strategy which could have a detrimental impact upon the profit margins of the Group.

The Group operates in a competitive market

The Group is operating in a competitive market and faces competition from a large number of other telecoms companies, some of which may be well established, with well-known brand names and have significantly larger marketing budgets and financial resources than is currently available to the Group. The Group hopes to attract customers through attractive pricing of its services and through the Group's easy to use proprietary software, however, there may be competitors who come to the market and offer a similar service on similar terms as the Group which may result in the Group losing its expected competitive advantage.

The technology upon which the Group's products and services are based may become obsolete

The sectors in which the Group competes are subject to rapid and significant changes in technology, and the technology upon which the Group's products and services are based may become obsolete or may not continue to have sufficient market acceptance to create adequate demand. In order to compete successfully, the Group will need to continue to improve its products and services and to develop and market new products and services that keep up with technological changes. The Group's competitors may introduce such products and services before it does, or the products introduced may be perceived by the market to be superior to those of the Group.

The Group may also incur unforeseen costs in the course of such product and service development including in respect of investment in fixed assets. An increase in the level of capital expenditure would adversely affect the Group's free cash flow.

In addition, changes in technology are altering the nature of how communications services are provided and consumed and reducing the importance of national boundaries, therefore, in the future the Group may face increased competition from competitors who are different from those it has competed with historically or those who are based outside the UK.

The Group is reliant on the technical robustness of the Group's software platform

The success of the Group is largely dependent on the technical capabilities of the Group's Merlin platform. In the event that technical issues were to occur, this could have a significant negative effect on the Group's ability to attract new customers and retain existing customers. Technical failures in a competitive market of this nature will adversely affect the reputation and financial condition of the Group.

The Group is dependent on the supply of certain products and services

The Group is dependent on third party suppliers for the provision of network infrastructure, network interconnection, IP traffic transit, equipment and associated services. The performance of equipment and services purchased from third party suppliers is not guaranteed to be error free or to ensure 100 per cent. service availability and any such performance failures could adversely affect the level of service the Group delivers to its customers. Any breakdown or change in the Group's relationships with its suppliers, any supplier declining to sell products or services to the Group for any reason, any material changes in prices, any disruption to the supply of products or services to the Group, any supplier having financial difficulties or going out of business and therefore not satisfying orders, or product liability claims relating to products supplied by third parties could have an adverse effect on the Group's business. Any failures, shortfall against customer expectations, service degradation or errors could result in claims for damages and credits from customers and could adversely affect the reputation and financial condition of the Group.

The Group has agreements in place with a number of wholesale suppliers which are expected to enable the Group to offer its telecoms services to potential customers across the UK. A loss of a significant supplier could result in the geographic coverage of the Group's services being limited and could lead to increased losses as potential customers move to alternative telecoms providers.

It should be noted that a number of supplier contracts can be terminated by the supplier in the event that the Group does not achieve a minimum number of customers within a set period of time or in the event of a change of control. In addition, certain suppliers require that clauses from their terms and conditions flow down to the end user or reseller's terms and conditions. In the event that the Group does not fulfil this obligation or its end users/resellers do not fulfil their obligations in respect of these clauses the supplier may be able to terminate the contract with immediate effect.

Should the Group be required to change a supplier it may be that the particular products or services provided are difficult and/or time consuming to replace or that the Group has to incur additional costs in making the change or is unable to fully replicate the desired functionality. Problems with third party suppliers in relation to quality, willingness or ability to supply and pricing may have an adverse impact on the reputation and financial performance of the Group.

An increase in supplier costs could result in significantly reduced gross profit margins

The Group has agreements in place with a number of wholesale suppliers at advantageous prices. There can be no assurance that the suppliers will continue to supply the Group at these prices, particularly in the event of the Group failing to meet its targets and proposed sales volumes. In this event the suppliers may increase their prices without the Group being able to pass on these price increases on to their customers, if this were to occur it is likely that it would have a significant impact on the financial results of the Group.

The Group's performance is dependent on maintaining competitive customer service levels

Failure to provide and maintain competitive customer service levels and operational and back-office processes could result in customers moving to other providers, and this could have an adverse effect on the financial position of the Group. The Group is currently reliant on an out-sourced customer service function

that will be carefully monitored to ensure that service level targets are met. In spite of the proposed ongoing monitoring of services, risks still remain that the quality of service provided to customers is below that which is expected, which could have a significant reputational impact upon the Group.

The ownership and use of intellectual property by the Group may be challenged by third parties or otherwise disputed

The Group relies and will, in the future, rely on intellectual property laws and third party non-disclosure agreements to protect its intellectual property rights. Despite precautions which may be taken by the Group to protect its products, unauthorised parties may attempt to copy, or obtain and use, its products and the technology incorporated in them. Additionally, intellectual property required by the Group to develop, market and sell its products, or the intellectual property belonging or licensed to the Group may be challenged by third parties and may not be available to it indefinitely on an exclusive basis. For example, the Group licences in software from Broadsoft via BT Wholesale as well as Microsoft Cloud (Azure) for hosting email, shared drives and the Group's software.

Certain shareholders will continue to have substantial control over the Group after the Placing

Upon completion of the Placing, David Breith and Andrew Hollingworth will beneficially own approximately 65 per cent. of the Enlarged Share Capital. As a result, the Substantial Shareholders could exercise significant control over all matters requiring shareholder approval, which could delay or prevent a third party from acquiring or merging with the Group.

Subject to the Relationship Agreement, which seeks to regulate certain aspects of the continuing relationship between the Group and the Substantial Shareholders to ensure that the Group is capable at all times of carrying on its business independently of the Substantial Shareholders, and that all transactions and relationships in the future between members of the Group and the Substantial Shareholders are at arm's length and on a normal commercial basis, the Substantial Shareholders will be in a position to exercise material influence over the Group's operations and business strategy and have the ability to block certain corporate activities which require shareholder approval.

Risk of interruption of operations

Although the Group has contingency plans in effect for certain natural disasters, as well as other unforeseen events that could damage the Enlarged Group's operations, no assurance can be given that any such events will not occur nor that they will not materially interrupt the Group's business. In particular, an interruption in the supply of telecom services could have a material adverse impact on the reputation and financial performance of the Group.

The Group may require additional capital in the medium to long term and no assurance can be given that such capital will be available on terms acceptable to the Group or at all

The Group may require external funding to finance, for example, unforeseen future requirements relating to new product development or capital investment or to provide additional working capital in the event that the Group incurs sustained losses in the medium to long term. It may be unable to raise such finance from banks, the capital markets or other sources of funds on terms acceptable to the Group or at all. Where the Company issues Ordinary Shares in the future, such issuance may result in the then existing shareholders of the Company sustaining dilution of their equity holding in the Company. For the avoidance of doubt, nothing in this risk factor constitutes a qualification of the working capital statement contained in paragraph 12 of Part VIII of this Document.

If the Warrants/options are exercised, existing Shareholders may well be diluted

The exercise of the Warrants and any options which may be granted in the future will result in a dilution of Shareholders' interests if the share price per Ordinary Share exceeds the subscription price payable on the exercise of a Warrant or option at the relevant time.

Taxation

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

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

Legal proceedings and litigation

By the very nature of the Group's business, it is expected that from time to time the Group will be subject to complaints or claims in the normal course of business. There is no certainty that such claims or complaints will not be material and that any settlements, awards or legal expenses associated with defending or appealing against any decisions in respect of any such complaints or claims will not have a material adverse effect on the Group's operating results or financial condition. The Group's business may be materially and adversely affected if the Group and or its employees or agents (such as the outsourced customer services centre) are found not to have met the appropriate standard of care or exercised their discretion or authority in a prudent or appropriate manner in accordance with accepted standards.

Credit risk and exposure to losses

The Company is exposed to the risk that third parties that owe the Group money, securities or other assets may not fulfil their obligations. These parties may default on their obligations due to bankruptcy, lack of liquidity, operational failure or other reasons.

Insurance may not be adequate to cover claims

Whilst the Group holds business insurance relevant to its business, there can be no guarantee that this insurance will provide adequate protection and compensation to the Group to cover every conceivable risk.

Funding of high value handsets

The Group will have a need to fund high value handsets, particularly within the sales of its mobile proposition. The Group expects to fund these handsets via a third party lease in the same way the mobile networks conduct their business now, introducing an extra layer and complexity to the sale of this proposition and further credit checking processes. This increased level of credit checking could result in the loss of customers that would otherwise be accepted for alternative services the Group is able to offer.

Handset availability issues could arise

The Group is likely to see its highest levels of mobile sales in conjunction with new handset models coming to market. Historically the availability of new handsets can be limited, which could result in the Group being unable to fulfil demand and thereby resulting in the loss of sales.

Matters beyond the Group's control – Force Majeure

The Group has identified and can be ready to execute an extensive range of disaster recovery procedures. However, the Group's operations now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

Risk management policies and procedures

The Group's principal risks relate to market risk, operational risk and regulatory and legal risk. Accordingly, risk management and control of the balance between risk and return are critical elements influencing the Group's financial stability and profitability.

Operational risk refers to the risk of financial loss resulting from the Group's own operations including, but not limited to deficiencies in the Group's operating policy and inadequacies or breaches in the Group's control procedures.

There is no certainty that the Group's policies and procedures to mitigate its exposure to market and operational risk will be completely effective. Unforeseen events and changes in the economy may lead to

market disruptions and unexpected large or rapid changes in market conditions which may have a significant adverse effect on the Group's business and financial prospects and stability.

Limitation of Liability and Indemnification of Directors and Former Directors of the Company

The Group must indemnify a Director, former Director or alternate Director of the Company and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each Director and alternate Director shall be deemed to have contracted with the Company on the terms of the indemnity contained in its Memorandum and Articles of Association.

The Group's performance could be adversely affected by poor economic conditions

The Group derives most of its profits from the UK and is therefore sensitive to fluctuations in the UK economy. The Group's performance depends to a certain extent on a number of factors outside of the control of the Group which impact on the UK's corporate spending, including political and economic conditions which may prevent the Group from accessing its funds. Changes in economic conditions in the UK and elsewhere, including, for example, interest rates, rates of inflation, industry conditions, political and diplomatic events and trends, tax laws, gross domestic product levels, credit conditions, and other factors could have an adverse effect on the financial performance and prospects of the Group.

The Group's infrastructure and systems could be targeted by cyber attacks

The Group's reliance on its infrastructure and systems to conduct its operations puts it at risk of falling victim to cyber attacks. Cyber attacks can result from deliberate attacks or unintentional events and may include (but are not limited to) third parties gaining unauthorised access to the Group's network infrastructure and systems for the purpose of misappropriating its financial assets, intellectual property or sensitive information, corrupting data, or causing operational disruption. If the Group suffers from a cyber attack, whether by a third party or insider, it may incur significant costs and suffer other negative consequences, such as remediation costs (including liability for stolen assets or information) and repairing any damage caused to the Group's network infrastructure and systems. The Group may also suffer reputational damage and loss of investor confidence.

The operating lease in respect of the Group's premises is subject to multiple break clauses

Both the landlord and the Group have certain termination rights under the lease in respect of the Group's premises. A break clause has been provided for on 1 November 2016 or 1 June 2018 upon either party giving three months' notice to the other party. The terms of the break clause constitutes an onerous lease as the Group would only have a three month period in which to find alternative suitable premises should the landlord serve the break notice. In the event that the Group is not able to find alternative premises with the three month period it could have an adverse effect on the Group's ability to continue its business activities and therefore may impact on the financial condition of the Group.

In addition, whilst the Group has the ability to terminate the lease, the validity of the Group's break notice is conditional on rent being paid in full and the premises being handed over in 'full vacant possession'. Should the Group not comply with the additional terms it may result in the Group not being in a position to terminate the lease without incurring additional costs.

RISKS RELATING TO THE INDUSTRY IN WHICH THE GROUP OPERATES

The pricing environment in the telecoms industry could become more difficult than anticipated

Prices for many telecom products have declined consistently in recent years, through a combination of regulatory intervention and market competition. These declining price trends are expected to continue. It is possible that the pricing environment could become more difficult than currently anticipated by the Group, and this could have an adverse impact on the Group's revenues and profit margins.

Changes in governmental regulation could adversely affect the Group

Unforeseen regulatory changes changing the competitive landscape could result in a reduction in profits generated by the Group. For example, following recent substantial corporate activity in the telecoms

industry, it is possible that industry regulation will require more competitive pricing to be offered in the market place. Any such revised legislation could negatively impact on the competitiveness of the Group's pricing and result in it being more difficult for the Group to attract new customers.

The UK telecoms market is subject to regulation by Ofcom

The Group's main businesses are principally regulated and supervised by Ofcom as well as by the Government and other regulatory authorities at both a UK and EU level. There is likely to be further regulatory intervention in the future which may have unforeseen impacts on market pricing and services provided by the Group at that time. This could include the regulation of services purchased by the Group for use in its service offerings, the regulation of services sold by the Group and the regulation of services with which the Group competes. Regulatory decisions and determinations, such as those made by Ofcom, may be subject to legal appeal through the courts up to and including the European Court. This may result in the need to pursue legal and regulatory action in the future. Decisions made by regulators and the courts could have an adverse impact on the Group's financial performance and such impact could on occasion be retrospective.

Fraud and bad debt risk

Fraud within the telephony industry may arise from customers using services without intending to pay their supplier. The Group's intentions are that the Group's direct customers will pay by direct debit therefore reducing the risk of non-payment. This is not, however, the case for the Group's wholesale customers who are in turn reliant on collecting funds from their own end users which may affect their ability to fulfil their financial obligations to the Group. If the Group is unable to efficiently manage credit risk the financial condition and results of the Group could be adversely affected.

RISKS RELATING TO THE ORDINARY SHARES

There is currently no market for the Ordinary Shares, notwithstanding the Company's intention to be admitted to trading on the London Stock Exchange. A market for the Ordinary Shares may not develop, which would adversely affect the liquidity and price of the Ordinary Shares and an investors ability to realise their returns (if any)

Notwithstanding the fact that an application will be made for the Ordinary Shares to be admitted to the standard listing segment of the Official List this should not be taken as implying that there will be a liquid market in the Ordinary Shares and, accordingly, it may be more difficult for investors to sell their Ordinary Shares. A return on investment in the Ordinary Shares may, therefore, in certain circumstances be difficult to realise. The share price of publicly traded companies can be highly volatile and subject to wide fluctuations in response to a variety of factors, which could lead to losses for Shareholders. The price at which the Ordinary Shares may trade and the price which investors may realise for their Ordinary Shares will be influenced by a large number of factors, some specific to the Group and some which may affect quoted companies generally. These factors could include the performance of the Group's operations, large purchases or sales of shares, liquidity (or absence of liquidity) in its shares, currency fluctuations, legislative or regulatory changes (including changes in the tax regime in the jurisdiction in which the Group or its investments operate), additions or departures of key personnel at the Group, adverse press, newspaper and other media reports and general economic conditions. In addition, stock markets from time to time suffer significant price and volume fluctuations that affect the market price for securities and which may be unrelated to the Group's performance. The value of the Ordinary Shares will, therefore, fluctuate and may not reflect their underlying asset value.

The Ordinary Shares may not be a suitable investment for all of the recipients of this document. Before making a final decision, prospective investors are advised to consult an appropriate independent investment adviser authorised under FSMA who specialises in advising on the acquisition of shares and other securities.

Future issues of Ordinary Shares could be dilutive

It may be necessary, at some future time, for the Group to issue additional Ordinary Shares to fund the growth plans of the Group. Any such issue would dilute the interests of Shareholders and could impact upon the price of the Ordinary Shares.

The Company may not pay dividends

There can be no assurance as to the level or frequency of future dividends, if any. The declaration, payment and amount of any future dividends of the Company are subject to the discretion of the directors of the Company, and will depend on, amongst other things, the Company's earnings, financial position, cash requirements and availability of profits.

Regulatory Protection

Application will be made for the Ordinary Shares to be admitted to a standard listing on the Official List. A standard listing will afford investors in the Company a lower level of regulatory protection than that afforded to investors in a company with a premium listing, which is subject to additional obligations under the Listing Rules. Further details regarding the differences in the protections afforded by a Premium listing or against a Standard listing are set out in Part III entitled "Consequences of Standard Listing" on page 51.

The nature and amount of tax which members of the Group expect to pay may change

Any change in the Company's or its subsidiaries' tax status or in tax legislation could affect the Company's ability to provide returns to shareholders. Statements in this document in relation to tax and concerning the taxation of investors in Ordinary Shares are based on current tax law and practice which is subject to change. The taxation of an investment in the Company depends on the specific circumstances of the relevant investor.

The nature and amount of tax which members of the Group expect to pay and the reliefs expected to be available to any member of the Group are each dependent upon a number of assumptions, any one of which may change and which would, if so changed, affect the nature and amount of tax payable and reliefs available.

Investors should therefore consider carefully whether investment in the Company is suitable for them, in view of the risk factors outlined above and the information contained in this document, their personal circumstances and the financial resources available to them.

DIRECTORS, OFFICERS AND ADVISERS

Directors	Andrew James Hollingworth, (<i>Chief Executive Officer</i>) Richard John Horsman, (<i>Non-Executive Chairman</i>) Neil John Taylor, (<i>Chief Financial Officer</i>) Geoffrey Paul Wilson, (<i>Non-Executive Director</i>)
Company Secretary	Barry Alan French
Registered and Head Office of the Group	Grenville Court Britwell Road Burnham Buckinghamshire, SL1 8DF
Financial Adviser	Cairn Financial Advisers LLP 61 Cheapside London, EC2V 6AX
Broker	Vicarage Capital Ltd 4 College Hill London, EC4R 2RB
Legal Advisers to the Company as to English Law	Gowling WLG (UK) LLP 4 More London Riverside London, SE1 2AU
Legal Advisers to the Company as to Polish Law	Domański Zakrzewski Palinka sp. K Gwiazdzista 66 53-413 Wrocław Poland
Reporting accountants to the Company	Crowe Clark Whitehill LLP St Bride's House 10 Salisbury Square London, EC4Y 8EH
Auditors to the Company	Ian Todd & Co Chartered Accountants 1 Holford Road Witton, Birmingham West Midlands, B6 7EP
Registrars	Share Registrars Limited Suite E, First Floor 9 Lion and Lamb Yard Farnham Surrey, GU9 7LL
Company website	www.toople.com

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	4 May 2016
Admission and commencement of dealings in Ordinary Shares	8.00 a.m. 10 May 2016
CREST members' accounts credited in respect of Ordinary Shares	8.00 a.m. 10 May 2016
Ordinary Share certificates dispatched by	20 May 2016

These dates and times are indicative only, subject to change and may be brought forward as well as moved back, in which case new dates and times will be announced. The times referred to above are references to the time in London, UK.

ISSUE STATISTICS

Number of Existing Ordinary Shares	75,000,000
Number of Placing Shares	25,000,000
Enlarged Share Capital	100,000,000
Placing Price per Placing Share	8 pence
Estimated Net Proceeds of the Placing receivable by the Company	£1.66 million
Estimated Costs	£0.34 million
Percentage of Enlarged Share Capital represented by the Placing Shares	25.0%
Market capitalisation of the Company at the Placing Price on Admission	£8.0 million
Number of Ordinary Shares under warrant following Admission	8,100,000
ISIN	GB00BZ8TP087
SEDOL	BZ8TP08
EPIC/TIDM	TOOP

PART I

INFORMATION ON THE GROUP, OPPORTUNITY, STRATEGY

1. Introduction

The Group is an early stage technology focused telecoms group whose aim is to become a leading provider of telecom solutions to the UK SME market. The Group's intended target market is those SME businesses which have between 1 and 50 employees (the "Target Market"). The Group's services include the provision of broadband over copper, fibre, EFM and Ethernet data services (with call bundles), mobile services and cloud based PBX.

The Directors believe that there is demand from UK SMEs for easily accessible, simple to understand, flexible, reliable telecom solutions which are available with minimal delay at an attractive price and accompanied by excellent customer service. It is the Directors' intention to deliver solutions which meet these needs (the "Business") with a wide scale commercial launch of the Business planned to occur shortly after Admission.

The Group owns a proprietary software platform, Merlin, which allows potential customers to build a bespoke package online, tailored to their particular requirements accompanied by an instant, accurate online quote and the ability to purchase the services online. Merlin connects via application program interface ("API") to the Group's network suppliers to identify the best services available for each customer. Merlin also delivers cross-device functionality, allowing customers to share bundled packages and minutes across devices and employees, capturing these arrangements and allowing for accurate billing. The Directors believe that Merlin's capabilities and customer relationship management ("CRM") interface is more developed than other platforms currently used in the telecoms industry to serve the UK SME market. The Directors believe this, combined with the Group's intention to deliver online bespoke telecoms packages at competitive prices is a key differentiator of the Group's business compared to other existing telecoms companies.

Whilst the Group will encourage its customers to use Merlin's online capabilities to manage their ongoing services and billing, the Group also intends to differentiate itself through the provision of excellent customer service for those customers who prefer or need to speak to a UK based customer service operative.

The Group is headquartered in Buckinghamshire, UK and has a team of 11 in-house software developers based in Poland focused on the continued innovation of Merlin so as to ensure that the Group can successfully adapt to rapidly changing technology needs and stay ahead of its competitors.

The Group's operations over the past six months have focused on researching the needs and preferences of the Group's Target Market, putting in place experienced skilled professionals and the board of Directors, developing the strategy of the Business, securing agreements with network suppliers and continuing to develop the Merlin platform.

The Group has carried out limited trading to date in respect of the Business with a limited number of SMEs. As at the date of this document, Toople.com has 41 SME customers which has helped the Group to refine its strategy in preparation for the wide-scale launch of the Business. These business relationships have been entered into prior to the proposed full launch of the Business both on a commercial arm's length basis and in order for the Group to test the functionality of the services provided and gain valuable insight and feedback. This has allowed the Group to track the early stage customer life-cycle from customer acquisition and provision of services through to the early-life and in-life stages of a customer relationship. As a result, the Directors believe they are well positioned for a wider launch of their brand post-Admission with the knowledge that Merlin's functionality is sound. This should allow the Group to focus on marketing and growth of the Group's customer base.

In addition, the Group currently provides telecoms services to 10 wholesale customers which in turn provide telecoms services to a number of end users. Further information on the Group's wholesale services is included below within paragraph 3 of this Part I.

The Group will launch a new website for the Toople brand around the time of Admission in respect of the Business and intends to use the Net Proceeds of the Placing largely to commence the commercial launch of its business through the initiation of an internet marketing campaign, attracting potential customers to the Group within a relatively short time frame. The Placing and associated grant of the Investor Warrants and the Adviser Warrants is described in paragraph 13 of this Part I.

SMEs within the target market of the Company were estimated to employ 15.6 million people, across 5.4 million businesses in 2015. The Directors consider that the break-even point for the business requires a relatively low volume of customers in comparison to the size of the target market. Whilst there can be no guarantee of this occurring and the success of the business and the financial results of the Group are subject to many variables (including, but not limited to the success of the Group's marketing campaigns and the profit margins achieved on the Group services), and to the risk factors set out in the section of this Prospectus headed "Risk Factors" on page 20, the Directors and Founder believe this is a reasonable assumption based on their experience in the industry and the use of the Group's scalable innovative automated software platform which should allow the Group to manage a large number of new customers in a relatively short space of time.

2. History and development of the Group and Group structure

The Company is a newly incorporated company, incorporated on 2 March 2016 for the purpose of becoming the holding company for the Group. The Group consists of the Company and a number of wholly owned subsidiaries (as described in paragraph 2.10 of Part VIII of this document) with the main operating entities being Toople.com Limited and AskMerlin Limited.

Toople.com was founded by David Breith in December 2008 (originally as O-Bit Group Limited, then Epicco Limited ("Epicco") and Cube Telecom Limited before adopting its current name in March 2016). Following a dormant period until 2011, it was used to acquire assets as part of the sale of O-bit Telecom Limited to Daisy Group plc by David Breith. Toople.com then became a facilities management business operating centralised services such as finance, admin and back office support for other businesses in which David Breith had an interest ("Shared Businesses"). After a period, these Shared Businesses had grown to the extent that they were capable of bringing these activities in-house such that Toople.com ceased activities. In April 2015, the Founder commenced work in relation to developing the product offering and strategy for the Business as set out in this document.

Toople.com entered into initial arrangements with network providers and suppliers in July 2015 and gained its first customer in August 2015 as Toople.com sought to bring a small number of customers onboard whilst researching and refining the Group's business strategy. Toople.com's research activities have focused on determining customer behaviour and preferences in relation to the Group's services through the use of regular surveys and contact strategies. Feedback from customers was also sought on Merlin's automatic capabilities, messaging and pricing. In combination with the Directors and the Founder's experience, this feedback has helped to shape the Group's business strategy going forwards.

As at the date of this document, Toople.com has 41 SME customers which has helped the Group to refine its strategy in preparation for wide-scale launch of the Business. In addition, the Group currently provides telecoms services to 10 wholesale customers which in turn provide telecoms services to a number of end users. Further information on the Group's wholesale services is included below within paragraph 3 of this Part I.

The Company's Chief Executive Officer and Chief Financial Officer become involved in the business of the Group in 2015, working closely with the Founder to develop the business strategy of the Group. The Group was officially formed in April 2016 following incorporation of the Company and the acquisition by the Company of the Subsidiaries (as described in paragraph 13 of Part VIII of this document) which led to the Company becoming the holding company of the Group.

The Group's proprietary software, Merlin, is owned by the Company's wholly owned subsidiary AskMerlin Limited. AskMerlin was founded by David Breith in December 2008 as Merlin Soft Limited, and subsequently adopted its current name in April 2010. AskMerlin was dormant for an initial period after

incorporation then acquired Merlin (from O-bit Telecom Limited, owned by David Breith) in 2011. Certain limited modules of Merlin were licenced by AskMerlin to other telecom companies, including Daisy Group plc (2011 to 2013) and Coms plc (2013 to June 2015) in order to generate licence income. These licence agreements, which did not include the modules of Merlin which the Directors consider to be a key differentiator for the Group, have now come to an end (although the Company has entered into similar licence arrangements in relation to Merlin in recent months).

Up until 2015, the developers responsible for the development of Merlin and support of licence agreements entered into in relation to Merlin have not been employed by AskMerlin but have worked on a consultancy basis. These developers were brought in house in 2016 through the establishment of Ask Merlin ZOO, a wholly owned subsidiary of AskMerlin.

Toople Management Services and Toople Finance were both incorporated in 2016 and have not yet commenced trading. It is envisaged that they may be utilised in the future for example in the event that the Group enters into leasing arrangements in relation to the provision of phones and other hardware to its customers.

As at the date of this document, the Group has 17 employees. The Group also uses a number of key consultants, including the Founder and outsources a number of services (including website design and customer service). Biographies in respect of the Directors, senior management and consultants are set out in Part II.

3. Principal Business Activities and Services

The Group's service portfolio will comprise of business broadband, fibre, EFM and Ethernet data services, business mobile phones, cloud PBX and SIP Trunking and Traditional Services (calls and lines) all of which will be delivered and managed through Merlin, the Group's proprietary software platform. The Group's services may be sold in isolation or in bundles of multiple services as selected by each customer. As noted above, the Group currently only has a small number of customers which have been acquired during the development phase of the Business, however, the Group intends to officially launch its services on a larger scale, with the service portfolio outlined above, commencing with an on-line marketing campaign, shortly following Admission.

The Directors believe that the Group's simple services, attractive pricing, customer focus and Merlin platform will be highly attractive to the Group's Target Market and will help to attract and retain customers on an ongoing basis.

Merlin delivers a fully automated process via an online customer portal, commencing with the customer obtaining an online quote for their required configuration, following which the customer can place an order. Delivery of the services and products required, as well as the ongoing management of the Group's products and services is also managed through Merlin. The Directors believe this online process and, in particular, the ease with which SME customers can obtain a fully customised online quote which they can order online and have delivered in a relatively short space of time, provides the Group with a significant competitive advantage compared to other UK providers targeting the SME market.

Merlin

The Group owns the intellectual property rights for its software platform Merlin. Merlin was initially developed in 2005 as an in-house software platform to manage complex billing functions. Multiple additional functionalities have been developed and added to the platform over a number of years based on customer trends, patterns, research, feedback and insight. This has resulted in a cloud based telecoms resource planning platform which is capable of managing all aspects of a business's needs. As a result of Merlin being a cloud hosted platform, it has the capability of having duplicate versions running simultaneously.

Merlin has a range of customer facing portals where fully automated functionality has been incorporated into the software. Merlin allows the Group's customers to build their own telecoms solutions online, bespoke to their own organisation, get an instant quote and sign an electronic signature for the services that they require.

The bespoke package built by each customer can be for single or multiple office locations and can be fully adjusted to account for varying numbers of employees. Merlin also allows a customer order to be managed and tracked online by the customer right through to delivery of the service, installation (where applicable), billing and ongoing management and configuration.

Given the automated nature of Merlin, the Directors believe it lends itself to delivery of a very scalable business and also mitigates the risk of human error. Merlin has the capability to process a customer order of multiple broadband lines in the same automated way and in the same timescale that would be required for an order of a single broad line and without significant additional overheads being required other than in respect of the Group's customer service team.

Additionally, the Merlin platform allows call detail records ("CDR's") to be rated or rerated from multiple carriers, which allows the Group to not only partner with many of the country's largest network providers but also to bundle minutes across different communication types. This cross bundling of mobile, hosted and fixed line minutes allows the Group to split call packages across devices, simplifying billing and making sure no erroneous charges are applied. The Directors believe that the ability of Merlin to allow customers to create telecoms solutions which can be shared across devices and all employees, regardless of the usage of individual employees and to reflect this in simple transparent pricing and billing, is a key differentiator of the Group.

Management believe that Merlin forms a key part of the Group's offering and as such retain an in-house team of 11 programmers who are focused on ensuring not only the stability of the platform, but its continuous improvement. Retention of an in-house development team is deemed by the Directors to provide a competitive advantage as any improvements and upgrades can be made without significant delay. Through the historic trading activities in relation to development of the Business to date and ongoing communication with SMEs who are currently utilising the Group's services, the Group has been able to identify a number of improvements that have subsequently been made to the platform. This approach will continue on an on-going basis as the Group's customer base grows, to seek to maintain the platform's competitive edge and meet the required needs of the user.

Services

The suite of services currently offered can be split into four areas as follows:

Business Broadband, Data, EFM and Ethernet – High quality, high speed broadband with connectivity supplied by tier 1 carriers at a fixed competitive price, underpinned by Merlin platform to allow for identification of bandwidth maximisation.

Hosted (SIP Trunking/Cloud PBX) – SIP Trunk installation to allow for hosted VoIP services and Cloud PBX.

Calls and Lines – High quality lines and calls from tier 1 Carriers with unlimited calls allowances

Business Mobile Phones – Wholesale mobile offering for SIM only and Handsets, all bundles include unlimited calls and texts and include a data usage in each bundle.

The services on offer can be taken by a customer in isolation or as a combined package. The Merlin platform is designed to allow customers to add additional services with ease through its automated functionality which allows SMEs to adapt their package to the changing requirements of their business. It should be noted that the cross-device functionality of Merlin (allowing users to share usage over multiple devices and individuals) requires the user to choose as a minimum to take broadband and at least one of the other services offered.

Business Broadband and Data – Superfast Connectivity

The Group offers ADSL 2+, FTTC and EFM through four separate providers (BT Openreach, BT Wholesale, TalkTalk Business and Vodafone) allowing the Group to provide the best speed available to a customer's site by comparing availability through each one. The superfast connectivity supports the Hosted offering (described below) and allows the Group full end-to-end visibility of customer's calls.

The Group's Superfast Connectivity services include:

- i. Fibre to the cabinet ("FTTC") this can be provided through BT, TalkTalk Business ("TTB") and Vodafone allowing the Group to provide not only the fastest service but have a widespread footprint.
- ii. Ethernet delivering speeds from 1 mbps through to 1 gbps, enabling the customer to make use of the Group's VoIP and Cloud PBX capabilities.
- iii. Ethernet First Mile ("EFM") EFM delivers high speeds over dedicated copper cabling delivering with symmetry of upload/download speeds.
- iv. Asymmetric Digital Subscriber Line ("ADSL 2+") offered through three different carriers and offered as either a local looped unbundled ("LLU") product or supplied as a shared metallic path facility over a standard analogue line. As well as providing high bandwidth internet access the ADSL2+ offering is well suited to the Group's Hosted offering.

Hosted (SIP Trunking/Cloud PBX)

Hosted services is a cloud based alternative to the traditional fixed telephony systems that requires no on-site PBX's and no upfront capex costs. Its cloud-based nature means that all features are available anywhere with an internet connection or mobile phone connection. The Group's Cloud PBX is a Broadsoft platform (Broadsoft being a global market leading provider), hosted on the BT Wholesale network. The platform allows the Group to offer a wide range of capabilities such as conferencing, instant messaging and file sharing. The design of the platform takes advantage of BT's resilient and secure next-generation network offering top of the range coverage and gives customers standard and advanced features expected in modern telephony.

Using a system that is cloud based means that it is quick and easy to set up, manage and use. The Group's hosted service configures automatically and seamlessly integrates with existing communications tools. Advanced features can be chosen via the Merlin cloud based services portal and activated from any device and location, meaning that anything from basic to fly-serviced communications are delivered across a powerful next-generation network. The Group's offering is a fully scalable 'pay as you grow' service featuring complete monitoring and full visibility.

The Hosted solution offers flexible working meaning customers can issue employees with 'one number', instead of separate mobile and fixed lines, which enables them to work from different locations, including home, but still be part of the overall communication service.

The Directors believe the principal competitive advantages of the Group's Hosted offering include:

- i. the ability to integrate fixed, mobile and data services making it easy for customers to order, install and manage;
- ii. it offers an intuitive web based portal and smartphone app for both administrators and employees meaning individuals can control their number;
- iii. free calls between users on the service and competitively priced UK, mobile and international calls;
- iv. due to the minimal up front cost and rental it is a cheaper alternative to traditional fixed line PBX systems; and
- v. the Group's Hosted offering can be delivered on any compatible device via desktop/mobile applications or traditional static telephones.

Calls and Lines

Customers adopting traditional telephony can choose from a range of call and line options separately from any broadband offering as desired. The Group acts as a reseller of lines supplied by BT Openreach. The Directors believe that once a customer has opted to use their traditional telephony services it puts them in a

position to demonstrate their reliability and functionality of the Merlin platform, placing them in a good position to provide more up-to-date services to the customer if required by the business.

Business Mobile Phones

The Group currently has an MVNO agreement with Diffrenet accessing the EE Network. Merlin is connected to the Diffrenet billing platform via an API, which allows the customer offering to be device and connectivity agnostic as Merlin will recognise the usage by user as one, whether usage has been on mobile, landline or desktop.

It is the Group's intention to widen its mobile supply over time with other mobile networks to extend its customer offerings, the Group has entered into early stage negotiations with a number of providers already with a view to establishing such a relationship within approximately six months of Admission.

Customer Service and Maintenance

Once the delivery of the Group's services is complete, the customer can choose the way in which they receive after sales service, being:

- online via a customer portal and application;
- online via e-chat with the Group's service agents; or
- via telephone with the Group's UK based agents.

This allows SMEs to choose the customer service route which is best suited to them which the Directors believe is more likely to lead to higher levels of customer satisfaction and ultimately customer retention. The Group is working with a UK based customer service centre, whose services will be grown in conjunction with the Group's customer base to ensure the level of service provided to all SMEs is not compromised. The Group has worked closely with the customer service centre to ensure that appropriate training, monitoring and service level agreements are in place.

It is not expected that the Group's services will require significant amounts of site visits for maintenance and repair as the Group's system can be maintained and upgraded automatically via Merlin. However, via an outsourcing arrangement, the Group has access to a team of engineers who are able to assist customers with installation of hardware if needed or repairs.

Pricing

Customers are able to select the services described above on a standalone basis, or opt for a bundle of some or all of the above. Adoption of a "bundled solution" will allow SMEs to share calls, data and SMS bundles across all fixed and mobile devices used by the SME, those reducing call/cost wastage across the SME's employee base.

For example, the usage on broadband, office calls and mobile calls can be aggregated into a single price, such that a small business can use 1,000 minutes per month across all access methods rather than having to pay for 1,000 minutes on each access. Indeed the Group will recognise an SME (the customer) as a shared pool between employees rather than look for profit on each individual user, if they use less or more than their bundle. The Directors believe that this fresh approach to the small business market will be attractive to its Target Market, as it allows customers to more accurately forecast their complete operating overheads by removing the amount of variability in the cost of its employee's telecom solutions.

The Group will offer competitively priced solutions, which the Directors believe will provide customers with savings against incumbent market players. The Directors believe that some of its pricing strategies will be competitive in the market. For example, a number of broadband providers to the UK SME market currently offer low priced introductory offers for business broadband, however, the Group intends to offer low cost business broadband throughout the life of a customer's contract.

Customers will pay upfront connection fees and enter into a 24 month contract and will then pay their invoices monthly with all service charges paid in advance and any overage outside of their bundles paid in

arrears. Wherever possible, the Group will seek to take payments through a direct debit arrangement so as to minimise the risk of bad debts.

Wholesale customers

At present, in addition to its initial customer base of 41 SMEs to which the Group directly provides telecoms services, the Group also provides telecoms services (minutes, lines, broadband and cloud PBX) indirectly to end users through a number of wholesale customers (“wholesale services”). These end users or “indirect customers” have no exposure to the Group or the Merlin platform and deal directly with their own provider (the wholesale customer of the Group).

Wholesale customers place orders with the Group based on the requirements of their own customers. Typically the wholesale customers have entered into agreements with the Group for a minimum period of 24 months. The Group’s wholesale services, including billing functionality, are provided through Merlin. The Group’s wholesale customers and their end-users do not have access to Merlin’s intellectual property or its full functionality and customer facing portal, therefore, the Directors do not believe that the Group’s wholesale services have an impact on the Group’s ability to differentiate itself in the market from other telecoms providers (including the Group’s wholesale customers).

The automated billing functionality of the Merlin platform provides the Group’s wholesale customers with a white-label billing service (noting that invoices are issued in the name of the wholesale customer and not the Group).

Although the majority of the Group’s revenue is currently generated from its existing wholesale customers, the Group does not deem the indirect route to end users to be a core part of the business moving forward. As such, the Directors are focused on growing the direct SME customer base, which attracts a higher profit margin.

4. Objective and strategy

The Group’s services are targeted at SMEs (in particular targeting those SMEs with between 1 to 50 employees). The Group’s objective is to be the easiest telecoms company to do business with at a price and service that leads the market and that delivers growth and value for the Company’s shareholders.

The Group’s strategy for achieving its objective is to:

- lead the wide scale roll-out of its services by attracting direct SME customers through the offer of competitively priced fast business broadband with the intention of selling additional services to customers at a later stage;
- meet the needs of the Group’s Target Market and continue to monitor and observe these needs and adapt accordingly. Currently the Directors believe these needs will be satisfied by offering a flexible but simple solution (leveraging off an extremely sophisticated automated software platform) at a fixed known cost which works wherever the customer is and whichever device they choose to use;
- provide a competitive and resilient solution which delivers exceptional customer service to all customers, allowing customers to choose the method of customer service delivery which best suits them and targeting high levels of customer retention. The Directors believe customer retention will be aided by the Directors and senior management team’s experience and abilities to recognise trends within the industry through ongoing assessment of the market.

The Group intends to implement the strategy above by launching a strategic on-line marketing campaign using a significant proportion of the Net Proceeds of the Placing. The Directors anticipate that this marketing campaign will quickly increase the Group’s direct SME customer base and build the Group’s brand as is described below.

Marketing and advertising campaign

Due to the current low level of brand awareness surrounding the Group and its proprietary software platform Merlin, marketing and advertising spend following Admission forms a key part of the Group's growth strategy. The Group has established a marketing and advertising strategy which is focused on high levels of on-line market penetration within a short space of time to increase brand awareness. This involves a wide range of on-line marketing and advertising routes (as further described below) and continued investment in the Group's website and brand image.

Website

The Group is launching a new website for the Toople brand around the time of Admission. It is designed to provide an interactive positive online customer experience, ensuring the customer is able to design their services package in accordance with the needs of the business.

Following implementation of the Group's marketing and advertising campaign after Admission as described below, specific landing pages on the Group's website will be assigned to all paid for advertising to ensure that the potential customer arrives at the appropriate page of the website that relates to the advert that brought them to the site. This is designed to reduce the number of clicks required on the site to bring a more streamlined experience to the user.

Advertising

A number of advertising routes have been identified by the Directors that will form part of the Group's marketing and advertising strategy. These include both paid for services, such as Google AdWords and banner advertising, whilst optimising leads through CRM tools and lead forensics software in order to seek to maximise penetration into the Group's Target Market. Search engine optimisation and web tracking is also planned, in addition to methods such as social media strategies, e-mail marketing and use of affiliate marketing.

The Directors expect there to be a direct correlation between marketing/advertising spend and the number of customers who visit the Group's website and ultimately who sign-up for the Group's services. Based on the Directors' experience and research, the Directors expect that every £15 to £25 spent by the Group on certain online advertising activities will result in a potential customer lead for the Group. Of these, the Directors have assumed that a certain percentage of these potential leads will turn into a potential sale with a smaller percentage being converted into actual customers. The Directors believe their expectations for generation of leads and sales from this online advertising campaign are conservative compared to industry averages and certain of the Directors' previous experience.

All of the on-line marketing activity undertaken by the Group will be closely monitored by the Group's management on a daily basis (and even hourly in some circumstances) to assess the impact and effectiveness of the marketing campaigns. This will allow the Directors to make changes to the marketing campaign as required.

The Directors expect that continued significant marketing spend will be required at least in the initial 6 to 12 months following commercial launch to ensure that the presence of the Group's brand on the internet and search engine results etc. is optimised.

Assuming that the planned marketing and advertising campaigns are successful (as will be evident through the number of customers gained as a result of such campaigns), the Directors anticipate that approximately £1.05 million will be used for marketing and advertising expenditure in the 12 months following Admission. However, this expenditure will not be subject to long term contracts and will primarily be on a discretionary "pay to play" basis such that if a form of marketing campaign does not prove to be effective, it can be discontinued. This will also allow the Company to carefully manage the Group's working capital position.

In the longer-term, the Directors will continue to review the Group's approach to the market, positioning and brand, and will consider whether it is appropriate to develop the Group's portfolio further and or to enter other markets such as the consumer, mid and large SME's as well as the Enterprise or Government sector.

As described in paragraph 3 of this Part I, the Group has a number of wholesale customers. Whilst this provides a relatively stable revenue base for the Group as described above, it is not currently intended that the Group will strategically focus on growing this part of the business. Instead the Directors intend to focus on growing the direct sales route as described above. The Directors may also licence out non-core modules of the Group’s Merlin platform to generate additional revenue (without compromising the Group’s expected competitive advantage).

5. Suppliers, network and infrastructure

The Group does not own any telecommunications infrastructure itself but is dependent on the use of the networks of telecommunication wholesale companies. The Group has secured wholesale agreements with a number of network providers including TalkTalk Business, BT Openreach, BT Wholesale and Vodafone which will allow the Group to provide its services throughout the UK. All wholesale suppliers have been interconnected (via API) with Merlin to maintain the fully automated capabilities of the platform for each prospective and existing customer.

Merlin will select the most appropriate provider for the customer based on their location versus strength of network coverage versus speed in order to deliver the customer the optimum connectivity that is available to them.

6. Overview of the Telecoms Market for SMEs

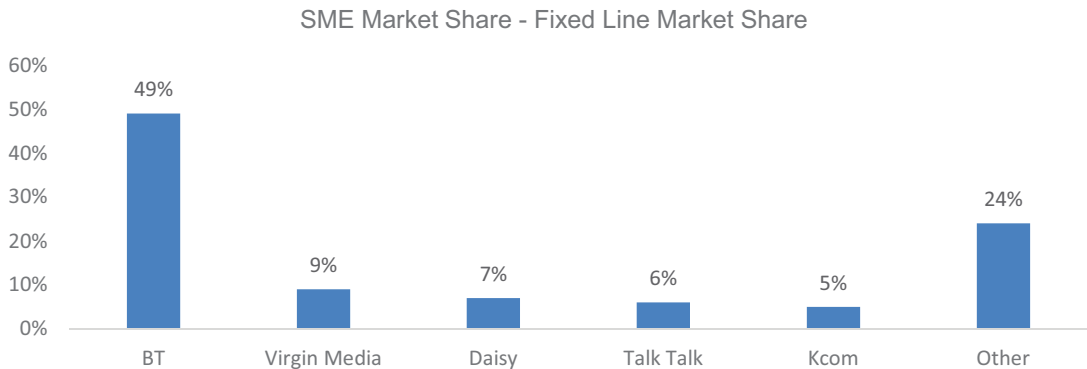
As at February 2016 there were around 5.4 million SME businesses in the UK. Of this figure, over 5 million (96%) fall into the category of having less than 50 employees and therefore representing the Group’s Target Market. Within this space BT are the largest telecoms provider, receiving nearly 50% of all fixed line revenues.

For the Group’s Target Market, the market for business network access and calls was worth £585m for Q1 2015. The lines market in Q1 2015 was 7,680,000 lines whilst the hosted market was between 2.2-2.4m seats in 2015, with in excess of 500,000 added in the year.

The UK Communications Regulator (“Ofcom”) published a report on 25 June 2015 (Broadband services for SMEs) that indicated a renewed competitive focus was being placed upon the SME market, with a number of significant providers re-branding and re-launching their SME propositions. Additionally, a number of new technologies have allowed for smaller business focused providers to enter the market. The report in question concluded that the market is currently in a state of transition due to the number of new players and potential for convergence of services through web based telecoms platforms, such as Cloud PBX solutions.

Business Broadband Market

BT has a c.49% share of the SME Business Broadband Market, predominantly due to the fact that this market lacks the significant competition that exists in residential markets. The largest market share following BT is held by Virgin Media at 9%, although there is a significant number of small players in the market holding a combined market share of 24%. No clear data exists on the precise number of smaller players but it is estimated to be in excess of 2,000.

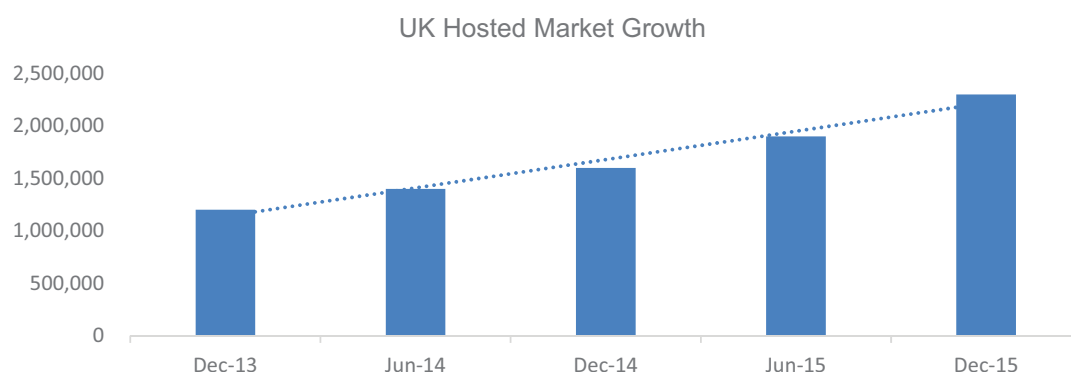


The Directors identify the Group's key competitors in the market at present as Virgin Media, Daisy Group plc ("Daisy") and Vodafone. Daisy are focused on the SME market and position themselves as one of the largest independent service providers through an indirect model, selling their services via third parties. Vodafone have strong branding due to their presence in the mobile industry and remain focused on mobile as an entry to their customers. Virgin have recently relaunched into the SME segment, focusing on connectivity.

During the past several years a number of large established telecoms companies have sought to target the SME market, the Directors believe that the offerings of these larger companies are not sufficiently flexible or tailored for the SME market and that the size and management policies of these telecoms companies restricts them from being able to readily react to the changing needs of an SME customer.

Hosted (SIP Trunking/Cloud PBX) Market

In recent years there has been an increasing interest in advanced fixed voice telephony features among SMEs. Due to the connectivity requirements for these services, the hosted market (encompassing SIP Trunking and cloud PBX services) has seen significant growth as increasing numbers of SMEs have adopted hosted services. The growth over the last two years has seen the number of seats increase from 1.1 – 1.3 million in December 2013, to 2.2 – 2.4 million in December 2015.



Quality of service is crucial within the hosted market as VoIP services and cloud-based applications require significant upload and download capabilities to ensure services are delivered to SMEs as required.

Average Telecoms Spend

Due to the fact that the SME market is highly fragmented and the variety that exists in the telecoms needs of SMEs due to their size and the nature their business, there is a significant range of expenditure levels within the market.

<i>Number of Employees</i>	<i>Average Telecoms Spend</i>
0 – 4 employees*	£1,025
0 – 9 employees*	£1,164
10 – 49 employees*	£3,969
50 – 249 employees	£11,532
All SMEs	£1,579

* The Group's Target Market

The business broadband market is typically represented by a series of special offers that last for a limited period of time such as free broadband for a number of months followed by a significant increase in monthly cost. The Group aims to move away from this model and offer a stable competitive price from the outset that lasts for the life of the contract entered into, with knowledge of the exact costs that will be incurred on a monthly basis from the outset of any agreement made.

Market opportunity

Market research performed by Ofcom has uncovered a number of issues faced by SMEs in identifying telecoms providers, selecting the services required and ultimately receiving those services without significant issue. Some of these issues are summarised below.

i. *SMEs find information about suppliers and tariffs difficult to compare*

The Group aims to mitigate this risk and increase costing clarity through its fully automated ordering and quoting process which can be accessed by any prospective customer on their website. Applications built into the website allow for comparison with other suppliers on a like for like basis.

ii. *SMEs find it difficult to identify the services required by their business*

The flexibility of the Group's offerings allows customers to add additional offerings to their bespoke telecoms packages at any point during the life of their contract, allowing for services to compliment the changing needs of a business.

iii. *A significant number of SMEs report issues in switching provider*

Many SMEs experience at least one issue when switching (landline: 48%, internet: 37%, mobile services 41%). The Group aims to tackle this through its UK based customer services team which will be grown as appropriate in conjunction with an increasing customer base.

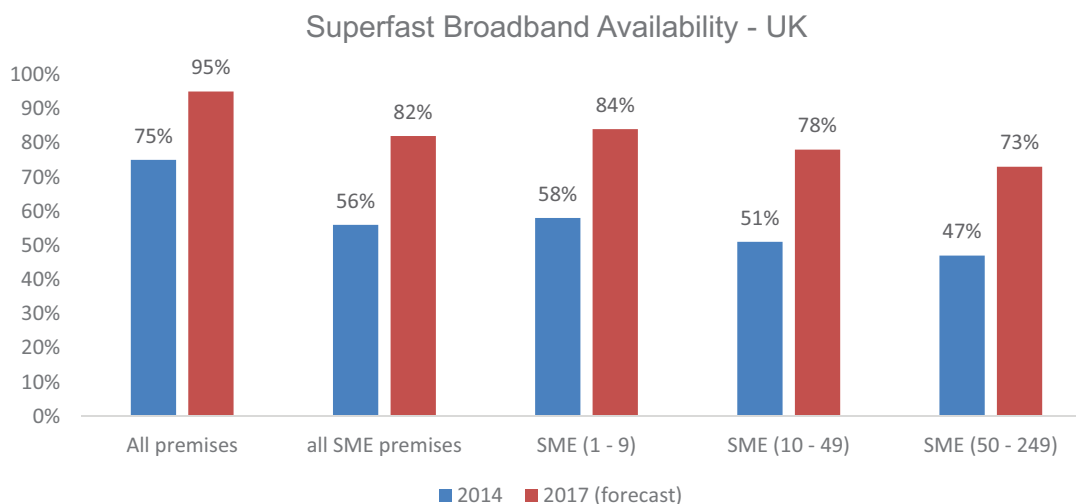
iv. *Quality of Service*

Dissatisfaction is highest among SMEs with ADSL services and in particular in relation to some aspects of broadband quality of service. Research found that 42% of SME internet users reported experiencing issues with internet connectivity in the last 12 months, including speed, ability to access the speed paid for, and connection reliability. A minority of SMEs (7%) are also dissatisfied with the speed of fault resolution. Quality of service is of significant importance to SMEs as all businesses have a lower tolerance for outages than residential consumers. Reliable services underpins an SMEs ability to serve their customers.

Research performed by Ofcom at the end of 2014 indicates 42% of SME internet users experienced issues with their providers over the preceding 12 month period. The Group aims to ensure high quality service and mitigate the risk of the Group's customers encountering commonly reported issues as far as is possible.

v. *Broadband availability*

At present, there are a significant number of SMEs that are unable to gain access to the services that they require as they are located outside current superfast broadband locations. As at the end of 2014, only 51% of all SMEs with between 10 and 49 employees (thus representing the Group's Target Market) had access to superfast broadband, although this is expected to increase to around 78% by 2017.



As superfast broadband continues to be rolled out the increase in availability will lead to not only a larger market in which the Group is able to operate, but also generate new customers that have not entered into previous relationships with other suppliers.

vi. *SMEs using personal/residential contracts*

Ofcom research performed in June 2015 identified that 23% of landline customers, 26% of broadband customers and 50% of mobile customers were using personal/residential contracts for their business needs. This was due to a range of factors, including customers stating business contracts were too expensive and their personal contracts were sufficient for business needs. While a certain portion of the Group's Target Market may be unlikely to change to a business contract if they deem it to be unnecessary, those who refrain from doing so over pricing issues can be targeted by the Group due to the Group's competitive pricing strategy.

7. Key Strengths

Merlin Platform

The Directors consider the Merlin platform to be an essential component of the Group's business, providing it with both a competitive edge and allowing for scalability without the need to significantly increase employee numbers to manage the acquisition, registration and set-up process for new customers as a result of Merlin's fully automated functionality.

Merlin is connected via API with four key suppliers in the UK, (BT Wholesale, BT Openreach, Vodafone and TalkTalk), resulting in Merlin automatically identifying the best connectivity option for each customer based on their geographic location and available networks. The Directors believe the algorithms programmed to perform this detection process significantly reduce the level of human input required whilst simultaneously ensuring high quality of service. The Directors are unaware of any other software used in the telecoms industry with the same capability.

Cross-device Functionality

Once a customer has entered into an agreement with the Group for the provision of telecoms services, the Merlin platform continues to serve as a benefit to the user as it allows for cross-functionality across all telecoms devices. This allows usage and data allowances to be tracked and billed accurately on a user by user basis, regardless of whether they are using a mobile device, tablet, landline or computer for any of the services provided by the Group. Alternatively, it can allow customers to share combined usage and data allowances of an entire SME across its workforce as a whole. The platform is able to accurately track and itemise all calls/data usage on a user by user basis regardless of what device is used.

The API connections that exist between the Group and its suppliers is an essential component of this functionality and as such Merlin will only enter into agreements with suppliers that have the ability to connect to the Merlin platform via this method. This cross device functionality has been tested successfully with the Group's existing customer base.

In-house Development Team

The in-house development team (comprised of 11 individuals) is responsible for the ongoing monitoring, maintenance and development of the Merlin platform. Retaining an in-house team to perform this work is able to ensure corrective actions are taken as required and without delay. Potential improvements to the platform identified in the ordinary course of business and through feedback from SME clients can also be implemented far more effectively than if this service was to be outsourced. This will allow the Group and its platform to stay up to date, reflecting the requirements and demands of the market as it constantly evolves in an attempt to retain a competitive edge.

Management Team

The Group's Directors and management team (further described within Part II of this document) have between them over 100 years' experience within the telecoms industry. Previous roles of certain members

include long standing senior positions with the key network and service suppliers within the UK, including TalkTalk and BT Wholesale. As a result, long standing relationships exist between certain Directors and certain of the Group's key suppliers.

In particular the Group is dependant on the expertise of the Company's Chief Executive Officer, Mr Hollingworth, and his relevant experience at TalkTalk Plc. A biography in respect to Mr Hollingworth's experience is set out in Part II of this document.

8. Telecoms Regulation in the UK

The Group is classified as a UK telecoms operator and is subject to the Communications Act 2003 (the "Communications Act"). The Communications Act implements in part a number of EU directives from 2002 which sought to modernise telecoms regulation within the European Union.

As a result of the introduction of the Communications Act, the Office of Communications ("Ofcom") was established and tasked with the practical implementation of the Communications Act. The Communications Act itself abolished an existing requirement for telecoms operators to hold a license in order to provide networks and services and instead introduced a number of general conditions that must be complied with ("General Conditions"). It is therefore a requirement for the Group to comply with these General Conditions, in order to self-certify its ability to operate within the telecoms market in the UK.

The recent consolidation activity in the mobile sector, namely the BT acquisition of EE and the potential 3 acquisition of O2, will allow for a wider distribution of mobile in the trade market. Ofcom is keen to ensure that the recent and potential activity is not anticompetitive. Any material change to the industry and in particular regulation and anticompetitive policies will materially effect the ability of the Group to compete in the market.

On 25 February 2016, Ofcom published its initial findings from its Strategic Review of Digital Communications, which focuses on five key areas:

- the guarantee of universal broadband availability at a sufficient speed to meet modern consumer needs;
- support for investment and innovation in ultrafast broadband networks (such as fibre to homes or businesses) by giving BT's competitors improved access to its infrastructure;
- improvements in the quality of service delivered by the whole of the telecoms industry, including Openreach, BT's access network division;
- increased independence of Openreach from BT so that it is more responsive to all of its customers; and
- consumer empowerment so that people can understand the array of choices available to them and are able to switch to the best value deal easily.

It is expected that the improved access to BT's infrastructure will lead to higher levels of competition within the telecoms industry, placing an increased focus on innovation and affordable prices.

9. Use of the Placing proceeds

The Net Proceeds of the Placing of approximately £1.66 million (excluding recoverable VAT) are expected to be used primarily for the Group's marketing campaign (approximately £1.05 million, as further described in paragraph 4 above). In addition, the Net Proceeds are also expected to be used to repay the Group's existing HSBC overdraft facility which has a drawn down balance of approximately £0.10 million as at the date of this document and also repay the Short Term Loan of £0.06 million. The balance of the Net Proceeds of approximately £0.46 million will be used for general working capital and overhead costs.

10. Dividend policy

The Company has never declared or paid any dividends on the Ordinary Shares. The Company currently intends to pay dividends on future earnings, if any, when it is commercially appropriate to do so. Any decision to declare and pay a dividend will be made at the discretion of the Board and will depend on, among other things, the Company's results of operations, financial condition, solvency and distributable reserves tests imposed by corporate law and such other factors that the Board may consider relevant.

11. The Placing and Crest

The Placing will raise approximately £2 million before expenses through the issue of 25,000,000 Placing Shares at the Placing Price. The Placing is conditional only on Admission occurring on or before 10 May 2016 or such later date as may be agreed by Cairn and the Company. Total expenses in relation to the Placing and Admission are approximately £0.34 million (exclusive of recoverable VAT).

All Ordinary Shares issued pursuant to the Placing will be issued at the Placing Price which has been determined by the Directors. The Company and the Directors have ensured that the Company shall have sufficient Ordinary Shares in public hands, as defined in the Listing Rules.

In accordance with Listing Rule 14.3, The Board has ensured that at Admission at least 25 per cent. of the Ordinary Shares of this listed class will be in public hands (as defined in the Listing Rules) and that a minimum of 25 per cent. of the Enlarged Share Capital has been allocated to investors whose individual and unconnected shareholdings will each equate to less than 5 per cent. of the Enlarged Share Capital, and who do not fall within any of the other excluded categories of investors in Listing Rule 14.2.2 (4).

Conditional upon Admission occurring and becoming effective by 8.00 a.m. London time on 10 May 2016 (or such later date as agreed by Cairn and the Company) each of the Placees agrees to become a member of the Company and agrees to subscribe for those Ordinary Shares set out in his Placing Letter. To the fullest extent permitted by law, Placees will not be entitled to rescind their agreement at any time. In the event that Admission does not become effective by 8.00 a.m. London time on or prior to 30 May 2016 (or such later date as Cairn and the Company may agree), Placees will receive a full refund of monies subscribed.

The rights attaching to the Placing Shares will be uniform in all respects and all of the Ordinary Shares will form a single class for all purposes.

Completion of the Placing will be announced via a regulatory news service on Admission, which is expected to take place at 8.00 a.m. on 10 May 2016.

The Company has established arrangements to enable investors to settle interests in the Ordinary Shares through the CREST system. CREST is a paperless settlement system allowing securities to be transferred from one person's CREST account to another without the need to use share certificates or written instruments of transfer.

The Company's Articles of Association are consistent with CREST membership and the holding and transfer of Ordinary Shares in uncertificated form. The Board has passed a resolution to make such arrangements as are necessary for the title to the Ordinary Shares, in issue or to be issued, to be transferred by means of a relevant system in accordance with the provisions of the CREST Regulations.

The Company will apply for the Ordinary Shares to be admitted to CREST with effect from Admission and it is expected that the Ordinary Shares will be admitted with effect from that time. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if any investor so wishes.

12. Admission to trading on the Official List

The Directors will apply for the Ordinary Shares to be admitted to trading on the Official List of the London Stock Exchange by way of a Standard Listing. Dealings in the Ordinary Shares are expected to commence at 8.00 a.m. on 10 May 2016, and copies of this Document and other documents the Company is required to

make available for inspection will be available to the public, free of charge, from the Company's registered office for a period of 14 days from the commencement of dealings.

13. Warrants

At the date of this document the Company has a total of 3 million Existing Ordinary Shares subject to the NED Warrants.

On Admission, the Company has agreed to issue the Investor Warrants to the Placees, pro rata to their participating in the Placing, to subscribe for 5 million New Ordinary Shares in aggregate, exercisable at the Placing Price. Additionally, conditional on Admission, the Company has agreed to issue the Adviser Warrants to Cairn, to subscribe for 100,000 New Ordinary Shares in aggregate, exercisable at the Placing Price.

Further details of the NED Warrants, the Investor Warrants to be issued to Placees and the Adviser Warrants are set out in paragraph 13 of Part VIII of this Document.

14. Employee incentive plans and pension arrangements

The Directors recognise the importance of ensuring that employees of the Group are effectively and appropriately incentivised and their interests are aligned with those of the Group. To that end, the Group is considering the adoption of an employee share option plan in the future following Admission, to align the interests of senior management, and the broader employee workforce alike, with those of the Shareholders. It is expected that the number of Ordinary Shares under option in respect of any share option scheme that is adopted will be less than 10 per cent. of the Enlarged Share Capital.

There are no pensions or other similar arrangements in place with the Directors nor are any such arrangements proposed.

15. The City Code

At Admission, the City Code will apply to the Group.

The City Code is issued and administered by the Takeover Panel. The Takeover Panel has been designated as the supervisory authority to carry out certain regulatory functions in relation to takeovers pursuant to the Directive on Takeover Bids (2004/25/EC) (the "Directive"). Following the implementation of the Directive by the Takeovers Directive (Interim Implementation) Regulations 2006, the rules in the City Code which are derived from the Directive now have a statutory basis.

The City Code applies to all takeovers and merger transactions, however effected, where, inter alia, the offeree company is a public company which has its registered office in the United Kingdom, the Isle of Man or the Channel Islands, if the company has its securities admitted to trading on a regulated market in the United Kingdom or on any stock exchange in the Channel Islands or the Isle of Man. The City Code will therefore apply to the Group and its Shareholders will be entitled to the protection afforded by the City Code.

Under Rule 9 of the City Code, where any person acquires, whether by a single transaction or a series of transactions over a period of time, interests in securities which (taken together with securities in which he is already interested and in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company which is subject to the City Code, that person is normally required by the Panel to make a general offer to all the remaining shareholders of that company to acquire their shares. Similarly, where any person who, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent., but does not hold shares carrying more than 50 per cent., of the voting rights of a company and such person, or any persons acting in concert with him, acquires an interest in any other shares in the company which increases the percentage of shares carrying voting rights in which he is interested, such person would normally have to extend a general offer to all shareholders to acquire their shares for cash at not less than the highest price paid by him, or parties acting in concert with him, during the 12 months prior to the announcement.

Following Admission, certain Shareholders, being David Breith, Andrew Hollingworth and Matthew Donaldson are treated as acting in concert for the purposes of the City Code in relation to their shareholdings in the Company (together the “Concert Party”). Following Admission, their aggregate holding in the Enlarged Share Capital will be 65.5 per cent.

Since the Concert Party holds over 50 per cent. of the voting rights in a company, no obligation under Rule 9 normally arises from acquisitions by any member of the concert party. However, the acquisition by a single member of the concert party who holds between 30 per cent. and 50 per cent. of the voting rights may be regarded by the Panel as giving rise to an obligation to make an offer for the entire company.

16. Relationship Agreement

David Breith, Andrew Hollingworth, the Company and Cairn have entered into the Relationship Agreement to regulate the ongoing relationship between the Group and its major shareholders and to ensure appropriate governance and independent management of the Company. The Directors believe that the terms of the Relationship agreement, as described in paragraph 13.6 of Part VIII will enable the Group to carry on its business independently of the Substantial Shareholders and ensure that all transactions and relationships between the Group and the Substantial Shareholders and their respective associates are, and will be, on an arm’s length and on a normal commercial basis.

17. Lock-in and orderly market agreement

Lock-in and orderly market agreements have been entered into by the Locked-in Persons, who in aggregate will, on Admission, hold 75,000,000 Ordinary Shares (representing 75 per cent. of the Enlarged Share Capital).

The Company has entered into lock-in and orderly marketing agreements with Cairn, and each of the Locked-In Persons, pursuant to which each of the Locked-In Persons has agreed with the Company and Cairn not to dispose of any interest he holds in the Ordinary Shares for a period of 12 months from Admission, except in certain limited circumstances, including with the prior written consent of Cairn. Each of the Locked-In Persons has also agreed that, for a further period of 12 months thereafter, they will only dispose of their Ordinary Shares through Vicarage Capital (except in certain limited circumstances, including with the prior written consent of Cairn) in order to maintain an orderly market, unless (in each case) agreed otherwise in advance with Cairn. Further details of the lock-in and orderly market arrangements are set out in paragraph 13.5 of Part VIII of this document.

18. Taxation

Your attention is drawn to Part VII of this document. These details are intended only as a general guide to the current tax position under UK law and practice. If an investor is in any doubt as to his or her tax position he or she should immediately consult his or her own independent financial advisor.

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

19. Further information

Shareholders should read the whole of this document, which provides additional information on the Company and the Placing and should not rely on summaries of, or individual parts only of, this document. Your attention is drawn, in particular, to the Risk Factors set out in the section headed “Risk Factors”, information on the directors, senior management and corporate governance set out in Part II, the summary of the consequences of a Standard Listing set out in Part III, the Accountants Report on the financial information in relation to the Company, Toople.com and Ask Merlin in Part V, the operating and financial review of the Group in Part VI, the information on Taxation set out in Part VII and the Additional Information in Part VIII of this document.

PART II

DIRECTORS, SENIOR MANAGEMENT AND CORPORATE GOVERNANCE

1. Directors

Brief biographies for each of the Directors are included below.

Andrew James Hollingworth, *Chief Executive Officer, aged 46*

Mr. Hollingworth has worked in the Telecoms Industry for the past 25 years, operating at senior levels across multiple roles and boards, including Sales, Marketing and Operations. The majority of his work has been driving organic and acquisition growth strategies to achieve revenue and EBIT growth. Mr. Hollingworth has held a number of senior positions including Director of Wholesale, Director of Small and Corporate segments, Head of CRM, Head of Distribution, Head of Sales Operations and Head of Loyalty and Retention.

As Director of Wholesale at TalkTalk Plc he lead a growth strategy in the UK reseller market from sub £50m turnover to £250m turnover (£150m net profit with around 30 staff). Mr. Hollingworth then moved into an underperforming area of TalkTalk, the small business and corporate segment, and whilst there moved it from 18% customer loss into growth of over 3000 customers per month within 3 years. Mr. Hollingworth was appointed to the board of the Company on 2 March 2016 having worked with the Group for several months prior to this.

Neil John Taylor, *Chief Financial Officer, aged 54*

Mr. Taylor has nearly 30 years' experience in the telecoms industry having joined BT Group (BT) in 1985. In 2007, he was appointed CFO at BT Wholesale, the division of BT that sells voice, broadband and data communications products and services to fixed and mobile network operators and other service providers in Great Britain. During his tenure as CFO at BT Wholesale, he oversaw the delivery of the overall financial performance of the business with revenues in excess of £2.4 billion and EBITDA of £600m.

Prior to being appointed CFO, he was Director of Commercial and Regulatory Finance and held a number of positions at BT Retail, including Finance Director Products and BT Mobile, and Financial Controller, Products and Channels. Mr. Taylor has been a member of the Chartered Institute of Management Accountants since 1990.

Mr. Taylor was appointed to the board of the Company on 2 March 2016 having worked with the Group for several months prior to this. Due to the early stage of the Group's trading operations, it is currently intended that he will be employed on a part-time basis. As the business grows it is intended that a full time finance director will be recruited as and when appropriate.

Richard John Horsman, *Non-Executive Chairman, aged 55*

Mr. Horsman was senior independent non-executive director of Plethora Solutions Holdings Plc between early 2011 and mid-2013 and previously CEO of Cybit Holdings plc ("Cybit"), both admitted to trading on the AIM market of the London Stock Exchange. During his tenure at Cybit the company grew, from inception, to revenues of £25 million and went through multiple acquisitions. In January 2010, Cybit was acquired in a deal with a US based private equity firm which returned £24 million to shareholders at over a 100% premium to the prevailing market price. Prior to this he held a number of senior roles in the IT industry including with Global Telematics PLC and The Baan Company.

Most recently (from 2011 to the end of 2014) Mr. Horsman was Chairman/CEO of Atego Group – A privately held Company providing Mission and Safety critical software and consulting services to Global Aerospace, Military and Automotive sectors. Atego was sold to PTC who are listed on the US NASDAQ market.

Geoffrey Paul Wilson, *Non-Executive Director, aged 54*

Mr. Wilson has significant experience in the telecoms industry and has held a number of senior positions in different organisations. He studied Law at Birmingham Polytechnic & he qualified as a Management Accountant in 1991 whilst working for Grand Metropolitan PLC in their licenced retail business, Chef & Brewer. He first joined the telecoms industry in 1993 with Mercury Communications where he held a number of finance roles, becoming financial controller for the customer systems division in 1995. He gained wider experience of the industry as Commercial Manager with Siemens Communications Systems and then as Commercial Director for Your Communications, a subsidiary of United Utilities, which he joined in 1999. Whilst there he led the corporate acquisition & integration programme increasing customer base & product range.

Following a strategic review of the United Utility business, Mr. Wilson led the disposal process for Your Communications resulting in the successful sale of the business to Thus in 2006. Most recently he was employed as chief operations officer for TalkTalk Business where, over a four year period, overall operational costs reduced by 9% whilst supporting revenue growth of 33%. For two years prior to this he held the position of Finance Director for TalkTalk Business.

2. Senior management and key consultants

Set out below are brief biographies in respect of the senior managers and consultants of the Group:

David Breith, *Marketing/Software Consultant and Founder, aged 46*

Mr. Breith started his telecoms career in 1994 in the mobile industry and within a few years became one of the largest Orange distributors in the UK, selling contracted handsets and pay-as-you go SIM cards and handsets. In 2002 Mr. Breith was one of the founding members of O-bit telecom, and went on to acquire (through a management buy-out) the majority of the other founding shareholders shares shortly after the business had commenced. O-bit became an aggregator in the industry and signed a number of large contracts with direct customers, including a £23m agreement with a central government body, The Health and Safety Executive (HSE). In early 2011 O-bit was acquired by Daisy plc where Mr. Breith remained until late 2012 under an extended earn out agreement.

In 2013 Mr. Breith joined the board of Coms plc, an AIM quoted company, as CEO where he remained until February 2015. He began developing the Group's business in 2015 with a view to launching the business and will continue to act as a part-time consultant to the business going forward in respect of the Group's marketing and sales operations.

Mr. Breith has gained a variety of accolades and awards which include Buckinghamshire Entrepreneur of the year and Buckinghamshire Ambassador and has featured in Tech Track 2007, Tech Track 2008, Tech Track 2009, Hot 100 2008, Deloitte's Fast 50 2007 – UK, Deloitte's Fast 50 2008 – UK, Deloitte's Fast 500 2007 – EMEA, Deloitte's Fast 500 2008 – EMEA and Ernst & Young Entrepreneur of the year – Last 10 EMEA.

Mr. Breith also has other passive investments which include Vitrx Limited, Diffrenet Limited, Blabbermouth Marketing Limited, CRS and The Payment Centre Limited. There is not considered to be a conflict of interest between David's interests in the Company and David's other investments.

Oliver Pruden, *Head of Operations*

Mr. Pruden is an experienced telecoms senior manager in both the channel and direct operations and support. He has worked in numerous positions in an operational and fulfilment capacity for various telecoms companies, and also has extensive experience with a number of suppliers, products and customer facing portals.

Having finished university in late 2009, Mr. Pruden joined O-bit Telecom Limited as a customer service assistant and subsequently became the training manager for new staff and customers. His responsibilities then expanded into other operational areas of the company.

In early 2013 Mr. Pruden joined the VoIP provider Coms PLC and became wholesale support manager in 2014, dealing with numerous wholesalers and resellers across a multitude of products and platforms. He joined the Group in May 2015.

Matthew Donaldson, *Head of Sales*

Mr. Donaldson is a telecoms and IT Channel professional, having held a number of key roles in the industry over the last eight years. He started at O-bit Telecom Limited in 2008 and became one of their top performing account managers.

Mr. Donaldson joined Channel Telecom where he helped grow the business over a two year period, winning a number of awards including Marketing Campaign of the year and Wholesale Provider of the year.

Mr. Donaldson joined Coms plc where his main goal was to stabilise and grow through both organic and acquisitional routes. He joined Toople.com in August 2015 where he has been aiding with channel and direct customer planning and research for the Group's proposed business strategy. Mr. Donaldson is currently retained as a consultant but it is intended he will be retained as an employee following Admission.

Matthew Donaldson is the nephew of David Breith.

Piotr Kwiatkowski, *Head of Development*

Mr. Kwiatkowski started software programming at a very early age and attended a telecoms technical school in 2002. Whilst there Mr. Kwiatkowski became the winner of many software and mathematical competitions before moving into a part time role in 2003 whilst attending university. He moved to a senior position after successfully completing a number of projects for the tourist industry dealing with complex and high demand online reservations and booking systems for many Polish companies.

Mr. Kwiatkowski completed university in 2007 majoring in computer science and specialising in telecoms. Mr. Kwiatkowski moved to the UK in 2009 where he became head of software at Obit Telecom in 2010. He moved back to Poland in 2012 but continued to consult and support the existing functions in the Merlin software (through a trading entity called DotFusion).

Barry French, *In-house Legal Counsel and Company Secretary*

Mr. French is an experienced commercial lawyer with a range of corporate and commercial legal expertise which has been gained in both private practice and as in-house commercial General Counsel. He also has company secretarial experience through management and hands on administration.

Having qualified as a solicitor in 1989, Mr. French moved to an in-house role in 1991 and spent several years in the music and television industries before moving into a commercial role within the new media sector with Cable & Wireless Communications and then Freeserve in early 2000.

In 2008 he joined Blaser Mills, an established regional firm in Buckinghamshire, as a senior corporate and commercial solicitor. He became General Counsel and Company Secretary of Coms plc in 2014 before taking a position at Toople.com during 2015.

3. Corporate Governance

The Board guides and monitors the business and affairs of the Company on behalf of the Company's Shareholders to whom it is accountable, and is responsible for corporate governance matters. While certain key matters are reserved for the Board, it has delegated responsibilities for the day-to-day operational, corporate, financial and administrative activities to the Chief Executive Officer and the Chief Financial Officer.

In assessing the composition of the Board, the Directors have had regard to the following principles:

- the Chairman should be an independent non-executive director;
- the role of the Chairman and the Chief Executive Officer should not be exercised by the same person;

- the Board should include at least two independent non-executive directors (inclusive of the Chairman), increasing where additional expertise is considered desirable in certain areas, or to ensure a smooth transition between outgoing and incoming non-executive directors; and
- the Board should comprise of directors with an appropriate range of qualifications and expertise.

The Company believes it complies with each of these principles.

Richard Horsman and Geoff Wilson are considered to be “independent” members of the board.

Directors appointed by the Board are subject to election by shareholders at the Annual General Meeting of the Company following their appointment and thereafter are subject to re-election in accordance with the Company’s Articles of Association.

The UK Corporate Governance Code, as published by the Financial Reporting Council, is the corporate governance regime for England and Wales. The Company will, to the extent practicable for a company of its size and nature, follow the UK Corporate Governance Code, and has established a remuneration and audit committee, each with their own terms of reference, the members of which are independent non-executive directors. The Directors are aware that there are currently certain provisions of the UK Corporate Governance Code that the Company is not in compliance with, given the size and early stage nature of the Company, these include, inter alia:

- The Company does not currently believe it is necessary to have a separate nominations committee at this time. The Board as a whole will review the appointment of new members of the Board, taking into account the interests of Shareholders and the performance of the Company. The requirement for a nominations committee will be considered on an ongoing basis.
- Unless a further Independent Non-Executive Director is appointed, the Board will not comply with provision B.1.2. of the Corporate Governance Code that at least half of the Board, excluding the Chairman, should comprise non-executive directors determined by the Board to be independent.
- The chairman of the remuneration committee is the Chairman of the Company, which is outside the principals of D.2.1 of the Corporate Governance Code.

The Company intends to comply with the Model Code published in Chapter 9 of the UKLA’s Listing Rules, has adopted a list of matters reserved for the Board, a disclosure policy, insider lists and an anti-bribery policy.

Remuneration Committee

The Remuneration Committee will assist the Board in determining its responsibilities in relation to remuneration, including making recommendations to the Board on the Group’s policy on executive remuneration, including setting the over-arching principles, parameters and governance framework of the Group’s remuneration policy and determining the individual remuneration and benefits package of each of the Executive Directors and the Group secretary. The Remuneration Committee will also ensure compliance with the UK Corporate Governance Code in relation to remuneration wherever possible.

The Remuneration Committee will be chaired by Richard Horsman, and its other member will be Geoffrey Wilson. The Remuneration Committee will meet not less than twice a year.

The Articles of Association of the Company will be such so as to be appropriate for a Standard Listed company. Full details of the Company’s Articles and Association are set out in paragraph 4 of Part VIII.

Audit Committee

The Company has established an Audit Committee with delegated duties and responsibilities. The Audit Committee will be responsible, amongst other things, for making recommendations to the Board on the appointment of auditors and the audit fee, monitoring and reviewing the integrity of the Company’s financial statements and any formal announcements on the Company’s financial performance as well as reports from the Company’s auditors on those financial statements.

In addition, the Audit Committee will review the Company's internal financial control and risk management systems to assist the Board in fulfilling its responsibilities relating to the effectiveness of those systems, including an evaluation of the capabilities of such systems in light of the expected requirements for any specific acquisition target. The Audit Committee will meet at least twice a year, or more frequently if required. The Audit Committee will be chaired by Geoffrey Wilson, and its other member will be Richard Horsman.

4. Model Code

As at the date of this document, the Board has voluntarily adopted the Model Code for directors' dealings contained in the Listing Rules. The Board will be responsible for taking proper and reasonable steps for ensuring compliance with the Model Code by the Directors.

Compliance with the Model Code is being undertaken on a voluntary basis, and the FCA will not have the authority to (and will not) monitor the Company's compliance with the Model Code nor will it be able to impose any sanctions in respect of failure by the Company to comply.

The Company is applying for a Standard Listing of the Ordinary Shares on the Official List and a Standard Listing offers less protection to Investors than would otherwise be the case with a Premium Listing on the Official List. Further details on the consequences of a Standard Listing are set out in the section entitled "Consequences of a Standard Listing" in Part III of this document.

5. Relationship Agreement

As described in paragraph 16 of Part I of this document, David Breith, Andrew Hollingworth, the Company and Cairn have entered into an appropriate Relationship Agreement to regulate the ongoing relationship between the Group and its major shareholders. Further details of these are set out in paragraph 13.6 of Part VIII.

PART III

CONSEQUENCES OF A STANDARD LISTING

Application has been made for the Ordinary Shares to be admitted to the standard segment of the Official List (“Standard Listing”). A Standard Listing affords Shareholders and investors in the Company a lower level of regulatory protection than that afforded to investors in companies whose securities are admitted to the premium segment of the Official List, which are subject to additional obligations under the Listing Rules.

The Ordinary Shares will be admitted to listing on the standard segment of the Official List pursuant to Chapter 14 of the Listing Rules, which sets out the requirements for Standard Listings. The Company intends to comply with the Listing Principles set out Chapter 7 of the Listing Rules at Listings Rules 7.2.1 which apply to all companies with their securities admitted to the Official List. In addition, the Company also intends to comply with the Listing Principles at Listing Rule 7.2.1A notwithstanding that they only apply to companies which obtain a Premium Listing on the Official List. With regard to Listing Principles at 7.2.1A, the Company is not, however, formally subject to such Listing Principles and will not be required to comply with them by the UK Listing Authority.

Listing Rules which are not applicable to a Standard Listing

Such non-applicable Listing Rules include, in particular:

- Chapter 8 of the Listing Rules regarding the appointment of a listing sponsor to guide the Company in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters. In particular, the Company is not required to appoint a sponsor in relation to the publication of this document or Admission;
- Chapter 9 of the Listing Rules relating to further issues of shares, issuing shares at a discount in excess of 10 per cent. of market value, notifications and contents of financial information;
- Chapter 10 of the Listing Rules relating to significant transactions which requires Shareholder consent for certain acquisitions;
- Chapter 11 of the Listing Rules regarding related party transactions. *NB. In accordance with the controls in place within the Company, it will not enter into any transaction which would constitute a “related party transaction” as defined in Chapter 11 of the Listing Rules without the specific prior approval of a majority of the Directors;*
- Chapter 12 of the Listing Rules regarding purchases by the Company of its Ordinary Shares; and
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

The Company is not currently eligible for a Premium Listing under Chapter 6 of the Listing Rules and does not currently intend to seek to transfer to either a Premium Listing or other listing venue.

Listing Rules with which the Company must comply under a Standard Listing

There are, however, a number of continuing obligations set out in Chapter 14 of the Listing Rules that will be applicable to the Company. These include requirements as to:

- the forwarding of circulars and other documentation to the UKLA for publication through the document viewing facility and related notification to a regulatory information service;
- the provision of contact details of appropriate persons nominated to act as a first point of contact with the UKLA in relation to compliance with the Listing Rules and the Disclosure and Transparency Rules;
- the form and content of temporary and definitive documents of title;

- the appointment of a registrar;
- the making of regulatory information service notifications in relation to a range of debt and equity capital issues; and
- at least 25 per cent. of the Ordinary Shares being held by the public.

It should be noted that the UK Listing Authority will not have the authority to (and will not) monitor the Company's compliance with any of the Listing Rules which the Company intends to comply with on a voluntary basis and/or any provision of the Model Code, nor to impose sanctions in respect of any failure by the Company to so comply. However the FCA would be able to impose sanctions for non-compliance where the statements regarding compliance in this Document are themselves misleading, false or deceptive.

PART IV

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

1. General

No person has been authorised to give any information or to make any representations in connection with Admission other than the information and representations contained in this document and, if any other information is given or representations are made, such information or representations must not be relied upon as having been authorised by or on behalf of the Company or the Directors.

The Company does not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding Admission, the Ordinary Shares or the Group. The Company makes no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. Without prejudice to any obligation of the Company under the FSMA, the Prospectus Rules, the Listing Rules or the Disclosure and Transparency Rules, the delivery of this document shall not, under any circumstances, create any implication that there has been no change in the business or affairs of the Company or of the Group taken as a whole since the date hereof or that the information contained herein is correct as of any time subsequent to its date.

The contents of this document or any subsequent communications from any member of the Group or any of their respective affiliates, officers, advisers, directors, employees or agents are not to be construed as advice on legal, business, taxation, accounting, regulatory, investment or any other matters. Each investor should consult his or her own lawyer, financial adviser or tax adviser for legal, financial or tax advice, as appropriate.

This document does not constitute, and may not be used for the purposes of, an offer to sell or an invitation or the solicitation of an offer or invitation to subscribe for or buy, any Ordinary Shares by any person in any jurisdiction.

The Ordinary Shares have not been and will not be registered under the Securities Act, or under any relevant securities laws of any state or other jurisdiction in the United States, or under the applicable securities laws of Australia, Canada, Japan, South Africa or the Republic of Ireland.

Investors should read this document in its entirety.

2. Presentation of financial information

The historical financial information presented in this document includes:

- Audited information in respect of Toople.com for the 3 years ended 30 September 2015;
- Audited information in respect of AskMerlin for the 3 years ended 31 March 2015 and unaudited information in respect of the 6 months ended 30 September 2014 and 6 months ended 30 September 2015; and
- Unaudited pro-forma financial information on the Group.

In each case, financial information will be prepared in accordance with IFRS unless otherwise indicated. Following Admission the Company intends to report its results half-yearly.

3. Non-financial information operating data

The non-financial operating data included in this document has been extracted without material adjustment from the management records of the Group and is unaudited.

4. Currencies

In this document, references to “sterling”, “£”, “pence” or “p” are to the lawful currency of the UK.

5. Rounding

Percentages and certain amounts in this document, including financial, statistical and operating information, have been rounded to the nearest thousand whole number or single decimal place for ease of presentation. As a result, the figures shown as totals may not be the precise sum of the figures that precede them. In addition, certain percentages and amounts contained in this document reflect calculations based on the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages or amounts that would be derived if the relevant calculations were based upon the rounded numbers.

6. Third party information

The Company confirms that all third party information contained in this document has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where third party information has been used in this document, the source of such information has also been identified.

7. No incorporation of website

The contents of the Company’s website, any website mentioned in this document or any website directly or indirectly linked to these websites have not been verified and do not form part of this document and investors should not rely on such information.

8. Definitions

A list of defined terms and technical terms used in this document is set out in Part IX “*Definitions*”.

Forward-looking statements

This document includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will”, “target”, “plan”, “continue” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of the Company concerning, amongst other things, the investment objectives and policies, financing strategies, performance, results of operations, financial condition, prospects, and dividend policy of the Company and the markets in which it and the other companies in the Group operate. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company’s actual performance, results of operations, financial condition, dividend policy and the development of its financing and operational strategies may differ materially from the impression created by the forward-looking statements contained in this document. In addition, even if the performance, results of operations, financial condition and dividend policy of the Company, and the development of its financing and operating strategies, are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments.

Important factors that could cause these differences include, but are not limited to the risk factors (which are not exhaustive) set forth above in the part of this Document headed “*Risk Factors*”.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. In addition, even if the Company’s results

of operations and financial condition, and the development of the industry in which the Company operates, are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods.

Investors are cautioned that forward-looking statements are not guarantees of future performance. The Company makes no representation, warranty or prediction that the results predicted by such forward-looking statements will be achieved and these forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario. Forward-looking statements may, and often do, differ materially from actual results. Any forward-looking statements in this document speak only as at the date of this document, reflect the Company's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company's operations, results of operations and growth strategy. Investors should specifically consider the factors identified in this document that could cause actual results to differ. All of the forward-looking statements made in this document are qualified by these cautionary statements.

Forward-looking statements contained in this document apply only as at the date of this document. Subject to any obligations under FSMA, the Listing Rules, the Disclosure and Transparency Rules and the Prospectus Rules, the Group undertakes no obligation publicly to update or review any forward-looking statements, whether as a result of new information, future developments or otherwise.

For the avoidance of doubt, this qualification shall not be applicable to the working capital statement contained in paragraph 12 of Part VIII of this Document.

PART V (A)

ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF THE COMPANY



The Directors
Toople Plc
The Chapel, Granville Court
Britwell Road
Burnham, Slough
Berkshire
SL1 8DF

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

Dear Sirs

Introduction

We report on the financial information set out in Section B of this Part V of the prospectus (the “Prospectus”) dated 4 May 2016 of Toople Plc (the “Company”). This financial information has been prepared for inclusion in the Prospectus on the basis of the accounting policies set out in note 2 of the financial information. This report is required by Annex 1 item 20.1 of Commission Regulation (EC) No. 809/2004 (the “Prospectus Directive Regulation”) and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

The directors of the Company (the “Directors”) are responsible for preparing the financial information in accordance with International Financial Reporting Standards as adopted by the EU (“IFRS”).

It is our responsibility to form an opinion on the 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 Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information underlying the financial statements and whether the accounting policies are appropriate to the entity’s circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion, the financial information gives, for the purposes of the Prospectus, a true and fair view of the state of affairs of the Company as at the periods stated and of its profits/losses, cash flows and changes in equity for the periods stated in accordance with IFRS.

Declaration

For the purposes of Prospectus Rule 5.5.3R (2)(f) we are responsible for this report as part of the Prospectus 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 Document in compliance with Annex I item 1.2 of the Prospectus Directive Regulation.

Yours faithfully

Crowe Clark Whitehill LLP
Chartered Accountants

PART V (B)

HISTORICAL FINANCIAL INFORMATION OF THE COMPANY

STATEMENT OF FINANCIAL POSITION

The statement of financial position of the Company as at 31 March 2016 is stated below:

	£
Assets	
<i>Current assets</i>	
Cash	24,012
Total assets	<u>24,012</u>
Equity and liabilities	
<i>Capital and reserves</i>	
Share capital	24,012
Total equity attributable to equity holders	—
Total liabilities	—
Total equity and liabilities	<u>24,012</u>

STATEMENT OF COMPREHENSIVE INCOME

The audited statement of comprehensive income of the Company from the date of incorporation on 2 March 2016 to 31 March 2016 is stated below:

	Note	£
Total comprehensive income attributable to equity owner		—
Earnings per share	4	—
Basic and diluted (£ per share)		

STATEMENT OF CHANGES IN EQUITY

The statements of changes in equity of the Company for period from incorporation on 2 March 2016 to 31 March 2016 are set out below:

	<i>Share capital</i> £
On incorporation*	24,012
Result for the period	—
As at 31 March 2016	<u>24,012</u>

The share capital comprises the Ordinary Shares of the Company.

* Issued share capital was 36,000,000 shares of £0.000667 each.

STATEMENT OF CASH FLOWS

The audited cash flow statement of the Company from the date of incorporation on 2 March 2016 to 31 March 2016 is set out below:

	£
Financing activities	
Proceeds from issue of share capital	24,012
Net cash from financing activities	<u>24,012</u>
Net increase in cash and cash equivalents	24,012
Cash and cash equivalents at end of period	<u>24,012</u>

NOTES TO THE FINANCIAL INFORMATION

1. General Information

The Company was incorporated as a public company under the UK Companies Act on 2 March 2016 and did not trade during the period under review. The registered office of the Company is The Chapel, Granville Court, Britwell Road, Burnham, Slough, Berkshire SL1 8DF and the nature of operations is to act as a holding company.

2. Accounting Policies

Basis of preparation

The principal accounting policies adopted by the Company in the preparation of the financial information are set out below.

The financial information has been presented in pound sterling, being the functional currency of the Company.

The financial information has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”), including interpretations made by the International Financial Reporting Interpretations Committee (IFRIC) issued by the International Accounting Standards Board (IASB). The standards have been applied consistently.

Comparative figures

No comparative figures have been presented as the financial information covers the period from incorporation to 31 March 2016.

Standards and interpretations issued but not yet applied

Certain changes to IFRS will be applicable for the Company’s financial information in future periods. These new standards, interpretations and amendments, which are not yet effective and have not been adopted early in this financial information, are not expected to have a material effect on the Company’s future financial information.

As at the date of approval of this financial information, the following standards and interpretations were in issue but not yet effective:

IFRS 10 and IAS 28 Amendments: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

IAS 27 Amendment – Equity Method in Separate Financial Statements

IAS 16 and IAS 41 Amendments: Agriculture: Bearer Plants

IFRS 14 Regulatory Deferral Accounts

IAS 16 and IAS 38 Amendments: Clarification of Acceptable Methods of Depreciation and Amortisation

IFRS 11 Amendments: Accounting for Acquisitions of Interests in Joint Operations

IFRS 15 Revenue from Contracts with Customers

IFRS 9 Financial Instruments

Annual improvements to IFRSs 2012-2014 Cycle

Amendments to IAS 1: Disclosure Initiative

Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities, Applying the Consolidation Exception

Financial assets

The Directors determine the classification of the Company's financial assets at initial recognition.

Cash and cash equivalents

The Company considers any cash on short-term deposits and other short term investments to be cash equivalents.

Use of assumptions and estimates

In preparing the financial information, the Directors have to make judgments on how to apply the Company's accounting policies and make estimates about the future. The Directors do not consider there to be any critical judgments that have been made in arriving at the amounts recognised in the financial information.

3. Share capital

On 2 March 2016, the Company was incorporated and on incorporation, the issued share capital of the Company was £24,012 comprising 36,000,000 ordinary shares of £0.000667 each which were issued to the subscribers.

4. Earnings per share

The calculation for earnings per share (basic and diluted) for the relevant period is based on the profit after income tax attributable to equity holder for the period from incorporation on 2 March 2016 to 31 March 2016 and is as follows:

Profit attributable to equity holders (£)	—
Weighted average number of shares*	36,000,000
Earnings per share (£)	—

5. Financial Instruments – risk management

The Company is exposed through its operations to credit risk and liquidity risk. In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout this financial information.

Financial instruments

The carrying value of the financial instruments of the Company at the 31 March 2016 comprises £24,012 of cash and cash equivalents.

General objectives, policies and processes

The Directors have overall responsibility for the determination of the Company's risk management objectives and policies. Further details regarding these policies are set out below:

Liquidity risk

Liquidity risk arises from the Directors' management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Directors' policy is to ensure that the Company will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, the Directors seek to maintain a cash balance sufficient to meet expected requirements.

6. Capital risk management

The Directors' objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for Shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. At the date of this financial information, the Company had been financed by equity. In the future, the capital structure of the Company is expected to consist of borrowings and equity attributable to equity holders of the Company, comprising issued share capital and reserves.

7. Subsequent events

On incorporation, the Company had an unlimited authorised share capital and an issued share capital of 36,000,000 Ordinary Shares of par value 0.0667 pence each.

On 15 April 2016, the Company entered into four share for share exchange agreements with David Breith pursuant to which the Company acquired from David Breith in consideration of the issue and allotment to David Breith of Ordinary Shares the entire issued share capital of each those of the subsidiaries, as set out below.

<i>Number of Ordinary</i>	<i>Number of shares</i>	<i>Number of Ordinary Shares issued and allotted to David Breith by way of consideration</i>
<i>acquired</i>		
Toople.com Limited	100 ordinary shares of £1.00 each	12,900,000
Toople Finance Limited	100 ordinary shares of £1.00 each	150,000
Toople Management Services Limited	100 ordinary shares of £1.00 each	150,000
AskMerlin Limited	100 ordinary shares of £1.00 each	25,800,000

8. Nature of financial Information

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

PART V (C)

**ACCOUNTANT'S REPORT ON
THE HISTORICAL FINANCIAL INFORMATION OF
TOOPLE.COM LIMITED**



4 May 2016

The Directors
Toople.com Limited
35 Jackson Court
High Wycombe
Buckinghamshire
HP15 7TZ

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

Dear Sirs

Introduction

We report on the financial information set out in Section D of this Part V of the prospectus (the “Prospectus”) dated 4 May 2016 of Toople Plc (the “Company”). This financial information has been prepared for inclusion in the Prospectus on the basis of the accounting policies set out in note 2 of the financial information. This report is required by Annex 1 item 20.1 of Commission Regulation (EC) No. 809/2004 (the “Prospectus Directive Regulation”) and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

The directors of the Company and Toople.com Limited (the “Directors”) are responsible for preparing the financial information in accordance with International Financial Reporting Standards as adopted by the EU (“IFRS”).

It is our responsibility to form an opinion on the 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 Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information underlying the financial statements and whether the accounting policies are appropriate to the entity’s circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion, the financial information gives, for the purposes of the Prospectus, a true and fair view of the state of affairs of the Toople.com Limited as at the periods stated and of its profits/losses, cash flows and changes in equity for the periods stated in accordance with IFRS.

Declaration

For the purposes of Prospectus Rule 5.5.3R (2)(f) we are responsible for this report as part of the Prospectus 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 Document in compliance with Annex I item 1.2 of the Prospectus Directive Regulation.

Yours faithfully

Crowe Clark Whitehill LLP

Chartered Accountants

PART V (D)

HISTORICAL FINANCIAL INFORMATION OF TOOPLE.COM LIMITED (FORMERLY CUBE TELECOM LIMITED)

Statements of comprehensive income

		<i>12 months ended 30 Sept 2013 (Audited) £</i>	<i>12 months ended 30 Sept 2014 (Audited) £</i>	<i>12 months ended 30 Sept 2015 (Audited) £</i>
	<i>Note</i>			
Revenue	2	90,596	34,000	34,299
Cost of revenue		32,450	5,561	76,083
Gross margin		58,146	28,439	(41,784)
General and administrative expenses		66,382	25,963	330,890
Operating loss	3	(8,236)	2,476	(372,674)
Finance expense		—	—	—
Loss before income taxes		(8,236)	2,476	(372,674)
Tax credit/(expense)	5	4,922	(454)	21,336
Net (loss)/profit for the period		(3,314)	2,022	(351,338)
Net comprehensive (loss)/profit for the period		(3,314)	2,022	(351,338)
Loss per share				
Basic	6	(33.14)	20.22	(3,513.38)

Statements of financial position

	<i>Note</i>	<i>30 Sept 2013 £</i>	<i>30 Sept 2014 £</i>	<i>30 Sept 2015 £</i>
ASSETS				
Non-current assets				
Property and equipment, net	8	168,243	159,025	–
Intangible fixed assets, net	7	–	–	2,328
		<u>168,243</u>	<u>159,025</u>	<u>2,328</u>
Current assets				
Prepaid expenses and other receivables	9	104,772	98,676	191,546
Cash and cash equivalents		2,730	117	128,698
		<u>107,502</u>	<u>98,793</u>	<u>320,244</u>
Total assets		<u>275,745</u>	<u>257,818</u>	<u>322,572</u>
LIABILITIES				
Current liabilities				
Trade and other payables	10	160,367	139,965	70,379
		<u>160,367</u>	<u>139,965</u>	<u>70,379</u>
Non-current liabilities				
Other loans	11	–	–	507,014
Deferred tax liability	12	20,882	21,336	–
		<u>20,882</u>	<u>21,336</u>	<u>507,014</u>
Total liabilities		<u>181,249</u>	<u>161,301</u>	<u>577,393</u>
Net liabilities		<u>94,496</u>	<u>96,517</u>	<u>(254,821)</u>
SHAREHOLDERS' FUNDS/(DEFICIT)				
Ordinary shares	13	100	100	100
Retained deficit		94,396	96,417	(254,921)
Total shareholders' funds/(deficit)		<u>94,496</u>	<u>96,517</u>	<u>(254,821)</u>

Statements of changes in equity

	<i>Share capital £</i>	<i>Retained funds/ (deficit) £</i>	<i>Total £</i>
As at 1 Oct 2012	100	97,710	97,810
Loss for the period	–	(3,314)	(3,314)
Other comprehensive income	–	–	–
Total comprehensive loss for the period	–	(3,314)	(3,314)
As at 30 Sept 2013	100	94,396	94,496
Profit for the period	–	2,022	2,022
Other comprehensive income	–	–	–
Total comprehensive profit for the period	–	2,022	2,022
As at 30 Sept 2014	100	96,417	96,517
Loss for the period	–	(351,338)	(351,338)
Other comprehensive income	–	–	–
Total comprehensive loss for the period	–	(351,338)	(351,338)
As at 30 Sept 2015	100	(254,921)	(254,821)

Retained funds/(deficit) represents the aggregate retained funds/(deficit) of Toople.com Limited.

Cash flow statements

	<i>12 months ended 30 Sept 2013 (Audited) £</i>	<i>12 months ended 30 Sept 2014 (Audited) £</i>	<i>12 months ended 30 Sep 2015 (Audited) £</i>
Operating activities:			
Operating profit/loss for the period	(8,236)	2,476	(372,674)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation	24,092	24,467	–
Changes in operating assets and liabilities:			
Accounts receivable	(34,752)	6,096	(92,870)
Accounts payable and other accrued liabilities	(104,347)	(20,402)	(69,586)
Net cash used in operating activities	<u>(123,243)</u>	<u>12,637</u>	<u>(535,130)</u>
Investing activities			
Proceeds from sale of tangible fixed assets	16,645	–	159,025
Purchase of tangible fixed assets	(2,108)	(15,250)	–
Purchase of intangible fixed assets	–	–	(2,328)
Net cash used in investing activities	<u>14,537</u>	<u>(15,250)</u>	<u>156,697</u>
Financing activities:			
Director loan	–	–	507,014
Net cash provided by financing activities	<u>–</u>	<u>–</u>	<u>507,014</u>
Net change in cash	(108,706)	(2,613)	128,581
Cash, beginning of period	111,437	2,730	117
Cash, end of period	<u>2,730</u>	<u>117</u>	<u>128,698</u>

Notes to the financial information

1. Summary of significant accounting policies

General information

Toople.com Limited (“Toople.com”) (formerly Cube Telecom Limited) is a company incorporated and domiciled in England and Wales. The registered office is 35 Jackson Court Rose Avenue, Hazlemere, High Wycombe, Buckinghamshire, England, HP15 7TZ.

The company is principally engaged in the provision of telecoms equipment and services.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in this financial information.

a. *Basis of preparation*

The financial information has been prepared in accordance with accepted International Financial Reporting Standards (IFRSs), International Accounting Standards (IAS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations (collectively ‘IFRSs’) as adopted for use in the European Union and as issued by the International Accounting Standards Board. The financial information has been prepared under the historic cost convention.

The financial information is presented in pounds sterling as that is the currency of the primary economic environment in which the company operates.

b. *Standards, amendments and interpretations to published standards not yet effective*

A number of new standards and amendments to standards and interpretations have been issued but are not yet effective and in some cases have not yet been adopted by the EU.

The directors do not expect that the adoption of these standards will have a material impact on the financial statements of the company in future periods, except that IFRS 9 will impact both the measurement and disclosures of financial instruments and IFRS 15 may have an impact on revenue recognition and related disclosures. At this point it is not practicable for the directors to provide a reasonable estimate of the effect of IFRS 9 and IFRS 15 as their detailed review of these standards is still ongoing.

c. *Segment reporting*

The company has adopted IFRS 8 Operating Segments. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the company that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.

It is the opinion of the directors that the company currently only has one operating segment and as such further disclosures have not been made.

d. *Revenue recognition*

Revenue is stated net of VAT and other sales-related taxes and represents the gross inflow of economic benefit generated from the provision of fixed line and mobile telecoms services. All such revenue is recognised as the services are provided:

- Line rental is recognised in the period to which it relates;
- Voice and broadband subscriptions are recognised in the period to which they relate;
- Usage including voice and other charges are recognised in the period in which the customer takes the service;
- Promotional discounts and credits are amortised on a straight line basis over the minimum contract period subject to an adjustment for in-contract churn; and

- Data service solutions and other service contracts are recognised as the company fulfils its performance obligations.

Revenue is measured at fair value of the consideration received or receivable. When the company sells a number of products within a bundled transaction, the total consideration from the arrangement is allocated to each element based on their relative fair values. Management applies judgement in determining the amount of revenue the company recognises for delivered elements. This is limited to the amounts billed for that element.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

e. *Property, plant and equipment*

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Fixtures and fittings – 10% on cost

Computer equipment – 33% on cost

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation and impairment losses. Depreciation is provided on a straight-line basis at rates calculated to write off the cost less estimated residual value of each asset over its expected useful economic life. The residual value is the estimated amount that would currently be obtained from disposal of the asset if the asset were already of the age and in the condition expected at the end of its useful life.

The carrying value of tangible fixed assets is assessed annually and any impairment is charged to the income statement.

f. *Hire purchase and leasing commitments*

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

g. *Financial instruments – financial assets*

The company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired.

Loans and Receivables: These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services but also incorporate other types of contractual monetary assets.

They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

h. *Financial instruments – financial liabilities*

The company classifies its financial liabilities as:

Liabilities measured at amortised cost: Financial liabilities at amortised cost include trade payables and other financial liabilities. These are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate method.

i. *Use of assumptions and estimates*

In preparing the financial information, the directors have to make judgments on how to apply the company's accounting policies and make estimates about the future. The critical judgments that have

been made in arriving at the amounts recognised in the financial information and the key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities in the next financial year, are discussed below:

Impairment of receivables:

The group makes an estimate of the recoverable value of other receivables. When assessing impairment of other receivables, management considers factors including the current credit rating of the receivable, the ageing profile of the debt and historical experience.

Going concern:

The company has cash reserves and has obtained a loan from its director to ensure short-term commitments are met. The company monitors cash flow as part of its day to day control procedures and management consider cash flow projections on a monthly basis ensuring that appropriate facilities are available to be drawn upon as necessary. The company also prepares detailed forward projections for future periods which are constantly updated and refined. As a consequence, the director is satisfied that the company is able to maintain sufficient resources to continue in operation for the foreseeable future. The director has also confirmed that the director's loan will remain in place to ensure the company has sufficient available funds for its operations and future plans. Accordingly, the director has adopted the going concern basis in preparing the financial statements.

2. Revenue

	<i>12 months ended 30 Sept 2013 £</i>	<i>12 months ended 30 Sept 2014 £</i>	<i>12 months ended 30 Sept 2015 £</i>
Provision of services	90,596	34,000	34,299

3. Operating loss

	<i>12 months ended 30 Sept 2013 £</i>	<i>12 months ended 30 Sept 2014 £</i>	<i>12 months ended 30 Sept 2015 £</i>
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The following items have been included in arriving at operating loss

Employee costs	12,287	–	119,458
Depreciation of property, plant and equipment	24,091	24,468	–
Operating lease expense – Property	–	–	8,347

4. Key management personnel remuneration

Key management personnel remuneration was as follows:

	<i>12 months ended 30 Sept 2013 £</i>	<i>12 months ended 30 Sept 2014 £</i>	<i>12 months ended 30 Sept 2015 £</i>
Short term benefits:			
Key management remuneration	–	–	–

5. Income tax expense

Recognised in the income statement:

	<i>12 months ended 30 Sept 2013</i>	<i>12 months ended 30 Sept 2014</i>	<i>12 months ended 30 Sept 2015</i>
	£	£	£
Current tax expense			
Current period	—	—	—
Deferred tax expense/(income)			
Origination and reversal of timing differences	(4,922)	454	(21,336)
Total	<u>(4,922)</u>	<u>454</u>	<u>(21,336)</u>

Reconciliation of effective tax rate

	£	£	£
(Loss)/profit for the period	(8,236)	2,476	(372,674)
UK corporation tax at 20% (2014: 20%; 2013: 20%)	(1,647)	569	(74,535)
Effects of:			
Unrecognised deferred tax asset	—	14	52,039
Disallowable items	—	—	1,160
Other adjustments	(3,275)	(129)	—
Total tax expense	<u>(4,922)</u>	<u>454</u>	<u>(21,336)</u>

The company has tax losses which arose in the United Kingdom of £260,193 (2014: £68, 2013: £nil) that are available indefinitely for offsetting against future taxable profits of the company. No deferred tax asset has been recognised in respect of these.

6. (Loss)/profit per share

Basic (loss)/profit per share is calculated by dividing the loss attributable to equity holders of the company by the weighted average number of shares in issue during the period. In accordance with IAS 33, where the company has reported a loss for the period, the shares are not diluted. The number of potentially dilutive instruments are detailed in note 14.

	<i>12 months ended 30 Sept 2013</i>	<i>12 months ended 30 Sept 2014</i>	<i>12 months ended 30 Sept 2015</i>
	£	£	£
(Loss)/profit after taxation	(3,314)	2,022	(351,338)
Basic weighted average shares in issue	100	100	100
Basic and diluted (loss)/profit per share	<u>(33.14)</u>	<u>20.22</u>	<u>(3,513.38)</u>

7. Intangible fixed assets

	<i>12 months ended 30 Sept 2013</i>	<i>12 months ended 30 Sept 2014</i>	<i>12 months ended 30 Sept 2015</i>
	£	£	£
Computer software			
Cost at 1 October	–	–	–
Additions	–	–	2,328
Cost at 30 September	–	–	2,328
Amortisation at 1 October and 30 September	–	–	–
	–	–	2,328

8. Tangible fixed assets

	<i>12 months ended 30 Sept 2013</i>	<i>12 months ended 30 Sept 2014</i>	<i>12 months ended 30 Sept 2015</i>
	£	£	£
Fixtures and fittings			
Cost at 1 October	206,896	192,359	192,359
Additions	2,108	–	–
Disposals	(16,645)	–	(192,359)
Cost at 30 September	192,359	192,359	–
Depreciation at 1 October	10,113	29,348	48,584
Charge for period	19,235	19,236	–
Disposals	–	–	(48,584)
Depreciation at 30 September	29,348	48,584	–
Net book value	163,011	143,775	–

	<i>12 months ended 30 Sept 2013</i>	<i>12 months ended 30 Sept 2014</i>	<i>12 months ended 30 Sept 2015</i>
	£	£	£
Computer equipment			
Cost at 1 October	14,568	14,568	29,818
Additions	–	15,250	–
Disposals	–	–	(29,818)
Cost at 30 September	14,568	29,818	–
Depreciation at 1 October	4,480	9,336	14,568
Charge for period	4,856	5,232	–
Disposals	–	–	(14,568)
Depreciation at 30 September	9,336	14,568	–
Net book value	5,232	15,250	–

9. Other receivables and prepayments

	<i>12 months ended 30 Sept 2013</i>	<i>12 months ended 30 Sept 2014</i>	<i>12 months ended 30 Sept 2015</i>
	£	£	£
Amounts due within one year			
Trade receivables	3,328	–	41,159
Other receivables and prepayments	101,444	98,676	150,387
	<u>104,772</u>	<u>98,676</u>	<u>191,546</u>

The maximum exposure to credit risk at the end of each reporting period is the fair value of each class of receivables set out above. The company held no collateral as security. The directors estimate that the carrying value of receivables approximated their fair value.

10. Trade and other payables

	<i>12 months ended 30 Sept 2013</i>	<i>12 months ended 30 Sept 2014</i>	<i>12 months ended 30 Sept 2015</i>
	£	£	£
Amounts due within one year			
Trade payables	160,367	138,965	66,379
Accrued expenses	–	1,000	4,000
	<u>160,367</u>	<u>139,965</u>	<u>70,379</u>

11. Other loans and borrowings

	<i>12 months ended 30 Sept 2013</i>	<i>12 months ended 30 Sept 2014</i>	<i>12 month ended 30 Sept 2015</i>
	£	£	£
Amounts due greater than one year			
Directors' loans	–	–	507,014
	<u>–</u>	<u>–</u>	<u>507,014</u>

During the 3 years ended 30 September 2015, there were no formal terms attached to the directors' loans and no interest was accrued.

12. Deferred tax liability

	<i>12 months ended 30 Sept 2013</i>	<i>12 months ended 30 Sept 2014</i>	<i>12 month ended 30 Sept 2015</i>
	£	£	£
At 1 October	25,804	20,882	21,336
(Released)/provided in period	(4,922)	454	(21,336)
At 30 September	<u>20,882</u>	<u>21,336</u>	<u>–</u>
Accelerated capital allowances	20,882	21,336	–
Deferred tax liability	<u>20,882</u>	<u>21,336</u>	<u>–</u>

13. Capital

	<i>12 months ended 30 Sept 2013</i>	<i>12 months ended 30 Sept 2014</i>	<i>12 month ended 30 Sept 2015</i>
	£	£	£
Authorised capital:			
45 A Ordinary shares of £1.00 each	45	45	45
20 B Ordinary shares of £1.00 each	20	20	20
15 C Ordinary shares of £1.00 each	15	15	15
15 D Ordinary shares of £1.00 each	15	15	15
5 E Ordinary shares of £1.00 each	5	5	5
	<u>100</u>	<u>100</u>	<u>100</u>

There are no special rights, preferences and restrictions attaching to each class of shares. Each share in each class is entitled to one vote in any circumstances.

14. Financial instruments

Categories of financial instruments

Set out below is a comparison by category of the carrying values and fair values of all the company's financial assets and financial liabilities.

Financial instruments of the company at each period end are:

	<i>12 months ended 30 Sept 2013</i>	<i>12 months ended 30 Sept 2014</i>	<i>12 month ended 30 Sept 2015</i>
	£	£	£
Financial assets:			
Loans and receivables	104,772	98,676	169,471
Financial liabilities:			
Liabilities measured at amortised cost	160,367	139,965	577,393

Liquidity risk

The directors regularly review the company's major funding positions to ensure that it has adequate financial resources in meeting its financial obligations. The directors take liquidity risk into consideration when deciding on sources of funds.

Credit risk

The company had receivables of £191,546 at 30 September 2015 (2014: £98,676) (2013: £104,772). The maximum exposure to credit risk at the end of each reporting period is the fair value of each class of receivables set out above. The company held no collateral as security. The directors estimate that the carrying value of receivables approximated their fair value. The credit quality of financial assets is assessed when the customer initially contracts with the company. The credit check procedures on the outset of a customer relationship ensures that the risk to the company is minimised.

Market risk

The company has minimal exposure to the differing types of market risk. It has no foreign currency denominated monetary assets or liabilities and does not make sales or purchases from overseas countries. The company is not exposed to changes in interest rates as the cash balances that it holds are de-minimis and its financing exposures are at fixed rates of interest.

Capital risk management

The directors define capital as the total equity of the company. The directors' objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal structure to reduce the cost of capital. In order to maintain an optimal capital structure, the directors may adjust the amount of dividends paid to shareholders, return capital to shareholders and issue new share to reduce debt.

15. Related party transactions

During the period Toople.com Limited made the following arms-length transactions with companies in which David Breith holds common directorships/shareholdings:

	<i>12 months ended 30 Sept 2013</i>	<i>12 months ended 30 Sept 2014</i>	<i>12 month ended 30 Sept 2015</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Goods/Services purchased from Premium O Limited	9,025	–	–
Goods/Services supplied to Blabbermouth Marketing Limited	1,029	–	–
Goods/Services purchased from Blabbermouth Marketing Limited	–	–	6,000
Goods/Services purchased from Vitrx Limited	–	–	15,767
Goods/Services purchased from Coms.com Limited	18,908	–	–
Goods/Services supplied to Vitrx Limited	8,000	–	21,790
Goods/Services supplied to Premium O Limited	9,340	–	–
Goods/Services purchased from Jedbull LLP	–	1,750	–

16. Operating leases

	<i>12 months ended 30 Sept 2013</i>	<i>12 months ended 30 Sept 2014</i>	<i>12 month ended 30 Sept 2015</i>
	<i>£</i>	<i>£</i>	<i>£</i>
<i>Operating lease commitments – as lessee</i>			

The total future value of minimum lease payments is due as follows:

Later than one year and not later than five years	–	–	420,299
	–	–	420,299

The company has entered into operating leases on its premises and certain computer equipment and motor vehicles. Lease terms are between three and five years.

17. Subsequent events

On 22 March 2016 the Company changed its name from Cube Telecom Limited to Toople.com Limited.

On 15 April 2016, the Company entered into a share exchange agreement with David Breith pursuant to which the Company acquired from David Breith in consideration of the issue and allotment to David Breith of Ordinary Shares the entire issued share capital of Toople.com Limited, as set out below.

<i>Number of Ordinary</i>	<i>Number of shares acquired</i>	<i>Number of Ordinary Shares issued and allotted to David Breith by way of consideration</i>
<i>Toople.com Limited</i>	100 ordinary shares of £1.00 each	12,900,000

18. Ultimate controlling party

During the period ended 30 September 2015 the directors of Toople.com consider that the company was under the control of David Breith.

19. Nature of financial information

The financial information on Toople.com presented above does not constitute statutory financial statements for the company for either of the three years ended 30 September 2013, 30 September 2014 and 30 September 2015.

PART V (E)

**ACCOUNTANT'S REPORT ON
THE HISTORICAL FINANCIAL INFORMATION OF
ASKMERLIN LIMITED**



4 May 2016

The Directors
AskMerlin Limited
35 Jackson Court
High Wycombe
Buckinghamshire
HP15 7TZ

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

Dear Sirs

Introduction

We report on the financial information set out in Section F of this Part V of the prospectus (the “Prospectus”) dated 4 May 2016 of Toople Plc (the “Company”). This financial information has been prepared for inclusion in the Prospectus on the basis of the accounting policies set out in note 2 of the financial information. This report is required by Annex 1 item 20.1 of Commission Regulation (EC) No. 809/2004 (the “Prospectus Directive Regulation”) and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

The directors of the Company and Askmerlin Limited (the “Directors”) are responsible for preparing the financial information in accordance with International Financial Reporting Standards as adopted by the EU (“IFRS”).

It is our responsibility to form an opinion on the 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 Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information underlying the financial statements and whether the accounting policies are appropriate to the entity’s circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion, the financial information gives, for the purposes of the Prospectus, a true and fair view of the state of affairs of Toople.com Limited as at the periods stated and of its profits/losses, cash flows and changes in equity for the periods stated in accordance with IFRS.

Declaration

For the purposes of Prospectus Rule 5.5.3R (2)(f) we are responsible for this report as part of the Prospectus 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 Document in compliance with Annex I item 1.2 of the Prospectus Directive Regulation.

Yours faithfully

Crowe Clark Whitehill LLP

Chartered Accountants

PART V (F)

HISTORICAL FINANCIAL INFORMATION OF ASKMERLIN LIMITED

Statements of comprehensive income

		<i>12 months ended 31 March 2013 (Audited) £</i>	<i>12 months ended 31 March 2014 (Audited) £</i>	<i>6 months ended 30 Sept 2014 (Unaudited) £</i>	<i>12 months ended 31 March 2015 (Audited) £</i>	<i>6 months ended 30 Sept 2015 (Audited) £</i>
	<i>Note</i>					
Revenue	2	460,284	157,500	–	–	2,500
Cost of revenue		48,360	157,695	–	–	–
Gross margin		411,924	(195)	–	–	2,500
General and administrative		78,509	19,810	8,861	17,721	41,527
Operating profit/(loss)	3	333,415	(20,005)	(8,861)	(17,721)	(39,027)
Finance expense		–	–	–	–	–
Profit/(Loss) before income taxes		333,415	(20,005)	(8,861)	(17,721)	(39,027)
Tax expense	5	74,508	–	–	–	–
Net profit/(loss) for the period		258,907	(20,005)	(8,861)	(17,721)	(39,027)
Net comprehensive profit/(loss) for the period		258,907	(20,005)	(8,861)	(17,721)	(39,027)
Profit/(Loss) per share						
Basic and diluted	6	2,589.07	(200.05)	(88.61)	(177.21)	(390.27)

Statements of financial position

		31 March 2013 £	31 March 2014 £	31 March 2015 £	30 Sept 2015 £
	Note				
ASSETS					
Non-current assets					
Property and equipment, net	7	70,822	53,116	35,411	–
Investments		–	–	–	1,192
		<u>70,822</u>	<u>53,116</u>	<u>35,411</u>	<u>1,192</u>
Current assets					
Prepaid expenses and other receivables	8	216,574	218,168	–	3,212
Cash and cash equivalents		32,338	26,574	60	963
		<u>248,912</u>	<u>244,742</u>	<u>60</u>	<u>4,175</u>
Total assets		<u>319,734</u>	<u>297,858</u>	<u>35,471</u>	<u>5,367</u>
LIABILITIES					
Current liabilities					
Trade and other payables	9	248,811	246,940	1	6,070
Other loans	10	–	–	2,273	5,127
		<u>248,811</u>	<u>246,940</u>	<u>2,274</u>	<u>11,197</u>
Total liabilities		<u>248,811</u>	<u>246,940</u>	<u>2,274</u>	<u>11,197</u>
Net assets/(liabilities)		<u>70,923</u>	<u>50,918</u>	<u>33,197</u>	<u>(5,830)</u>
SHAREHOLDERS' FUNDS/ (DEFICIT)					
Ordinary shares	11	100	100	100	100
Retained deficit		<u>70,823</u>	<u>50,818</u>	<u>33,097</u>	<u>(5,930)</u>
Total shareholders' funds/(deficit)		<u>70,923</u>	<u>50,918</u>	<u>33,197</u>	<u>(5,830)</u>

Statements of changes in equity

	<i>Share capital £</i>	<i>Retained funds/ (deficit) £</i>	<i>Total £</i>
As at 1 April 2012	<u>100</u>	<u>(188,084)</u>	<u>(187,984)</u>
Profit for the period	–	258,907	258,907
Other comprehensive income	–	–	–
Total comprehensive profit for the period	<u>–</u>	<u>258,907</u>	<u>258,907</u>
As at 31 March 2013	<u>100</u>	<u>70,823</u>	<u>70,923</u>
Loss for the period	–	(20,005)	(20,005)
Other comprehensive income	–	–	–
Total comprehensive loss for the period	<u>–</u>	<u>(20,005)</u>	<u>(20,005)</u>
As at 31 March 2014	<u>100</u>	<u>50,818</u>	<u>50,918</u>
Loss for the period	–	(17,721)	(17,721)
Other comprehensive income	–	–	–
Total comprehensive loss for the period	<u>–</u>	<u>(17,721)</u>	<u>(17,721)</u>
As at 31 March 2015	<u>100</u>	<u>33,097</u>	<u>33,197</u>
Loss for the period	–	(39,027)	(39,027)
Other comprehensive income	–	–	–
Total comprehensive loss for the period	<u>–</u>	<u>(39,027)</u>	<u>(39,027)</u>
At 30 September 2015	<u>100</u>	<u>(5,930)</u>	<u>(5,830)</u>

Retained funds/(deficit) represents the aggregate retained funds/(deficit) of AskMerlin Limited.

Cash flow statements

	<i>12 months ended 31 Dec 2013 (Audited) £</i>	<i>12 months ended 31 March 2014 (Audited) £</i>	<i>12 months ended 31 March 2015 (Audited) £</i>	<i>6 months ended 30 Sep 2015 (Audited) £</i>
Operating activities:				
Operating loss for the period	333,415	(20,005)	(17,721)	(39,027)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation	9,658	17,706	17,705	35,411
Interest expense	–	–	–	–
Changes in operating assets and liabilities:				
Accounts receivable	(139,952)	(1,594)	218,168	(3,212)
Accounts payable and other accrued liabilities	(18,725)	(1,871)	(246,939)	6,069
Taxation paid	(74,508)	–	–	–
Net cash used in operating activities	<u>109,888</u>	<u>(5,764)</u>	<u>(28,787)</u>	<u>(759)</u>
Investing activities				
Purchase of tangible fixed assets	(80,480)	–	–	(1,192)
Net cash used in investing activities	<u>(80,480)</u>	<u>–</u>	<u>–</u>	<u>(1,192)</u>
Financing activities:				
Proceeds from director loan	–	–	2,273	2,854
Net cash provided by financing activities	<u>–</u>	<u>–</u>	<u>2,273</u>	<u>2,854</u>
Net change in cash	29,408	(5,764)	(26,514)	903
Cash, beginning of period	2,930	32,338	26,574	60
Cash, end of period	<u>32,338</u>	<u>26,574</u>	<u>60</u>	<u>963</u>

Notes to the financial information

1. Summary of significant accounting policies

General information

AskMerlin Ltd. (“AskMerlin”) is a company incorporated and domiciled in England and Wales. The registered office is 35 Jackson Court Rose Avenue, Hazlemere, High Wycombe, Buckinghamshire, England, HP15 7TZ.

The company is principally engaged in the development and sale of software for the telecoms industry.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in this financial information.

a. *Basis of preparation*

The financial information has been prepared in accordance with accepted International Financial Reporting Standards (IFRSs), International Accounting Standards (IAS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations (collectively ‘IFRSs’) as adopted for use in the European Union and as issued by the International Accounting Standards Board. The financial information has been prepared under the historic cost convention.

The financial information is presented in pounds sterling as that is the currency of the primary economic environment in which the company operates.

b. *Standards, amendments and interpretations to published standards not yet effective*

A number of new standards and amendments to standards and interpretations have been issued but are not yet effective and in some cases have not yet been adopted by the EU.

The directors do not expect that the adoption of these standards will have a material impact on the financial statements of the company in future periods, except that IFRS 9 will impact both the measurement and disclosures of financial instruments and IFRS 15 may have an impact on revenue recognition and related disclosures. At this point it is not practicable for the directors to provide a reasonable estimate of the effect of IFRS 9 and IFRS 15 as their detailed review of these standards is still ongoing.

c. *Segment reporting*

The company has adopted IFRS 8 Operating Segments. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the company that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.

d. *Revenue recognition*

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes. The company recognises revenue when the amount of revenue can be reliably measured and it is probable that the future economic benefit associated with a transaction will flow to the entity and when specific criteria have been achieved.

To the extent that invoices are raised to a different pattern than the revenue recognition described below, appropriate adjustments are made through deferred and accrued income to account for revenue when the underlying service has been performed or goods transferred to the customer.

Revenue in respect of licences is only recognised where there are no on-going obligations. Where on-going obligations exist, revenue is deferred and recognised in line with the on-going obligations as appropriate.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

e. *Internally generated intangible assets – research and development costs*

Costs of research activities are recognised as an expense in the period in which they are incurred. An internally generated intangible asset arising from the development of computer software is recognised only if all of the following conditions are met:

- It is probable that the asset will create future economic benefits;
- The development costs can be measured reliably;
- Technical feasibility of completing the intangible asset can be demonstrated;
- There is the intention to complete the asset and use or sell it;
- There is the ability to use or sell the asset; and
- Adequate technical, financial and other resources to complete the development and to use or sell the asset are available.

Development expenditure in the period did not meet all of the above conditions and development costs have been recorded as expenses in the period in which the costs were incurred.

f. *Property, plant and equipment*

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Fixtures and fittings – 10% on cost

Computer equipment – 33% on cost

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation and impairment losses. Depreciation is provided on a straight-line basis at rates calculated to write off the cost less estimated residual value of each asset over its expected useful economic life. The residual value is the estimated amount that would currently be obtained from disposal of the asset if the asset were already of the age and in the condition expected at the end of its useful life.

The carrying value of tangible fixed assets is assessed annually and any impairment is charged to the income statement.

g. *Investments*

The investment of £1,192 at 30 September 2015 represents the cost of the Company's investment to that date in AskMerlin SP ZOO, incorporated in Poland. AskMerlin SP ZOO did not trade from the period of acquisition to 30 September 2015.

h. *Financial instruments – financial assets*

The company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired.

Loans and Receivables: These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services but also incorporate other types of contractual monetary assets. The company's loans and receivables comprise:

They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

i. *Financial instruments – financial liabilities*

The company classifies its financial liabilities as:

Liabilities measured at amortised cost: Financial liabilities at amortised cost include trade payables and other financial liabilities. These are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate method.

j. *Use of assumptions and estimates*

In preparing the financial information, the directors have to make judgments on how to apply the company's accounting policies and make estimates about the future. The critical judgments that have been made in arriving at the amounts recognised in the financial information and the key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities in the next financial year, are discussed below:

Impairment of receivables:

The group makes an estimate of the recoverable value of other receivables. When assessing impairment of other receivables, management considers factors including the current credit rating of the receivable, the ageing profile of the debt and historical experience.

Capitalisation of intangible assets:

The directors have to make judgments when deciding to capitalise an internally generated intangible fixed asset arising from the development of software. This is done when all the conditions for capitalising research and development are met. At this time, the company does not meet all conditions and development costs are recorded as expense in the period in which the cost is incurred.

Going concern:

The company has cash reserves and has obtained a loan from its director to ensure short-term commitments are met. The company monitors cash flow as part of its day to day control procedures and management consider cash flow projections on a monthly basis ensuring that appropriate facilities are available to be drawn upon as necessary. The company also prepares detailed forward projections for future periods which are constantly updated and refined. As a consequence, the director is satisfied that the company is able to maintain sufficient resources to continue in operation for the foreseeable future. The director has also confirmed that further director's loans will be available to ensure the company has sufficient available funds for its operations and future plans. Accordingly, the director has adopted the going concern basis in preparing the financial statements.

2. Revenue

	<i>12 months ended 31 March 2013</i>	<i>12 months ended 31 March 2014</i>	<i>12 months ended 31 March 2015</i>	<i>6 months ended 30 Sept 2015</i>
<i>The following items have been included in arriving at operating loss</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Provision of services	460,284	157,500	–	2,500

3. Operating loss

	<i>12 months ended 31 March 2013</i>	<i>12 months ended 31 March 2014</i>	<i>12 months ended 31 March 2015</i>	<i>6 months ended 30 Sept 2015</i>
<i>The following items have been included in arriving at operating loss</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Employee costs (Note 4)	35,613	–	–	–
Depreciation of property, plant and equipment	9,658	17,706	17,705	–
Research and development expenses	30,860	–	–	–

4. Key management personnel remuneration

Key management personnel remuneration was as follows:

	<i>12 months ended 31 March 2013</i>	<i>12 months ended 31 March 2014</i>	<i>12 months ended 31 March 2015</i>	<i>6 months ended 30 Sept 2015</i>
<i>Short term benefits:</i>	£	£	£	£
Key management remuneration	35,613	–	–	–

5. Income tax expense

Recognised in the income statement:

	<i>12 months ended 31 March 2013</i>	<i>12 months ended 31 March 2014</i>	<i>12 months ended 31 March 2015</i>	<i>6 months ended 30 Sept 2015</i>
<i>Current tax expense</i>	£	£	£	£
Current year/period	–	–	–	–
Adjustments for prior periods	74,508	–	–	–
Total	74,508	–	–	–

Reconciliation of effective tax rate

	£	£	£	£
Profit/Loss for the period	333,415	(20,005)	(17,721)	(39,027)
UK corporation tax at 20% (2014: 20%, 2013: 20%)	66,683	(4,001)	(3,544)	(7,805)
Effects of:				
Unrecognised deferred tax asset	(52,519)	–	–	723
Other adjustments	(14,164)	4,001	3,544	7,082
Adjustments for under provision in prior period	74,508	–	–	–
Total tax expense	74,508	–	–	–

The company has tax losses which arose in the United Kingdom of £5,929 (31 March 2015: £2,313, 2014: £nil, 2013: £nil) that are available indefinitely for offsetting against future taxable profits of the company. No deferred tax asset has been recognised in respect of these.

6. Profit/(loss) per share

Basic profit/(loss) per share is calculated by dividing the loss attributable to equity holders of the company by the weighted average number of shares in issue during the period. In accordance with IAS 33, where the company has reported a loss for the period, the shares are not diluted. The number of potentially dilutive instruments are detailed in note 12.

	<i>12 months ended 31 March 2013</i>	<i>12 months ended 31 March 2014</i>	<i>12 months ended 31 March 2015</i>	<i>6 months ended 30 Sept 2015</i>
	£	£	£	£
Profit/(loss) after taxation	258,907	(20,005)	(17,721)	(39,027)
Basic weighted average shares in issue	100	100	100	100
Basic and diluted Profit/(loss) per share	2,589.07	(200.05)	(177.21)	(390.27)

7. Tangible fixed assets

	<i>12 months ended 31 March 2013</i>	<i>12 months ended 31 March 2014</i>	<i>12 months ended 31 March 2015</i>	<i>6 months ended 30 Sept 2015</i>
<i>Fixture and fittings</i>	£	£	£	£
Cost at 1 October	–	80,480	80,480	80,480
Additions	80,480	–	–	–
Disposals	–	–	–	(80,480)
Cost at 30 September	80,480	80,480	80,480	–
Depreciation at 1 October	–	9,658	27,364	45,069
Charge	9,658	17,706	17,705	–
Disposals	–	–	–	(45,069)
Depreciation 30 September	9,658	27,364	45,069	–
Net book value	70,822	53,116	35,411	–

8. Other receivables and prepayments

	<i>12 months ended 31 March 2013</i>	<i>12 months ended 31 March 2014</i>	<i>12 months ended 31 March 2015</i>	<i>6 months ended 30 Sept 2015</i>
<i>Amounts due within one year</i>	£	£	£	£
Other receivables and prepayments	216,574	218,168	–	3,212
	<u>216,574</u>	<u>218,168</u>	<u>–</u>	<u>3,212</u>

The maximum exposure to credit risk at the end of each reporting period is the fair value of each class of receivables set out above. The company held no collateral as security. The Directors estimate that the carrying value of receivables approximated their fair value.

9. Trade and other payables

	<i>12 months ended 31 March 2013</i>	<i>12 months ended 31 March 2014</i>	<i>12 months ended 31 March 2015</i>	<i>6 months ended 30 Sept 2015</i>
<i>Amounts due within one year</i>	£	£	£	£
Trade payables	71,251	–	1	3,070
Accrued expenses	–	105,000	–	3,000
Amounts due to affiliates	177,560	141,940	–	–
	<u>248,811</u>	<u>246,940</u>	<u>1</u>	<u>6,070</u>

10. Other loans and borrowings

	<i>12 months ended 31 March 2013</i>	<i>12 months ended 31 March 2014</i>	<i>12 months ended 31 March 2015</i>	<i>6 months ended 30 Sept 2015</i>
<i>Amounts due within one year</i>	£	£	£	£
Directors' loans	–	–	2,273	5,127
	<u>–</u>	<u>–</u>	<u>2,273</u>	<u>5,127</u>

There are no formal terms attached to the directors' loans and no interest is accrued.

11. Capital

	<i>12 months ended 31 March 2013 £</i>	<i>12 months ended 31 March 2014 £</i>	<i>12 months ended 31 March 2015 £</i>	<i>6 months ended 30 Sept 2015 £</i>
Authorised capital:				
70 A Ordinary shares of £1.00 each	70	70	70	70
10 B Ordinary shares of £1.00 each	10	10	10	10
10 C Ordinary shares of £1.00 each	10	10	10	10
10 D Ordinary shares of £1.00 each	10	10	10	10
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

There are no special rights, preferences and restrictions attaching to each class of shares. Each share in each class is entitled to one vote in any circumstances.

12. Financial instruments

Categories of financial instruments

Set out below is a comparison by category of the carrying values and fair values of all the company's financial assets and financial liabilities.

Financial instruments of the company at each period end are:

	<i>12 months ended 31 March 2013 £</i>	<i>12 months ended 31 March 2014 £</i>	<i>12 months ended 31 March 2015 £</i>	<i>6 months ended 30 Sept 2015 £</i>
Financial assets:				
Loans and receivables	248,912	244,742	60	4,175
Financial liabilities:				
Liabilities measured at amortised cost	248,811	246,940	2,274	11,197

Liquidity risk

The directors regularly review the company's major funding positions to ensure that it has adequate financial resources in meeting its financial obligations. The directors take liquidity risk into consideration when deciding on sources of funds.

Credit risk

The company had receivables of £3,212 at 30 September 2015 (31 March 2015: £nil) (2014: £218,168) (2013: £216,574). The maximum exposure to credit risk at the end of each reporting period is the fair value of each class of receivables set out above. The company held no collateral as security. The directors estimate that the carrying value of receivables approximated their fair value.

Market risk

The company has minimal exposure to the differing types of market risk. It has no foreign currency denominated monetary assets or liabilities and does not make sales or purchases from overseas countries. The company is not exposed to changes in interest rates as the cash balances that it holds are de-minimis and its financing exposures are at fixed rates of interest.

Capital risk management

The directors define capital as the total equity of the company. The directors' objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal structure to reduce the cost of capital. In order to maintain an optimal capital structure, the directors may adjust the amount of dividends paid to shareholders, return capital to shareholders and issue new share to reduce debt.

13. Related party transactions

During the period AskMerlin Limited made the following arm's length transactions with companies in which David Breith holds common directorships/shareholdings:

	<i>12 months ended 31 March 2013 £</i>	<i>12 months ended 31 March 2014 £</i>	<i>12 months ended 31 March 2015 £</i>	<i>6 months ended 30 Sept 2015 £</i>
Goods/Services sold to Coms.com Limited	–	105,000	–	–
Goods/Services Bought from Vitrx Limited	–	–	–	641
Amounts due to Vitrx Limited	–	–	–	769

14. Subsequent events

On 15 April 2016, the Company entered into a share exchange agreement with David Breith pursuant to which the Company acquired from David Breith in consideration of the issue and allotment to David Breith of Ordinary Shares the entire issued share capital of AskMerlin Limited, as set out below.

<i>Number of Ordinary Shares issued and allotted to David Breith</i>	<i>Number of shares acquired</i>	<i>by way of consideration</i>
<i>Number of Ordinary</i> AskMerlin Limited	100 ordinary shares of £1.00 each	25,800,000

15. Ultimate controlling party

During the period ended 30 September 2015 the directors of AskMerlin consider that the company was under the control of David Breith.

16. Nature of financial information

The financial information on AskMerlin presented above does not constitute statutory financial statements for AskMerlin for either of the three years ended 31 March 2013, 31 March 2014 and 31 March 2015 or for the six months ended 30 September 2015.

PART V (G)

ACCOUNTANTS' REPORT ON THE UNAUDITED PRO FORMA STATEMENT OF NET ASSETS



4 May 2016

The Directors
Toople Plc
The Chapel, Granville Court
Britwell Road
Burnham, Slough
Berkshire
SL1 8DF

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

Dear Sirs

Introduction

We report on the unaudited pro forma statement of net assets of Toople Plc (the “Company”) as at 31 March 2016, Toople.com Limited as at 30 September 2015 and Askmerlin Limited as at 30 September 2015 (the “Pro Forma Financial Information”) set out in Section H of this Part V “Unaudited Pro Forma Statement of Net Assets of the Company” of the Company’s Prospectus dated 4 May 2016, which has been prepared on the basis described, for illustrative purposes only, to provide information about how the Placing and Admission might have affected the net assets presented on the basis of the accounting policies adopted by the Company in preparing the audited financial information for the period ended 31 March 2016. This report is required by Annex 2 item 7 of Commission Regulation (EC) No. 809/2004 (the “Prospectus Directive Regulation”) and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company (the “Directors”) to prepare the Pro Forma Financial Information in accordance with Annex 2, items 1 to 6 of Commission Regulation (EC) No. 809/2004 (the “Prospectus Directive Regulation”). It is our responsibility to form an opinion, as required by Annex 2 item 7 of the Prospectus Directive Regulation, as to the proper compilation of the Pro Forma Financial Information and to report that opinion to you.

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

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial information with the Directors.

We planned and performed our work so as to obtain all the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

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

Opinion

In our opinion:

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

Declaration

For the purpose of Prospectus Rule 5.5.3R(2)(f), we are responsible for this report as part of the prospectus 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 Prospectus in compliance with Annex I, item 1.2 of Commission Regulation (EC) N 809/2004.

Yours faithfully

Crowe Clark Whitehill LLP

Chartered Accountants

PART V (H)

UNAUDITED PRO FORMA FINANCIAL INFORMATION

Set out below is an unaudited pro-forma statement of net assets of the Company as at 31 March 2016, Toople.com Limited as at 30 September 2015 and Askmerlin Limited as at 30 September 2015 (the “Pro-Forma Financial Information”). The Pro-Forma Financial Information has been prepared on the basis set out in the notes below to illustrate the effect on the net assets of the Company had the Placing and Admission occurred on 31 March 2016. It has been prepared for illustrative purposes only. Because of its nature, the Pro-Forma Financial Information addresses a hypothetical situation and, therefore, does not represent the Company’s actual financial position. The audited financial position of the Company, prior to the adjustments in notes 2 to 4, has been extracted, without further adjustment, from the audited balance sheet of the Company as at 31 March 2016, Toople.com Limited as at 30 September 2015 and Askmerlin Limited as at 30 September 2015, which is set out in this Part V of this Document.

The pro forma financial information has been prepared in a manner consistent with the accounting policies to be adopted in the next financial statements of the Company.

Users should read the whole of this Document and not rely solely on the summarised financial information contained in this Section H of this Part V of this Document.

The report on the Pro-Forma Financial Information is set out in Section G of this Part V of this Document.

UNAUDITED PRO-FORMA STATEMENT OF NET ASSETS OF THE COMPANY

	<i>Company (Audited) (Note 1) £</i>	<i>Toople.com Limited (Audited) (Note 2) £</i>	<i>Askmerlin Limited (Audited) (Note 3) £</i>	<i>Placing Proceeds (Unaudited) (Note 5) £</i>	<i>Pro forma net assets (Unaudited) £</i>
Non-current assets					
Intangible assets	–	2,328	–	–	2,328
Investment	–	–	1,192	–	1,192
	–	2,328	1,192	–	3,520
Current assets					
Trade and other receivables	–	191,546	3,212	–	194,758
Cash and cash equivalents	24,012	128,698	963	1,660,000	1,813,673
	24,014	320,244	4,175	1,660,000	2,008,431
Total assets	24,012	322,572	5,367	1,660,000	2,011,951
Current liabilities					
Trade and other creditors	–	–	6,070	–	6,070
Loans from related parties	–	70,379	5,127	–	75,506
	–	70,379	11,197	–	81,576
Non-current liabilities					
Loans from related parties	–	507,014	–	–	507,014
	–	507,014	–	–	507,014
Total liabilities	–	577,393	11,197	–	588,590
Net assets/(liabilities)	24,012	(254,821)	5,830	1,660,000	1,423,361

Notes:

1. The financial position of the Company as at 31 March 2016 has been extracted, without further adjustment, from its financial information set out in Section B of Part V of this Document.
2. The financial position of Toople.com Limited as at 30 September 2015 has been extracted, without further adjustment, from its financial information set out in Section D Part V of this Document.
3. The financial position of Askmerlin Limited as at 30 September 2015 has been extracted, without further adjustment, from its financial information set out in Section F of Part V of this Document.
4. The Directors consider that the substance of the acquisition of Toople.com Limited and Askmerlin Limited by the Company by exchanges of equity shares is that it is effectively a reverse acquisition and that, in order to give a true and fair view, the reverse acquisition accounting method, as permitted by IFRS 3 'Business combinations', will be adopted as the basis for consolidation in the first published accounts of the Company following completion of the acquisition with Askmerlin Limited the deemed acquirer. No goodwill on consolidation is expected to arise under reverse acquisition accounting.
5. The Company raised £2.00 million (gross) from the Placing. Associated costs of the Placing were approximately £0.34 million (excluding VAT). The net proceeds from the Placing received by the Company were approximately £1.66 million.
6. The unaudited pro-forma statement of net assets does not reflect any trading or other transactions undertaken by the Company since 31 March 2016, Toople.com Limited since 30 September 2015 and Askmerlin Limited since 30 September 2015.

PART VI

OPERATING AND FINANCIAL REVIEW OF THE GROUP

The overview of financial results below provides information which the Board believes to be relevant to an assessment and understanding of the Group's financial position and results of operations. The information in this section has been derived from the audited financial statements for both Toople.com and AskMerlin for each of the three years ended 30 September and 31 March 2015 respectively and for the six months ended 30 September 2015 in relation to AskMerlin.

You should read this operating and financial review and prospects in conjunction with the financial statements and the related notes, which are included in Part V of this document.

The following operating and financial review contains statements reflecting the Board's views about the Group's future performance, constituting "forward-looking statements". These views may involve risks and uncertainties that are difficult to predict and should be considered in conjunction with the factors discussed in the "Risk Factors" section of this document.

The historical activities of Toople.com and AskMerlin, particularly in relation to the years ended 30 September 2013 and 2014 in the case of Toople.com and the three years ended 31 March 2015 in the case of AskMerlin, are not representative of the current or the future activities of the Group by virtue of these entities having carried out business and activities in those years which is unrelated to the current business and future strategy of the Group.

As at the date of this document, the Company, a newly incorporated entity, has not yet commenced trading.

Toople.com

Historical Trading Performance

	12 months ended 30 Sept 2013 (Audited) £	12 months ended 30 Sept 2014 (Audited) £	12 months ended 30 Sept 2015 (Audited) £
Revenue			
TSA fees	72,500	–	–
Management charges to related parties	–	34,000	21,791
Other	18,096	–	12,508
Total Revenue	90,596	34,000	34,299
Cost of Sales	(32,450)	(5,561)	(76,083)
Gross margin	58,146	28,439	(41,784)
General and administrative expenses			
Wages and social security	12,287	–	119,458
Rent	–	–	8,347
Advertising	3,029	–	105,504
Accountancy and legal fees	16,151	1,000	37,430
Other (inc. depreciation)	34,915	24,963	60,151
Total expenses	66,382	25,963	330,890
Operating profit/(loss)	(8,236)	2,476	(372,674)

1. Revenue

- 1.1 Following a dormant period until 2011, Toople.com acquired certain assets as part of the sale of O-bit Telecom Limited to Daisy Group plc ("Daisy") by David Breith. As part of this sale, Toople.com entered into a transitional service agreement ("TSA") to provide certain administrative and back office

functions to Daisy via Toople.com and AskMerlin. As a consequence, revenue generated in 2013 primarily comprised of income related to the TSA income from Daisy. The TSA was terminated in 2014. Management charges in the years ended 30 September 2014 and 2015 respectively were in respect of facilities management services provided to other entities in which David Breith had a significant interest.

- 1.2 None of the revenue generated by Toople.com historically as disclosed above forms part of the Group's core strategy moving forward.

2. Gross Margin

- 2.1 The gross margin achieved fluctuated significantly over the three year ended 31 September due to the lack of a consistent nature of trading undertaken by Toople.com in the past. The historical activities undertaken are not directly related to the current and future activities of the Group.

Cost of sales in 2013 included recharges from AskMerlin in relation to provision of services under the TSA. The cost of sales in 2014 were not material, however, Toople.com incurred cost of sales of over £76,000 in 2015 which related to development costs in relation to the current and future Business.

3. General and Administrative Expenses

- 3.1 During the year ended 30 September 2015 the level of administrative expenses incurred by Toople.com increased significantly as the activities of the entity changed in preparation for implementing the Group's strategy in relation to the current Business. The most material costs in 2015 were in relation to wage costs due to an increase in employees and marketing expenditure. In 2014, there were no significant expenses other than depreciation. Expenses in 2013 related to the TSA and are non-recurring.
- 3.2 The level and nature of administrative expenses is expected to change significantly post Admission as the Group's employee base increases and the Group incurs costs associated with its Listing.

Toople.com

Statement of Financial Position

	<i>As at</i> <i>30 Sept 2013</i> <i>(Audited)</i> £	<i>As at</i> <i>30 Sept 2014</i> <i>(Audited)</i> £	<i>As at</i> <i>30 Sept 2015</i> <i>(Audited)</i> £
Non-current assets	168,243	159,025	–
Property, plant and equipment	–	–	2,328
Intangible assets	168,243	159,025	2,328
Current assets	3,328	–	41,159
Trade receivables	101,444	98,676	150,387
Prepayments and other receivables	2,730	117	128,698
Cash and cash equivalents	107,502	98,793	320,244
Total assets	<u>275,745</u>	<u>257,818</u>	<u>322,572</u>
Current liabilities			
Trade payables	160,367	138,965	66,379
Accruals and other payables		1,000	4,000
Non-current liabilities			
Other loans	–	–	507,014
Deferred tax liability	20,882	21,336	–
Total liabilities	<u>181,249</u>	<u>161,301</u>	<u>577,393</u>
Net assets	<u>94,496</u>	<u>96,517</u>	<u>(254,821)</u>

4. Non Current Assets

- 4.1 Property, plant and equipment previously held by Toople.com and disposed of during the year ended September 2014 related to computer equipment and various fixtures and fittings at the company's offices which were vacated during the financial year.

5. Current Assets

- 5.1 Trade receivables at the year ended 30 September 2015 primarily related to approximately £26,000 owed from Vitrx Limited, a company under common ownership with David Breith. There were no material trade receivable balances in the previous years. Prepayments as at 30 September 2015 primarily related to a deposit for network services paid to BT in respect of the provision of its network services.
- 5.2 The level of cash held by Toople.com increased significantly in the year ended 30 September 2015 due to a loan made to the company by David Breith ("Founder Loan").

6. Liabilities

- 6.1 Trade payables show a decrease over the period reviewed due to the cessation of TSA related services provided in the year ended 30 September 2013, and the subsequent vacation of the company's premises.
- 6.2 Other loans represent the Founder Loan, which has subsequently increased since the financial year end, as covered in paragraph 11 below.

Ask Merlin

Historical Trading Performance

	<i>12 months ended 31 March 2013 (Audited) £</i>	<i>12 months ended 31 March 2014 (Audited) £</i>	<i>12 months ended 31 March 2015 (Audited) £</i>	<i>6 months ended 30 September 2015 (Audited)</i>
Revenue				
TSA fees	146,000	157,500	–	–
Intercompany revenue	314,608	–	–	–
Other	(325)	–	–	2,500
Total Revenue	<u>460,284</u>	<u>157,500</u>	<u>–</u>	<u>2,500</u>
Cost of Sales	<u>(48,360)</u>	<u>(157,695)</u>	<u>–</u>	<u>–</u>
Gross margin	411,924	(195)	–	2,500
General and administrative expenses				
Wages and social security	35,433	–	–	–
Accountancy and legal fees	27,174	2,000	–	1,000
Other (inc. depreciation)	15,902	17,810	17,721	40,527
Total expenses	<u>78,509</u>	<u>19,810</u>	<u>17,721</u>	<u>41,527</u>
Operating profit/(loss)	<u>333,415</u>	<u>(20,005)</u>	<u>(17,721)</u>	<u>(39,027)</u>

7. Revenue

- 7.1 The revenue generated in the years ended 31 March 2013 and 2014 relates to services provided in connection with the TSA entered into as described in paragraph 1.1 above between Obit and Toople.com for which AskMerlin provided services. Revenue of this nature ceased in the year ended 31 March 2014 and is non-recurring. AskMerlin did not trade following this period until the 6 months

ended 30 September 2015 when AskMerlin entered into a short term licence arrangement generating approximately £2,500.

8. Gross margin and cost of sales

- 8.1 Cost of sales in 2013 and 2014 related to development costs in relation to the Merlin platform. These services were outsourced however in 2016, AskMerlin (via AskMerlin Poland) employed 11 developers who will develop and maintain the Merlin platform going forwards.

9. General and Administrative Expenses

- 9.1 The level of administrative expenses declined to nil within AskMerlin in the period between 31 March 2013 and 31 March 2015 (save for depreciation charges incurred in the year ended 31 March 2015) in line with the reduced activity of the company. Costs (excluding depreciation) increased to approximately £6,000 in the 6 months ended 30 September 2015, primarily in relation to accounting and advertising costs.

AskMerlin

Statement of Financial Position

	<i>As at 31 March 2013 (Audited) £</i>	<i>As at 31 March 2014 (Audited) £</i>	<i>As at 31 March 2015 (Audited) £</i>	<i>As at 30 September 2015 (Audited) £</i>
Non-current assets	70,822	53,116	35,411	1,192
Property, plant and equipment	70,822	53,116	35,411	1,192
Current assets	216,574	218,168	–	3,212
Trade receivables	32,338	26,574	60	963
Cash and cash equivalents	248,912	244,742	60	4,175
Total assets	319,734	297,858	35,471	5,367
Current liabilities				
Trade and other payables	71,251	105,000	1	6,070
Non-current liabilities				
Other loans	177,560	141,940	2,273	5,127
Total liabilities	248,811	246,940	2,274	11,197
Net assets	70,923	50,918	33,197	(5,830)

10. Summary of Statement of Financial Position

- 10.1 The level of assets and liabilities within AskMerlin has decreased over the three years to 31 March 2015 due to the declining trading activities of the entity. In the 6 months ended 30 September 2015, the company disposed of its office furniture when the company moved out of its previous business premises which led to company's property, plant and equipment being reduced to a negligible value. There was a small increase in the level of liabilities in the 6 months ended 30 September 2015 as a result of the company beginning to trade again and generate licence income.

11. Current Trading

- 11.1 In the five months following the financial year end of Toople.com and the interim period of 30 September 2015 in respect of AskMerlin, there have been a number of changes which have resulted in changes to the financial condition of both Toople.com and AskMerlin as summarised below:

Toople.com

- 11.2 Toople.com has entered into 10 wholesale telecom contracts and gained 41 retail customers. This customer growth has allowed Toople.com to test the functionality of the Merlin platform prior to Admission and has resulted in revenue (unaudited) in excess of £364,000 in the period 1 October 2015 to 31 March 2016. Approximately three quarters of the revenue generated is in relation to the wholesale customer base, which is not a strategic focus of the Group moving forward, as discussed within paragraph 4 of Part I of this document. Given the early stage of the Business, there are no particular trends since the year ended 30 September 2015.
- 11.3 The level of administrative and general expenses within Toople.com has increased significantly since 30 September 2015 primarily due to professional fees and wages resulting in unaudited loss before tax for the six month period to 31 March 2016 in excess of £527,000. This increase in costs has been funded by an increase in the Founder Loan to £725,000 and the Short Term Loan of £65,000 as at the date of this document and utilisation of the company's overdraft facility details of which are set out in paragraph 13 of Part VIII. This increase in costs has also resulted in an increase in the level of Toople.com's net liability position to an unaudited net liability position of approximately £783,000 as at 28 April 2016. These numbers have been extracted from unaudited management accounts and remain subject to future audit.

AskMerlin

- 11.4 For the six month period 30 September 2015 to 31 March 2016, AskMerlin has generated unaudited revenue in excess of £30,000 from third party licence fee agreements, resulting in an unaudited loss of approximately £24,000 (excluding inter company balances). These licence fee agreements allow third parties use of certain modules of the Merlin platform.

Liquidity and capital resource

The Group will derive substantially all of its revenues from funds generated by the Company's operating subsidiaries. The Group will budget for its capital resources on at least an annual basis. The Group's principal sources of liquidity will be cash raised through the Placing on IPO, operating cash flows and cash raised from borrowing facilities. To date the Group's subsidiaries have been financed by the Founder's Loan and an overdraft provided by HSBC (further details of which are set out in paragraph 13.14 and 13.15 of Part VIII of this document) in addition to operating cash flows. The HSBC overdraft facility will be repaid following Admission using the Net Proceeds of the Placing. The Founder's Loan is not repayable for a period of three years following Admission.

Following Admission, the Group's cash will be held in demand.

Capitalisation and Indebtedness

The Capitalisation and Indebtedness of each of the Company, Cube Telecom Limited and AskMerlin Limited are summarised in the table below:

	<i>Company</i>	<i>Cube Telecom Limited</i>	<i>AskMerlin Limited</i>
Total Current Debt			
– Guaranteed	–	–	–
– Secured	–	–	–
– Unguaranteed/Unsecured	–	–	–
Total Non-Current Debt (excluding current portion of long-term debt)			
– Guaranteed	–	–	–
– Secured	–	–	–
– Unguaranteed/Unsecured	–	507,014	5,127
Shareholder's Equity (extracted pro-forma statement in Part (V) B			
a) Share capital	24,012	100	100
b) Legal reserves	–	–	–
c) Other reserves	–	–	–
Total	<u>24,012</u>	<u>507,114</u>	<u>5,227</u>

Notes:

The above information has been extracted from the financial information of the Company at 31 March 2016 set out in Part V(B) of this document, from the financial information of Cube Telecom Limited at 30 September 2015 set out in Part V(D) of this document and from the financial information of AskMerlin Limited at 30 September 2015 set out in Part V(F) of this document.

The capitalisation and indebtedness of Cube Telecom Limited and AskMerlin Limited have materially changed since 30 September 2015 in the following respects:

At 30 September 2015 Cube Telecom and AskMerlin Limited held cash and cash equivalents of £129,661 and had aggregate non-current loans due to David Breith of £512,141.

At 31 March 2016 Cube Telecom and AskMerlin Limited held cash and cash equivalents of £363, Cube Telecom had a bank overdraft of £89,235 and Cube Telecom and AskMerlin Limited had aggregate non-current loans due to David Breith of £775,000.

The bank overdraft, which is secured by a fixed and floating charge over the assets of Cube Telecom Limited and is subject to a personal guarantee from David Breith, is expected to be repaid from the Net Proceeds of the Placing.

The non-current loans due to David Breith are unsecured and interest free and are repayable in less than three years from admission at the option of the Company only in the event that the Company is profitable and has sufficient funds with which to make repayments.

PART VII

TAXATION

The following section is a summary guide only to certain aspects of tax in the UK. This is not a complete analysis of all the potential tax effects of acquiring, holding and disposing of Ordinary Shares in the Company, nor will it relate to the specific tax position of all Shareholders in all jurisdictions. This summary does not purport to be a legal opinion. Shareholders are advised to consult their own tax advisers.

TAXATION IN THE UK

The following summary is intended as a general guide only and relates only to certain limited aspects of UK tax consequences of holding and disposing of Ordinary Shares in the Company. It is based on current UK tax law, proposals announced in the 16 March 2016 Budget, and the current practice of HMRC, both of which are subject to change, possibly with retrospective effect. Announcements in the 16 March 2016 Budget are proposals and have not yet been enacted in UK legislation.

Any person who is in any doubt as to his or her tax position, or who is resident or otherwise subject to taxation in a jurisdiction outside the UK, should consult his or her tax advisers immediately.

Taxation of dividends

Any UK resident and domiciled shareholder who receives a dividend paid by the Company will be liable to UK income tax on the gross amount of any such dividend. Dividend income from the Company will be treated as forming the highest part of a shareholder's income.

Dividend income received by UK tax residents individuals is subject to £5,000 dividend tax allowance. Dividend receipts in excess of £5,000 will be taxed at 7.5% for basic rate tax payers, 32.5% for higher rate tax payers and 38.1% for additional rate tax payers depending on the individual tax payers marginal tax rate.

UK resident individuals who are not domiciled in the UK and pay tax on a remittance basis, will be taxed on dividends paid by the Company, but only if they are remitted to the UK. A UK-tax resident corporate shareholder of non-redeemable Ordinary Shares in the Company that receives a dividend paid by the Company will not be subject to tax in respect of that dividend subject to certain exceptions.

Trustees of discretionary trusts receiving dividends from shares are also liable to account for income tax at the dividend trust rate, currently 37.5% of the dividend, UK pension funds and charities are generally exempt from tax on dividends that they receive.

Taxation of chargeable gains

- (a) A UK resident and domiciled individual shareholder who disposes (or is deemed to dispose) of all or any of the Ordinary Shares acquired by them may be liable to capital gains tax in relation thereto at rates up to 28 per cent., subject to any available exemptions or reliefs in accordance with Taxation of Chargeable Gains Act 1992. In addition, an individual UK shareholder who ceases to be resident in the UK for a period of less than five years and who disposes of the shares held prior to departure during that period of temporary non residence may, under anti-avoidance legislation, be liable to capital gains tax on his or her return to the UK. As announced in the 16 March 2016 Budget it is proposed that for gains accruing after 6 April 2016 the rate of capital gains tax on the disposal of Ordinary Shares will reduce from rates of up to 28% to 20%.
- (b) UK resident individuals who are not domiciled in the UK and pay tax on a remittance basis, will be taxed on any capital gains made by them on the disposal of shares in the Company, but only if the proceeds are remitted to the UK.
- (c) Subject to exemptions a UK resident corporate shareholder disposing of its shares in the Company may be liable to corporation tax on chargeable gains arising on the disposal at the corporation tax rate applicable to its taxable profits (the main rate being 20% from 1 April 2015 falling to 19% after

1 April 2017 and 18% after 1 April 2020). It is proposed in the 16 March 2016 Budget that the rate of corporation tax after 1 April 2020 will fall to 17% rather than 18%.

In computing the chargeable gain liable to corporation tax the corporate shareholder is entitled to deduct from the disposal proceeds the cost to it of the shares together with incidental costs of acquisition, as increased by an indexation allowance to adjust for inflation, and disposal costs.

The UK operates a substantial shareholding exemption regime which may apply to the disposal of shares in the Company subject to certain conditions being met.

Inheritance tax

Individuals and Trustees subject to Inheritance Tax in relation to a shareholding in the Company who are concerned with the potential UK Inheritance Tax should consult their own tax adviser.

Stamp Duty and Stamp Duty Reserve Tax

No UK stamp duty will be payable on the issue of Ordinary Shares.

Transfers of the Ordinary Shares through CREST will be liable to Stamp Duty Reserve Tax at 0.5%. Transfers of the Ordinary Shares outside of CREST are also likely to be liable to Stamp Duty Reserve Tax at the 0.5% rate.

PART VIII

ADDITIONAL INFORMATION

1. Responsibility

The Directors, whose names appear on page 27 of this document, and the Company accept responsibility for the information contained in this document. To the best of the knowledge of the Directors and the Company (who have each taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and contains no omission likely to affect its import.

2. The Company and the Group

- 2.1 The Company was incorporated and registered in England and Wales on 2 March 2016, under the Act, as a public company limited by shares with the name Tarland Plc. The Company's registered number is 10037980.
- 2.2 On 22 March 2016, the Directors passed a written resolution to change the Company's name to Toople Plc.
- 2.3 The Company was granted a certificate to trade on 18 April 2016.
- 2.4 The principal legislation under which the Company operates is the Act and the regulations made thereunder.
- 2.5 When admitted to trading the Ordinary Shares will have an ISIN of GB00BZ8TP087.
- 2.6 The principal purpose of the Company is as the holding company for the Group and the Group's principal business is as a technology focused telecoms business.
- 2.7 The Company's registered office and principal place of business is at The Chapel, Grenville Court, Britwell Road, Burnham Buckinghamshire SL1 8DF and the telephone number is 0800 085 2823.
- 2.8 The liability of the Company's members is limited.
- 2.9 The financial year end of the Company is 30 September in each year.
- 2.10 The Company is the parent company of the Group and holds 100% of the following subsidiaries, all of which are registered in England and Wales:

<i>Company Name</i>	<i>Company Number</i>	<i>Date of incorporation</i>	<i>Principal business</i>
Toople.com	06762397	1 December 2008	Providers of telecoms services
Toople Finance	09967768	25 January 2016	Dormant
Toople Management Services	09967788	25 January 2016	Dormant
AskMerlin	06762364	1 December 2008	Owner of the Group's Merlin platform

- 2.11 AskMerlin Limited has one wholly owned subsidiary being AskMerlin Poland, a company incorporated on 1 July 2015 in Poland with company number 0000565369, whose principal business is the employment of the Group's team of software developers.

3. Share Capital

3.1 On incorporation, the Company had an unlimited authorised share capital and an issued share capital of 36,000,000 Ordinary Shares of par value 0.0667 pence each.

3.2 On 15 April 2016, 39,000,000 Ordinary Shares were issued and allotted to David Breith in accordance with the terms of the Share Exchange Agreements.

3.3 On 18 April 2016, pursuant to a General Meeting of shareholders:

3.3.1 The directors were generally and unconditionally authorised, in accordance with section 551 of the Act, to exercise all the powers of the Company to allot relevant securities comprising equity securities (as defined by section 560 of the Act) up to an aggregate nominal amount of £95,000.

The authority shall, unless renewed, varied or revoked by the Company, expire on the date which is 18 months after the date on which the resolution was passed or, if earlier, the date of the next annual general meeting of the Company save that the Company may, before such expiry, make offers or agreements which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

3.3.2 The directors were generally and unconditionally empowered, pursuant to Section 570 of the Act, to allot equity securities (as defined by section 560 of the Act) for cash, either pursuant to the authority conferred by paragraph 3.3.1 above or by way of a sale of treasury shares, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities pursuant to an offer or issue by way of rights, open offer or other pre-emptive offer: to the holders of ordinary shares of the Company and other persons entitled to participate therein in proportion (as nearly as may be practicable) to their respective holdings;

3.3.2.1 and to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

3.3.2.2 (otherwise than pursuant to paragraph 3.3.2.1 above) equity securities up to an aggregate nominal amount of £60,000.

The power shall expire (if not previously expired by non-fulfilment of conditions) on the date which is 18 months after the date on which the resolution was passed or, if earlier, the conclusion of the Company's next annual general meeting (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

3.4 The Company has agreed, subject to Admission, to issue and allot the Placing Shares and to grant the Investor Warrants to the Placees (all of which will be fully paid).

3.5 The Company has agreed, subject to Admission to grant the NED Warrants and the Adviser Warrants.

3.6 As at the date of this document, the issued share capital of the company consists of 75,000,000 Ordinary Shares (all of which are fully paid).

3.7 Save as set out in this paragraph 3 there are no warrants, options or convertible securities in issue or to be issued in respect of the Ordinary Shares.

4. Articles of Association

The Articles of Association, which were adopted on incorporation contain, *inter alia*, provisions to the following effect:

4.1 Voting Rights

- (i) Subject to any special rights or restrictions as to voting attached to any Ordinary Shares by or in accordance with the Articles, every motion put to a vote at a meeting of Shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by at least one Shareholder entitled to vote who is present in person or by proxy.
- (ii) on a vote by show of hands, every person present who is a Shareholder or proxy holder and entitled to vote on the matter has one vote, save that where a proxy is appointed by more than one member he shall have one vote for and one vote against and the proxy has been instructed by one or more such members to vote for the resolution and one or more such members to vote against the resolution (including where the proxy has been given the discretion to vote as he shall see fit). Any person duly authorised to act as the representative of a corporate Shareholder (or each of them if more than one) has the same voting rights as the Shareholder would be entitled to; and
- (iii) on a poll, every Shareholder who is present in person or by representative (in the case of a corporate Shareholder) or by proxy shall have one vote for every share of which he is the holder. On a poll, a Shareholder (present in person or by representative or by proxy) entitled to more than one vote need not, if he votes, use all of his votes or cast all the votes he uses in the same way.

4.2 Restrictions on Voting

In the case of joint holders of a share, the person whose name appears first in the register of Shareholders is entitled, to the exclusion of the other joint holders, to vote, whether in person or by proxy, in respect of the share.

4.3 Major Shareholders

Nothing in the Articles confers on major shareholders in the Company any voting rights, which are different to those conferred on the holders of Ordinary Shares as described in this paragraph 4.

Pursuant to Rule 5 of the Disclosure Rules, holders of three per cent. or more of the voting rights of the Company's share capital are required to notify their interest in writing to the Company.

4.4 Transfer of Shares

- (i) The Ordinary Shares now in issue are in registered form. Title to the Ordinary Shares in issue or to be issued may be transferred by means of a relevant system such as CREST.
- (ii) Save as set out in paragraph 4.4(iv) below there are no restrictions on the transfer of shares and there are no pre-emption rights on transfer in respect of them.
- (iii) Title to, and interest in, shares held in certificated form may be transferred by a written instrument of transfer in any usual form or in any other form approved by the Board. The instrument of transfer shall be signed by or on behalf of the transferor and (in the case of a partly paid share) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered on the register of members in respect thereof.
- (iv) The Board may refuse to register any transfer of shares:
 - a. which are not fully paid;

- b. which are held in certificated form, unless the instrument of transfer is duly stamped, is deposited at the office or such other place as the directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer;
- c. which are held in certificated form, unless the instrument of transfer is in respect of only one class of share;
- d. in the event that the proposed transfer is in favour of more than four transferees; and
- e. which are held in uncertificated form, in the circumstances set out in the Regulations.

If the Board refuses to register a transfer it must, within two months after the date on which the instrument of transfer was lodged with the Company, send notice of the refusal to the transferor and the transferee, together with the reason therefore.

4.5 *Requirement to disclose interests in shares*

- (i) If at any time the Board is satisfied in its absolute discretion that any Shareholder, or any other person appearing to be interested in shares held by such Shareholder, has been duly served with a notice under Section 793 of the Act (a “**Section 793 Notice**”) and is in default for the period of 14 days from service of the said Section 793 Notice in supplying to the Company the information thereby required, or, in purported compliance with such a notice, has made a statement which is false or inadequate in a material particular, then the Board may, in its absolute discretion at any time thereafter by notice (a “**disenfranchisement notice**”) to such Shareholder direct that:
 - (a) in respect of the shares in relation to which the default occurred (the “default shares”, which expression includes any shares issued after the date of the Section 793 Notice in respect of those shares) the Shareholder shall not be entitled to attend or vote either personally or by proxy or by representative at a general meeting or at a separate meeting of the holders of that class of shares or on a poll; and
 - (b) where the default shares represent at least 0.25 per cent. in nominal value of the issued shares of their class (calculated exclusive of any shares of that class held as treasury shares), the disenfranchisement notice may additionally direct that in respect of the default shares:
 - (c) no payment shall be made by way of dividend;
 - (d) no transfer of any default share shall be registered unless:
 - the Shareholder is not himself in default as regards supplying the information requested and the transfer, when presented for registration, is accompanied by a certificate by the Shareholder in such form as the Board may in its absolute discretion require to the effect that, after due and careful enquiry, the Shareholder is satisfied that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer;
 - the transfer is an approved transfer; or
 - registration of the transfer is required by the Regulations.
- (ii) Any disenfranchisement notice shall cease to have effect:
 - (a) on the registration in accordance with the Articles of a transfer of any default shares, but only in relation to the shares transferred;

- (b) when the Board is satisfied in its absolute discretion that the Company has received all the information required by the relevant Section 793 Notice.
- (iii) The Board may at any time send a notice cancelling a disenfranchisement notice.

4.6 ***Dividends***

- (i) The profits of the Company available for distribution and resolved to be distributed are applied in the payment of dividends to the Shareholders in accordance with their respective rights and priorities. The Company in general meeting may declare dividends accordingly provided that no dividend or interim dividend is payable otherwise than in accordance with the provisions of the Act and no dividend may exceed the amount recommended by the directors.
- (ii) Subject to the provisions of the Act and of the Articles, the directors of the Company may, if they think fit, from time to time pay to the Shareholders such interim dividends as appear to the directors to be justified by the distributable profits of the Company.
- (iii) The Directors of the Company may deduct from any dividend or other money payable to any Shareholder on or in respect of a share all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
- (iv) All dividends, interest or other sums payable and unclaimed for one year, after having been declared, may be invested or otherwise made use of for the benefit of the Company until claimed and the Company is not constituted a trustee in respect of them. No dividend will bear interest as against the Company. Any dividend which has remained unclaimed for a period of 12 years from the date on which it becomes due for payment will, if the directors of the Company so resolve, be forfeited and cease to remain owing by the Company and will from then on belong to the Company absolutely.
- (v) The Board may, subject to the provisions of the Articles and if authorised by an ordinary resolution of the Company, offer any holders of ordinary shares, the right to elect to receive ordinary shares, credited as fully paid, instead of cash in respect of the whole, or some part to be determined by the Board, of any dividend specified by the ordinary resolution.
- (vi) A resolution declaring a dividend may direct payment of the dividend wholly or partly by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company, or in any one or more of those ways and where any difficulty arises in regard to a distribution of this nature, the directors may settle the difficulty as they deem advisable, and, in particular, may issue fractional certificates and may fix the value for distribution of such specific assets or any part of them, and may determine that cash payments will be made to any Shareholders upon the basis of the value so fixed, in order to adjust the rights of Shareholders. They may vest any specific assets in trustees upon trust for the persons entitled to the dividend as may seem expedient to the directors and, generally, may make such arrangements for the allotment, acceptance and sale of such specific assets or fractional certificates, or any part of them, and otherwise as they think fit.
- (vii) All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.
- (viii) If several persons are joint Shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.
- (ix) Any dividend or other distribution payable in cash in respect of shares may be paid by cheque or warrant, made payable to the order of the person to whom it is sent, and mailed to the registered address of the Shareholder, or in the case of joint Shareholders, to the address of any one of such joint Shareholders, or to the person and to the address the Shareholder or joint Shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted),

discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

- (x) The directors may, subject to the Articles and with the authority of an ordinary resolution of the Shareholders, from time to time capitalize any undivided profits of the Company of the Company not required for paying any fixed dividends on shares issued on terms requiring payment of the same (whether or not they are available for distribution) and which profits shall be deemed to include any amounts for the time being standing to any reserve or reserves or to the Company's share premium or other special account or to the capital redemption reserve.

4.7 General meetings

- (i) The Company shall in each calendar year hold a general meeting as its annual general meeting in addition to any other meetings in that year and such annual general meeting shall be held at such time (consistent with the terms of the Act) and place as may be determined by the directors of the Company.
- (ii) The directors may, whenever they think fit, and shall, on requisition in accordance with the Act and the Articles of the Company, proceed to convene a general meeting.
- (iii) An annual general meeting and each other general meeting of the Company shall be called by notice of at least such length as is required in the circumstances by the Act. The Company may give such notice by any means or combination of means permitted by law.
- (iv) Every notice of a general meeting must be in writing and specify the date, location and the time of meeting, the general nature of the business to be dealt with and, in the case of an annual general meeting, the fact that it is an annual general meeting.
- (v) Notices shall be given those persons required to be given notice in accordance with the Articles, but the accidental omission to give notice of a meeting or (where forms of proxy are sent out with notices) to send a form of proxy with a notice to, or the non-receipt of notice of a meeting or such form of proxy by, any person entitled to receive the same will not invalidate the proceedings at that meeting.
- (vi) In every notice calling a general meeting of the Company or any class of the Shareholders of the Company, there must appear, with reasonable prominence, a statement that a Shareholder 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 and that the Shareholder 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 the Shareholder.
- (vii) Where special notice of a resolution is required by any provision contained in the Act, the resolution is not effective unless notice of the intention to move it has been given to the Company at least 28 days (or such shorter period as the Act permits) before the meeting at which it is moved and the Company must give to its Shareholders notice of any such resolution as required by and in accordance with the provisions of the Act.

4.8 Redemption

The Ordinary Shares are not redeemable.

4.9 Changes in share capital

- (i) The Company may alter its share capital in accordance with the provisions of the Act.
- (ii) Whenever as a result of any consolidation of shares any Shareholders would become entitled to fractions of a share, the Board may deal with the fractions as it thinks fit and, in particular, may on behalf of those Shareholders, sell the shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the

Company) and distribute the net proceeds of sale in due proportion among the Shareholders who would have been entitled to the fractions of shares. For the purpose of any such sale, the Board may authorise some person to sign an instrument of transfer of the shares representing the fractions to their purchaser, whose name will be entered in the register of Shareholders as the holder of the shares and who will not be bound to see to the application of the purchase money and the title to the shares of such purchaser will not be affected by any irregularity or invalidity in the proceedings in reference to the sale.

4.10 *Variation of rights*

Subject to the provisions of the Act and of the Articles, the special rights attached to any class of share in the Company may, by Special Resolution, be varied or abrogated.

4.11 *Constitution of board of directors*

Unless and until otherwise determined by the Company by ordinary resolution, the number of directors (other than alternate directors) shall not be fewer than two nor more than 10.

4.12 *Permitted interests of, and restrictions on voting by, directors*

- (i) If a Director is in any way, directly or indirectly, interested in a proposed contract with the Company or a contract that has been entered into by the Company, he must declare the nature and extent of that interest to the directors in accordance with the Act.
- (ii) Provided he has declared his interest in accordance with the Articles, a director may be in any way, directly or indirectly, interested in any contract or arrangement or transaction with the Company and he may hold and be remunerated in respect of any office or place of profit (other than the office of auditor of the Company or any subsidiary thereof) under the Company or any other company in which the Company is in any way interested and he (or any firm of which he is a Shareholder) may act in a professional capacity for the Company or any such other company and be remunerated therefor and in any such case as aforesaid (save as otherwise agreed) he may retain for his own absolute use and benefit all profits and advantages accruing to him thereunder or in consequence thereof.
- (iii) Save as provided in the Articles, a director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. A director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.
- (iv) Subject to the provisions of the Act, and subject always to the provisions of Articles concerning directors' conflicts a director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:
 - (a) the giving of any security, guarantee or indemnity to him in respect of money lent or obligations incurred by him or by another person at the request of or for the benefit of the Company or any of its subsidiaries;
 - (b) the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
 - (c) the giving to him of any indemnity where all other directors are also being offered indemnities on substantially the same terms;

- (d) the funding by the Company of his expenditure on defending proceedings or the doing by the Company of anything to enable him to avoid incurring such expenditure where all other directors are being offered substantially the same arrangement;
- (e) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant as a holder of shares, debentures or securities or in the underwriting or sub-underwriting thereof;
- (f) any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he (together with persons connected with him within the meaning of section 252 of the Act) is not the holder of or beneficially interested in one per cent. or more of the issued shares of any class of such company (or of any third company through which his interest is derived) or of the voting rights available to Shareholders of the relevant company;
- (g) any proposal concerning the purchase and/or maintenance of any insurance policy against any liability of his or under which he may benefit; and
- (h) any proposal concerning the adoption, modification or operation of a pension fund, superannuation or similar scheme or retirement, death or disability benefits scheme or employees' share scheme which relates both to directors and employees of the Company or any of its subsidiary undertakings and does not provide in respect of any director as such any privilege or advantage not accorded to the employees to which the fund or scheme relates.

4.13 *Directors' Conflicts*

- (i) The Directors may (subject to such terms and conditions, if any, as they may think fit to impose from time to time, and subject always to their right to vary or terminate such authorisation) authorise, to the fullest extent permitted by law:
 - (a) any matter which would otherwise result in a director infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest (including a conflict of interest and duty or conflict of duties); and
 - (b) a director to accept or continue in any office, employment or position in addition to his office as a director of the Company and without prejudice to the generality of (a) above may authorise the manner in which a conflict of interest arising out of such office, employment or position may be dealt with, either before or at the time that such a conflict of interest arises,

provided that for this purpose the director in question and any other interested director are not counted in the quorum at any meeting of the Board at which such matter, or such office, employment or position, is approved and it is agreed to without their voting or would have been agreed to if their votes had not been counted.
- (ii) If a matter, or office, employment or position, has been authorised by the directors then:
 - (a) the director shall not be required to disclose any confidential information relating to such matter, or such office, employment or position, to the Company if to make such a disclosure would result in a breach of a duty or obligation of confidence owed by him in relation to or in connection with that matter, or that office, employment or position;

- (b) the director may absent himself from meetings of the directors at which anything relating to that matter, or that office, employment or position, will or may be discussed; and
 - (c) the director may make such arrangements as such director thinks fit for Board and committee papers to be received and read by a professional adviser on behalf of that director.
- (iii) A director shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any matter, or from any office, employment or position, which has been approved by the directors pursuant to the Articles (subject in any such case to any limits or conditions to which such approval was subject).

4.14 *Appointment and retirement of directors*

- (i) At every annual general meeting of the Company, any director:
 - (a) who has been appointed by the Board since the last 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,

shall retire from office and may offer himself for election/re-election by the Shareholders.
- (ii) The Company at the meeting at which a director retires in accordance with the Articles may fill the vacated office and, if the Company does not do so, the retiring director shall, if willing to act, be deemed to have been re-elected unless at such meeting it is expressly resolved not to fill the vacancy or unless a resolution for the re-election of such director is put to the meeting and lost and a director who retires at an annual general meeting may, if willing to act, be re-elected. If he is not re-elected or deemed re-elected, he shall retain office until the meeting elects someone in his place, or if it does not do so, until the end of the meeting.
- (iii) No person other than a director retiring pursuant to the Articles shall be elected as a director at any general meeting unless:
 - (a) recommended by the Board; or
 - (b) not fewer than seven nor more than 42 clear days before the day appointed for the meeting, there is given to the Company notice signed by a Shareholder entitled to attend and vote at the meeting of the intention to propose that person for election stating the particulars which would, if that person were to be elected, be required to be included in the Company's register of directors together with notice signed by that person of his willingness to be elected.
- (iv) The Company may by ordinary resolution elect any person who is willing to act to be a director, either to fill a casual vacancy or as an additional director. The election of a person to fill a vacancy or as an additional director shall take effect from the end of the meeting.
- (v) The Board may appoint any person who is willing to act to be a director, either to fill a casual vacancy or as an additional director, but so that the total number of directors does not at any time exceed the maximum number of directors, if any, fixed by or in accordance with the Articles. Subject to the provisions of the Act and of the Articles, any director so appointed by the Board shall hold office only until the conclusion of the next following annual general meeting and is eligible for election at that meeting.
- (vi) The office of a director must be vacated and he shall automatically cease to be a member of any committee in any of the following events;
 - (a) he resigns his office by notice in writing given to the Company;

- (b) if he becomes bankrupt or makes any arrangement or composition with his creditors generally or shall apply to the court for an interim order under section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act;
 - (c) an order is made by a court having jurisdiction (whether in the United Kingdom 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 and the Board resolves that his office be vacated;
 - (d) a registered medical practitioner who is treating him gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
 - (e) he has been absent from meetings of the Board for more than six consecutive months without permission of the Board and his alternate director (if any) has not during such period attended in his place, and the Board resolves that his office be vacated;
 - (f) he ceases to be a director by virtue of any provision of the Act or pursuant to the Articles; or
 - (g) he becomes prohibited by law from being a director.
- (vii) Notwithstanding any provision of the Articles or in any agreement between the Company and the director, and without prejudice to (and in accordance with) the provisions of the Act, the Company may by ordinary resolution remove any director before the expiry of his period of office and special notice in accordance with section 312 of the Act must be given of any such resolution to remove a director. Any such removal of a director is without prejudice to any claim such director may have for breach of any contract of service between him and the Company.

4.15 *Remuneration of directors*

The Directors (other than alternate directors) shall be paid such remuneration (by way of fee) for their services as may be determined by the Board save that, unless otherwise approved by ordinary resolution of the Company in general meeting, no director shall be entitled to a fee in excess of £100,000 per annum, and the aggregate maximum amount per annum to be paid to directors by way of fees shall be, without approval of the members by resolution, £500,000. In the case of an executive director, such fees (if any) are payable to him in addition to his remuneration by way of salary, commission, profit participation or otherwise as an executive director.

4.16 *Proceedings of Directors*

- (i) The Directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.
- (ii) Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting shall have a second or casting vote. A director who is also an alternate director shall be entitled, in the absence of the director whom he is representing, to a separate vote on behalf of such director in addition to his own vote.
- (iii) A Director may, and the secretary on the requisition of a director must, at any time call a meeting of the directors.
- (iv) Notice of meetings of the Board is deemed to be duly given to a director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him or on his behalf to the Company for this purpose or sent by electronic means to such address (if any) for the time being notified by him or on his behalf to the

Company for this purpose. Any director may waive notice of any meeting and any such waiver may be retrospective. Any communication by electronic means pursuant to this Article need not comprise writing if the Board so determines.

- (v) The quorum necessary for the transaction of the business of the Board may be determined by the Board and, unless so determined at any other number, shall be two. A director or other person who is present at a meeting of the Board in more than one capacity (that is to say, as both director and an alternate director or as an alternate for more than one director) shall not be counted as two or more for quorum purposes unless at least one other director or alternate director is also present. A meeting of the Board for the time being at which a quorum is present is competent to exercise all powers and discretions for the time being exercisable by the Board.
- (vi) All or any of the directors may validly participate in a meeting of the Board or any committee of the Board by means of a conference telephone or any other communication equipment which allows all persons participating in the meeting to hear and speak to each other. Any person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in a quorum accordingly. Subject to the Act, all business transacted in such a manner by the Board or committee of the Board shall, for the purposes of the Articles, be deemed to be validly and effectively transacted at a meeting of the Board or a committee of the Board notwithstanding that fewer than two directors or alternate directors are physically present at the same place. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting is then present.
- (vii) The continuing Directors may act notwithstanding any vacancy in their number. If the number of the directors is less than the minimum number fixed in accordance with the Articles, the remaining director or directors must immediately, and may act only to, appoint an additional director or additional directors to make up such minimum or to convene a general meeting of the Company for the purpose of making such appointment. If there is no director or directors able or willing to so act, any two Shareholders may summon a general meeting for the purpose of appointing directors.
- (viii) A resolution in writing signed by all of the directors entitled to receive notice of a meeting of the Board or of a committee of the Board (not being less than the number of directors required to form a quorum of the Board) shall be as valid and effectual as if it had been passed at a meeting of the Board or (as the case may be) a committee of the Board duly convened and held. For this purpose:
 - (a) a resolution may be by means of an instrument or communication in electronic form sent to such address (if any) for the time being notified by the Company for that purpose;
 - (b) a resolution may consist of several instruments or communications in electronic form each signed by one or more directors, or a combination of both;
 - (c) a resolution signed by an alternate director need not also be signed by his appointor; and
 - (d) a resolution signed by a director who has appointed an alternate director need not also be signed by the alternate director in that capacity.

4.17 *Borrowing powers*

- (i) The Company, if authorised by the Directors, may:
 - (a) borrow money;
 - (b) indemnify and guarantee;
 - (c) mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company;

- (d) create and issue debentures and other securities; and
 - (e) give security either outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
- (ii) The Board shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings (if any) so as to secure (as regards the subsidiary undertakings, so far as by such exercise they can secure) that the aggregate of the amounts borrowed by the Group and remaining outstanding at any time (excluding intra-Group borrowings) shall not without the previous sanction of an ordinary resolution of the Company exceed an amount equal to two times the Adjusted Capital and Reserves. For these purposes “Adjusted Capital and Reserves” shall mean a sum equal to the aggregate, as shown by the relevant balance sheet, of the amount paid up or credited or deemed to be paid up on the issued or allotted share capital of the Company and the amount standing to the credit of the reserves (including, without limitation, the profit and loss account and any share premium account or capital redemption reserve) of the Company and its subsidiary undertakings included in the consolidation in the relevant balance sheet but after:
- (a) making such adjustment as may be appropriate to reflect the profit or loss of the Company since the relevant balance sheet;
 - (b) excluding any amount set aside for taxation (including any deferred taxation) or any amounts attributable to outside shareholders in subsidiary undertakings of the Company;
 - (c) making such adjustments as may be appropriate in respect of any variation in the amount of such paid up share capital and or any reserves (other than the profit and loss account) after the date of the relevant balance sheet. For this purpose, if any issue or proposed issue of shares by the Company for cash has been underwritten then such shares shall be deemed to have been issued and the amount (including any premium) of the subscription monies paid for them (other than money to be paid more than six months after the allotment date) shall to the extent so underwritten be deemed to have been paid up on the date when the issue of such shares was underwritten (or, if such underwriting was conditional, on the date when it became unconditional);
 - (d) making such adjustments as may be appropriate in respect of any distribution declared, recommended, made or paid by the Company or its subsidiary undertakings (to the extent not attributable directly or indirectly to the Company) out of profits earned up to and including the date of the relevant balance sheet to the extent such distribution is not provided for in such balance sheet;
 - (e) making such adjustments as may be appropriate in respect of any variation in the interests of the Company in its subsidiary undertakings (including a variation where an undertaking ceases to be a subsidiary undertaking) since the date of the relevant balance sheet; and
 - (f) making such adjustments as the auditors of the Company may consider appropriate.

4.18 *Distribution of Assets on a Winding up*

If the Company is wound up, the liquidator may, without prejudice to any other right or power that the liquidator may have to divide or transfer the assets in specie, with the authority of a special resolution and any other authority required by law, divide among the members in specie the whole or any part of the assets of the Company. This applies whether the assets shall consist of property of one kind or different kinds. For this purpose, the liquidator may set such value as the liquidator considers fair on any asset or assets and may determine how to divide it between the members or different classes of members. The liquidator may, with the authority of a special resolution and any other authority required by the law, transfer all or any part of the assets to trustees on such trusts for the benefit of members as the liquidator decides. Where the liquidator divides or transfers any assets in

pursuance of the powers in this article, no Shareholder shall be required to accept any asset in respect of which there is a liability.

4.19 Indemnification

- (i) Subject to the provisions of, and so far as may be consistent with (and not void under), the Act, every director, secretary or other officer of the Company or any associated company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and/or discharge of his duties and/or the exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office. Subject to the provisions of the Act, the Company shall have the power to purchase and maintain for any director, officer or employee of the Company or any associated company insurance against any liability.

The Company may fund a director's expenditure and that of a director of any subsidiary of the Company for any purposes permitted under the Act (including, without limitation, for the purposes permitted under sections 205 and 206 of the Act) and may do anything to enable a director or a director of any subsidiary of the Company to avoid incurring such expenditure as provided in the Act (including, without limitation, for the purposes permitted under sections 205 and 206 of the Act).

5. Takeover Regulation

5.1 Mandatory bid

The City Code applies to the Company. Under Rule 9 of the City Code, if:

- (a) a person acquires an interest in shares which, when taken together with shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights in the Company; or
- (b) a person who, together with persons acting in concert with him, is interested in not less than 30 per cent. and not more than 50 per cent. of the voting rights in the Company acquires additional interests in shares which increase the percentage of shares carrying voting rights in which that person is interested.

the acquirer and, depending on the circumstances, its concert parties, would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash offer for the outstanding shares at a price not less than the highest price paid for any interests in the shares by the acquirer or its concert parties during the previous 12 months.

5.2 Sell out

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

5.3 Squeeze Out

Under the Act, if a takeover offer (as defined in section 974 of the Act) is made for the 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 takeover offer relates (the “Takeover Offer Shares”) and not less than 90 per cent. of the voting rights attached to the Takeover Offer Shares within three months of the last day on which its offer can be accepted, it could acquire compulsorily the remaining 10 per cent. It would do so by sending a notice to outstanding shareholders telling them that it will acquire compulsorily their Takeover Offer Shares and then, six weeks later, it would execute a transfer of the outstanding Takeover Offer Shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for outstanding shareholders. The consideration offered to the shareholders whose Takeover Offer Shares are acquired compulsorily under the Act must, in general, be the same as the consideration that was available under the takeover offer.

6. Directors’ interests

- 6.1 The interests of each of the Directors (all of which are beneficial unless otherwise stated) in the issued share capital of the Company as at the date of this Document or which are interests of a person connected with a Director (within the meaning of section 252 of the Act) and the existence of which is known or could, with reasonable diligence, be ascertained by a Director and as they are expected to be immediately following Admission are as follows:

<i>Name</i>	<i>Number of Ordinary Shares as at the date of this Document and as at Admission</i>	<i>Percentage of Ordinary Shares as at the date of this Document</i>	<i>Percentage of Ordinary Shares as at Admission</i>
Andrew Hollingworth	26,000,000	34.76	26.00
Richard Horsman	1,000,000	1.33	1.00
Neil Taylor	500,000	0.67	0.50
Geoffrey Wilson	nil	nil	nil

- 6.2 Save as disclosed in this paragraph 6 as at the date of this document none of the Directors (nor any person connected with them within the meaning of section 252 of the Act) had or will have any interest, beneficial or otherwise, in any share or loan capital of the Company or its subsidiaries.
- 6.3 There are no loans or guarantees provided by any member of the Company for the benefit of any of the Directors nor are there any loans or guarantees provided by any of the Directors to any member of the Company for the benefit of the any member of Group.
- 6.4 As at the date of this document, no Director holds warrants or options to subscribe for Ordinary Shares, save for the following NED Warrants held by Richard Horsman and Geoffrey Wilson:

<i>Name</i>	<i>Number of NED Warrants to be granted conditional upon Admission</i>
Richard Horsman	2,000,000
Geoffrey Wilson	1,000,000

- 6.5 No Director has or has had any interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company and which was effected by the Company since its incorporation or which is or was unusual in its nature or conditions or significant to the business of the Company.

7. Director and management service contracts, remuneration and benefits in kind

7.1 *Executive Directors*

Mr. Andrew Hollingworth

Mr. Hollingworth, conditional upon Admission, is employed as Chief Executive Officer under a service agreement with the Company dated 3 May 2016. He is entitled to a salary of £120,000 per annum. He is entitled to 35 days’ paid holiday per annum (in addition to public and bank holidays in England and Wales). He will be entitled to participate in any pension scheme operated by the Group,

should one be set up. His service agreement contains a confidentiality clause that is without limit in time, along with post termination restrictions covering a period of 12 months from termination. His service agreement is terminable by either party on not less than 6 months' written notice, to expire on or after an initial 12 month term or immediately upon payment in lieu of notice and contains a garden leave clause.

Mr. Neil Taylor

Mr. Taylor, conditional upon Admission, is employed as Chief Financial Officer under a service agreement with the Company dated 3 May 2016. He is entitled to a salary of £60,000 per annum and is expected to work for 2 days per week. He is entitled to 12 days' paid holiday per annum (in addition to public and bank holidays in England and Wales). He will be entitled to participate in any pension scheme operated by the Group, should one be set up. His service agreement contains a confidentiality clause that is without limit in time, along with post termination restrictions covering a period of 12 months from termination. His service agreement is terminable by either party on not less than 6 months' written notice, to expire on or after an initial 12 month term or immediately upon payment in lieu of notice and contains a garden leave clause.

7.2 Non-Executive Directors

Mr. Richard Horsman

Mr. Horsman was appointed as a non-executive director and Chairman of the Company on 3 March 2016 and on 3 May 2016 he entered into a letter of appointment with the Company, the terms of which are conditional upon Admission.

Pursuant to his letter of appointment Mr Horsman is entitled to an annual fee of £18,000 for up to 8 days' work per annum, which includes consideration for chairing the Remuneration Committee and for being a member of the Audit Committee. He will be entitled to an additional fee if he is required to perform any specific and additional services. The Chairman is not entitled to receive any compensation on termination of his appointment (other than payment in respect of a notice period where notice is served) and is not entitled to participate in the Company's share, bonus or pension schemes, and is entitled to be reimbursed all reasonable out-of-pocket expenses incurred in the proper performance of his duties.

Mr Horsman is entitled to 2,000,000 NED Warrants which vest on the second anniversary of Admission.

Mr Horsman is subject to confidentiality undertakings without limitation in time.

Mr Horsman's appointment is for an initial term of three years unless terminated earlier by either party giving to the other three month's prior written notice. The appointment may also be terminated pursuant to the Articles or as otherwise required by law. He is subject to re-election by the Company in general meeting in accordance with the Articles.

In addition the services of Mr Horsman are to be provided on a consultancy basis via High Lees Farm Partnership. Pursuant to the terms of the consultancy agreement High Lees Farm Partnership is entitled to be paid a fee of £32,000 plus any applicable VAT. The appointment is for an initial term of three years to be reviewed annually and terminable on three months' notice by either party.

Mr. Geoffrey Wilson

Mr. Wilson was appointed as a director of the Company on 3 March 2016 and on 3 May 2016 he entered into a letter of appointment with the Company, the terms of which are conditional upon Admission.

Mr Wilson is entitled to an annual fee of £36,000 for up to 24 days' work per annum, which includes consideration for chairing the Audit Committee and being a member of the Remuneration Committee. He will be entitled to an additional fee if he is required to perform any specific and additional services. Mr Wilson is not entitled to receive any compensation on termination of his appointment (other than payment in respect of a notice period where notice is served) and is not entitled to participate in the

Company's share, bonus or pension schemes, and is entitled to be reimbursed all reasonable out-of-pocket expenses incurred in the proper performance of his duties.

Mr Wilson is entitled to 1,000,000 NED Warrants which vest on the second anniversary of Admission.

Mr Wilson is subject to confidentiality undertakings without limitation in time.

Mr Wilson's appointment is for an initial term of three years commencing on, and conditional upon Admission, unless terminated earlier by either party giving to the other three month's prior written notice. The appointment may also be terminated pursuant to the Articles or as otherwise required by law. He is subject to re-election by the Company in general meeting in accordance with the Articles.

7.3 **Founder**

Mr. David Breith

DB Invest Limited, a company connected with Mr Breith is engaged to provide marketing and software services to the Group under a consultancy agreement with the Company dated 3 May 2016. DB Invest Limited is entitled to a fee of £120,000 per annum and is expected to work for 100 hours per calendar month. The agreement will continue until terminated by either party giving to the other not less than 3 months written notice.

7.4 The Company has customary directors' and officers' indemnity insurance in place in respect of each director and each director has the benefit of an indemnity against directors' liability set out in the Articles.

No remuneration or benefits in kind were paid to the Directors or senior management (including the Founder) by Toople.com or AskMerlin in the 12 months ended 30 September 2015. There were no amounts set aside or accrued by the Company or its subsidiaries to provide pension, retirement or similar benefits. The aggregate remuneration and benefits in kind granted to the Directors in respect of the financial period ending 30 September 2016 under the arrangements in force as at the date of this Document is expected to be approximately £199,000.

8. **Other Directorships**

8.1 In addition to their directorship of the Company, the 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>Director</i>	<i>Current Directorships</i>	<i>Past Directorships</i>
Andrew Hollingworth	Cube Holdings Ltd	None
Neil Taylor	Cube Holdings Ltd NJT Consultancy Limited	BT Managed Services Limited BT Managed Services (No.2) Limited
Richard Horsman	High Lees Farm Partnership JC Mackinlay and Co. Limited	Aonix North America Inc. Atego Group Limited Atego Systems Limited Atego Systems Inc. High Rely Incorporated Plethora Solutions Holdings plc

<i>Director</i>	<i>Current Directorships</i>	<i>Past Directorships</i>
Geoffrey Wilson	None	Arbor Low Limited Executel Ltd Future Office Communications Ltd Greystone Telecoms Ltd Opal Business Solutions Ltd Opal Connect Ltd Pipex Internet Ltd Southern Communications Networks Limited TalkTalk Business (2CCH) Ltd TalkTalk Communications Ltd TalkTalk Direct Ltd Tiscali UK Ltd UK Telco (GB) Ltd V Networks Ltd

- 8.2 Save as set out above, the Directors hold or have held no other directorships or been partners in any partnership within the five years preceding the date of this Document.
- 8.3 At the date of this document none of the Directors have:
- (i) any unspent convictions in relation to indictable offences;
 - (ii) had any bankruptcy order made against him or entered into any voluntary arrangements;
 - (iii) has, in the last five years, been a director of a company which has been placed in receivership, compulsory liquidation, administration, been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;
 - (iv) has, in the last five years, been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
 - (v) has, in the last five years, been the owner of any assets of 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;
 - (vi) had any convictions for fraudulent offences;
 - (vii) been publicly criticised by any statutory or regulatory authority (including recognised professional bodies); or
 - (viii) 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.
- 8.4 None of the Directors or the Founder (nor any member of any of the Directors' families of the Founder's family) has a related financial product referenced to the Ordinary Shares.
- 8.5 None of the Directors or the Founder has any conflicts between any duties to the Company and their private interests or other duties.

9. Disclosable interests

- 9.1 As at the date of this Document, and as expected to be the case at Admission, the Directors were aware that the following persons were, or are likely to be, interested, directly or indirectly, in 3 per cent. or more of the issued share capital of the Company as at that date:

<i>Name</i>	<i>Number of Ordinary Shares held as at the date of this Document</i>	<i>Percentage of Existing Ordinary Shares as at the date of this Document</i>	<i>Number of Ordinary Shares held on Admission</i>	<i>Percentage of Ordinary Shares held on Admission</i>
David Breith	39,000,000	52.00	39,000,000	39.00
Andrew Hollingworth	26,000,000	34.67	26,000,000	26.00
Piotr Kwiatkowski	5,000,000	6.67	5,000,000	5.00

- 9.2 Save as disclosed in paragraph 6.1 and this paragraph 9.1 of this Part VIII, the Directors are not aware of any person who was at 3 May 2016 (the latest practicable date prior to the publication of this document) interested, directly or indirectly, or who will, on Admission have an interest, directly or indirectly, in 3 per cent. or more of the issued share capital of the Company.
- 9.3 None of these substantial Shareholders have voting rights different from any other Shareholders.
- 9.4 Save as disclosed in paragraphs 6.1 and 9.1 of this Part VIII, the Company is not aware of any person who exercises or could exercise, directly or indirectly, jointly or severally, control over the Group.
- 9.5 The NED Warrants, Investor Warrants and Adviser Warrants have been granted conditional upon Admission.
- 9.6 The holdings of the Concert Party, details of which are set out in paragraph 15 of Part I of this document, are as follows:

<i>Name</i>	<i>Number of Ordinary Shares held as at the date of this Document</i>	<i>Percentage of Existing Ordinary Shares as at the date of this Document</i>	<i>Number of Ordinary Shares held on Admission</i>	<i>Percentage of Ordinary Shares held on Admission</i>
David Breith	39,000,000	52.00	39,000,000	26.00
Andrew Hollingworth	26,000,000	34.67	26,000,000	39.00
Matthew Donaldson	500,000	0.67	500,000	0.50
Total	<u>65,500,000</u>	<u>87.34</u>	<u>65,500,000</u>	<u>65.50</u>

10. Related Party Transactions

Save for the Share Exchange Agreements, the Founder Loan and the Short Term Loan and as set out in this paragraph 10, and in sections D and F of Part V there are no other related party transactions during the period covered by the financial information set out in Part V.

Since the period covered by the historical financial information in Part V, Toople.com and Ask Merlin has entered into the followings arms-length related party transactions:

	<i>Description of costs, services purchased or supplied</i>	<i>Net value of goods or services purchased or supplied £</i>
VitrX Limited	Technology support, professional services, common infrastructure and supplier of hardware. VitrX use the Group's services to provide voice connectivity to VitrX's customers and includes a prepayment of £30,000 in relation to the period beyond March 2016.	70,026
Diffrenet Limited	MVNO agreement to provide the Group access to the EE Network.	381

11. Employees

As at the date of this document, excluding the Directors, the Group has 17 employees. Of these, 6 are employed by Toople.com and live and work in England and 11 are employed by AskMerlin SP ZOO.

12. Working Capital

The Company is of the opinion, that taking into account the Net Proceeds, the working capital available to the Group is sufficient for its present requirements, that is for at least 12 months from the date of this Prospectus.

13. Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company or any other member of the Group within the two years immediately preceding the date of this document and are or may be material:

Contracts relating to Admission

13.1 Financial Adviser Engagement Letter

By way of an engagement letter dated 3 May 2016 Cairn was appointed as financial adviser in connection with Admission. Pursuant to the engagement the Company has agreed to pay Cairn a corporate finance fee of £50,000 plus VAT. In addition the Company is to pay all costs and expenses of and ancillary to Admission, including Cairn's legal fees and other third party expenses. The Company also agrees to indemnify Cairn for any losses suffered by Cairn as a result of its engagement as financial adviser. Under the engagement letter the liability of Cairn to the Company is limited to a sum equivalent to three times the fees paid by the Company to Cairn.

13.2 Financial Adviser Admission Agreement

The Admission Agreement contains certain warranties and indemnities given by the Company and the Directors in favour of Cairn Financial Advisers LLP in relation to the contents of the Prospectus and Admission.

The agreement is conditional on Admission.

13.3 Broker Engagement Letter

By way of an engagement letter dated 26 January 2016, Vicarage Capital was appointed as the Company's lead broker and placing agent in respect of the Placing. In consideration of this role, the Company has agreed to pay Vicarage Capital commission of 4 per cent. of funds raised pursuant to the Placing.

The Broker has also been retained to provide general broking services for a period of 12 months post Admission, reviewable on a 12 month basis. Pursuant to the engagement the Company has agreed to pay Vicarage Capital a fee of £20,000 per annum in respect of this role, payable in quarterly instalments.

13.4 ***Financial Adviser Agreement***

An agreement was entered into on 3 May 2016 between Cairn (1), the Company (2) and the Directors (3) pursuant to which Cairn has agreed to act as the Company's financial adviser from the date of Admission.

13.5 ***Lock-In Agreements***

Lock-in agreements entered into on 3 May 2016 between Cairn (1) the Company (2), and respectively each of the Locked-In Persons (4), pursuant to which the Locked-In Persons have each agreed, conditionally on Admission, with Cairn and the Company not to dispose of any interest in Ordinary Shares for a period of 12 months from the date of Admission. The agreement also contains orderly market provisions which apply for a further period of 12 months after expiry of the 12 month lock-in period whereby the Locked-In Persons may only dispose of any interest in their Ordinary Shares with consent of Cairn and Vicarage not to be unreasonably withheld or delayed. The restrictions will not apply in the following circumstances:

- (i) a disposal to the personal representative of any Locked-In Person;
- (ii) a disposal pursuant to an intervening court order;
- (iii) the acceptance or giving by a Locked-In Person of an irrevocable undertaking to accept a general offer which has become or has been declared unconditional in all respects for the entire issued share capital of the Company, other than any Ordinary Shares held by the offeror or persons acting in concert with the offeror for the purpose of the Code in relation to such offer;
- (iv) a disposal pursuant to a compromise or arrangement between the Company and its creditors or any class of them or between the Company and its members or any class of them which is agreed by the creditors or members and sanctioned by the court under Part 26 of the Act;
- (v) any scheme of reconstruction effected pursuant to section 110 of the Insolvency Act 1986 in relation to the Company;
- (vi) a disposal of any Ordinary Shares which are issued to a Locked-In Persons by way of rights after Admission;
- (vii) any Disposal made:
 - to a family member of a Locked-In Person; or
 - to the trustee(s) of any trust, the beneficiaries of which are a Locked-In Person and/or a family member of a Locked-In Person, or a beneficiary of such a trust,

provided always that:

- the Company complies with its obligations under the Model Code, the DTRs and any other disclosure requirements arising from the transfer; and
- any transferee referred to in paragraph (vi) above shall first undertake to Cairn, and the Company to be bound by the terms of the lock-in agreement as if he or she were the Locked-In Person and further provided that the Locked-In Person consults with Cairn prior to any such disposal for the purposes of maintaining an orderly market.

Andrew Hollingworth and Neil Taylor may also make a disposal in order to raise funds to satisfy any liability resulting in a claim against him by Cairn pursuant to the Financial Adviser Admission Agreement (details of which are set out in paragraph 13.1 above), always provided that such a disposal

would not be in breach of the Listing Rules, or any other regulatory rules and regulations applicable to the Company and the dealing in its securities.

13.6 Relationship Agreement

A relationship agreement dated 3 May 2016 between the Company (1) Cairn (2) David Breith (3) and Andrew Hollingworth (4), whereby, conditional upon Admission, David Breith and Andrew Hollingworth agreed that all transactions and relationships between each of them and the Company or any member of the Group will be conducted on terms which allow the Company and the Group to carry on business independently, and all such transactions and relationships will be at arm's length and on a normal commercial basis. The agreement binds each of David Breith and Andrew Hollingworth for as long as they and their respective affiliates and connected persons together hold twenty per cent. or more of the issued share capital of the Company.

13.7 Service Agreements

Details of the service agreements between the Company and each of Andrew Hollingworth and Neil Taylor are set out in paragraph 7.1 of this Part VIII.

13.8 Letters of Appointment

Details of the service agreements between the Company and each of Richard Horsman and Geoffrey Wilson are set out in paragraph 7.2 of this Part VIII.

13.9 Consultancy Agreements

Details of the consultancy agreement between the Company and High Lees Farm Partnership dated 3 May 2016 pursuant to which High Lees Farm Partnership provides the services of Richard Horsman are set out at paragraph 7.2 of this Part VIII.

Details of the consultancy agreement between the Company and DB Invest Limited a company connected with David Breith dated 3 May 2016 are set out at paragraph 7.3 of this Part VIII.

13.10 NED Warrant Deeds

Two Warrant Deeds executed by the Company on 3 May 2016 pursuant to which the NED Warrants are constituted. Each NED Warrant shall entitle the holder to subscribe for 1 new Ordinary Share at the Placing Price at any time during the period commencing on the date of vesting (being midnight on second anniversary of Admission) ("Vesting Date") and expiring at midnight on the second anniversary of the Vesting Date. The NED Warrants will be granted to Richard Horsman and Geoffrey Wilson in the amounts set out in paragraph 6.4 of this Part VIII. It is a condition of the NED Warrants vesting that the holder thereof is a director of the Company on the date of vesting. The NED Warrant Deeds contains the usual anti-dilution protections.

13.11 Investor Warrant Deed

A Warrant Deed executed by the Company on 3 May 2016 pursuant to which the Investor Warrants are constituted. Each Investor Warrant shall entitle the holder to subscribe for 1 new Ordinary Share at an exercise price of 16 pence at any time during the period commencing on the date of Admission and expiring at midnight on the second anniversary thereof save that in the event that the closing price of the Ordinary Shares is equal to or in excess of 24 pence for 10 consecutive trading days (being days upon which the Main Market is open for trading) then the Company may serve notice on the warrant holders requesting that they exercise their Investor Warrants within 14 days in lieu of which they shall lapse. The Investor Warrant Deed contains the usual anti-dilution protections.

13.12 Adviser Warrant Deed

A Warrant Deed executed by the Company on 3 May 2016 pursuant to which the Adviser Warrants are constituted. Each Adviser Warrant shall entitle the holder to subscribe for 1 new Ordinary Share at the Placing Price at any time during the period commencing on the date of Admission and expiring

at midnight on the second anniversary thereof. The Adviser Warrant Deed contains the usual anti-dilution protections.

13.13 *Restructure Documents*

The Company entered into four share for share exchange agreements (together the “Share Exchange Agreements”) with David Breith pursuant to which the Company acquired from David Breith in consideration of the issue and allotment to David Breith of Ordinary Shares the entire issued share capital of each those of the subsidiaries described in paragraph 3 of this Part VIII. Each Share Exchange Agreement contains confidentiality provisions and limited warranties on the part of David Breith as to title and capacity. Further individual terms of the Share Exchange Agreements are set out below:

<i>Subsidiary</i>	<i>Number and type of Subsidiary shares acquired</i>	<i>Number of Ordinary Shares issued and allotted to David Breith by way of consideration</i>
Toople.com	100 ordinary shares of £1.00 each	12,900,000
Toople Finance	100 ordinary shares of £1.00 each	150,000
Toople Management Services	100 ordinary shares of £1.00 each	150,000
AskMerlin Limited	100 ordinary shares of £1.00 each	25,800,000

13.14 *Loan between David Breith and Toople.com Limited*

David Breith, when a director of Toople.com, made director’s loans to Toople.com (“Founder Loan”) the outstanding balance of which as at the date of publication of this Document is £725,000. By way of a letter agreement dated 3 May 2016 the arrangements concerning the Founder Loan were formalised such that the Founder Loan:

- (i) is interest free;
- (ii) is not repayable for 3 years from Admission and then only in the event that the Company is in profit and has sufficient funds to make the repayment;
- (iii) the Company may, subject to being in profit and having sufficient funds, repay the Founders Loan prior to the expiry of the 3 year term. David Breith has agreed by way of a deed of postponement dated 21 October 2015 to postpone in favour of the HSBC overdraft facility.

13.15 *HSBC Overdraft Facility*

Toople.com (as borrower) has entered into a sterling overdraft agreement with HSBC Bank plc (“HSBC”) dated 1 September 2015 (the “**Overdraft**”), pursuant to which HSBC agreed to make available an overdraft facility, (subject to HSBC’s General Terms and Conditions and Business Banking Terms and Conditions), on the following terms:

- The Overdraft was granted for working capital purposes;
- The limit under the Overdraft is £110,000;
- The Overdraft is “on demand” and may be withdrawn by HSBC at any time and any undrawn amounts can be cancelled. At any time HSBC can make demand for immediate repayment of all sums owed to it under the Overdraft;
- The Overdraft was facility was extended in January 2016 (and further extended in April 2016) to 30 June 2016 by means of a side letter from HSBC to Toople.com;
- An arrangement fee of £700 was initially payable and a renewal fee of £185 is payable pursuant to the extension on 28 January 2016;

- Interest on the Overdraft is charged at 3.85% a year over the prevailing Bank of England Base Rate;
- Any amount borrowed over the Overdraft limit attracts interest at HSBC's Business Standard Debit Interest Rate which as at the date of the Overdraft letter, was 19.50% per annum. A daily overdraft fee is also payable for each business day that Toople.com exceed its Overdraft limit. The daily overdraft fee is set out in HSBC's Business Banking Price List, but at the date of the Overdraft letter was £4.00; and
- The outstanding balance under the Overdraft as at the date of the document is approximately £0.10 million.

13.16 *Deed of Assignment – Toople.com*

On 3 May 2016, Toople.com Limited, Jedbull LLP and Payment Centre Limited entered a Deed of Assignment in Copyright with AskMerlin Limited. Pursuant to the deed, in consideration of the sum of £1, Toople.com, Jedbull and Payment Centre have assigned all copyright, database rights and all other rights throughout the world in the Merlin Software Platform to AskMerlin Limited.

13.17 *Deed of Assignment – Piotr Kwiatkowski*

Mr. Kwiatkowski entered a Deed of Assignment in Copyright with AskMerlin Limited on 8 March 2016. Pursuant to the deed, in consideration of the sum of £1, Mr. Kwiatkowski has assigned all copyright, database rights and all other rights throughout the world in the Merlin Software Platform to AskMerlin Limited.

13.18 *Short Term Loan between David Breith and the Group*

In addition to the Founder Loan set out in paragraph 13.14 above, David Breith, a substantial shareholder of the Company has made short term loans to the Group of £65,000 for working capital purposes ("Short Term Loan").

By way of a letter agreement dated 3 May 2016 the arrangements concerning the Short Term Loan were formalised such that the Short Term Loan:

- (i) is interest free and unsecured; and
- (ii) is repayable out of the Net Proceeds of the Placing.

14. Significant Change

Since 30 September 2015 (being the date as at which the financial information contained in Part V has been prepared in respect of Toople.com and Ask Merlin), the following significant changes have occurred in respect of the financial and trading positions of Toople.com and AskMerlin respectively.

Toople.com

- Toople.com has entered into 10 wholesale telecom contracts and gained 41 retail customers, resulting in revenue (unaudited) in excess of £364,000 in the period 1 October 2015 to 31 March 2016.
- The level of administrative and general expenses within Toople.com has increased significantly since 30 September 2015 primarily due to professional fees and wages, resulting in an unaudited loss before tax for the six month period to 31 March 2016 in excess of £527,000.
- This increase in costs has been funded by an increased level of borrowings, resulting in a movement of Toople.com's net liability position to approximately £783,000 as at 28 April 2016.

AskMerlin

- Since 30 September 2015 to 31 March 2016, AskMerlin has generated unaudited revenue in excess of £30,000 from third party licence fee agreements, resulting in an unaudited loss of approximately £24,000 (excluding inter company balances).
- There has been no significant change in the net asset position of AskMerlin.

15. General

- 15.1 Crowe Clarke Whitehill has given and has not withdrawn its written consent to the inclusion of its reports in the form set out in Part V of this document and to the references to its name in the form and context in which they appear in this document.
- 15.2 Cairn has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name in the form and context in which it appears.
- 15.3 Other than the current application for Admission, the Ordinary Shares are not 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.
- 15.4 The accounting reference date of the Company is 30 September in each year.
- 15.5 The Company has no convertible securities in issue.
- 15.6 The financial information relating to the Group contained in this document does not constitute statutory accounts within the meaning of section 434 of the Act.
- 15.7 Ian Todd & Co, Chartered Accountants was the auditor of the Company for the period covered by the historical financial information set out in Part V (“Historical Financial Information on the Group”) of this document.
- 15.8 There are no investments in progress and there are no further investments on which the Directors have already made firm commitments which are significant to the Group.
- 15.9 Save as disclosed in this document, the Directors are not aware of any trends, uncertainties, commitments or events that are reasonably likely to have a material effect on the Group’s prospects for the current financial year.
- 15.10 The Company has not been the subject of any public takeover bid by third parties during the last financial year, nor any such bids following the end of the last financial year.
- 15.11 The Directors are not aware of any environmental issues which may affect the Company’s utilisation of its tangible fixed assets.
- 15.12 There will be no shareholders’ agreements in place for the Group at the time of Admission.
- 15.13 The Company conforms with UK company law and is duly authorised according to the Company’s articles of association.
- 15.14 The Company has all necessary statutory and other consents in relation to Admission.

16. Documents available for inspection

Copies of the following documents may be inspected at the registered office of the Group, Grenville Court, Britwell Road, Burnham, Buckinghamshire, SL1 8DF during usual business hours on any day (except Saturdays, Sundays and public holidays) from the date of this Document until Admission:

- 16.1 the Articles of Association of the Group;

- 16.2 the accountants' report by Crowe Clark Whitehill on the historical financial information on the Company for the period ended 31 March 2016 set out in Part V ("Accountant's Report on the Historical Financial Information on the Company");
- 16.3 the accountants' report by Crowe Clark Whitehill on the historical financial information of Toople.com for the three years ended 30 September 2015 set out in Part V ("Accountant's Report on the Historical Financial Information of Toople.com");
- 16.4 the accountants' report by Crowe Clark Whitehill on the historical financial information of AskMerlin for the six months ended 30 September 2015 and the three years ended 31 March 2015 set out in Part V ("Accountant's Report on the Historical Financial Information of AskMerlin");
- 16.5 the accountants' report by CCW on the unaudited pro forma financial information set out in Part V ("Accountant's Report on the Unaudited Pro Forma Financial Information"); and
- 16.6 this Document.

17. Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the financial position or profitability of the Company or the Group.

18. Availability of this Document

- 18.1 Copies of this Document may be collected, free of charge during normal business hours, from the office of the Group's Financial Adviser, Cairn Financial Advisers LLP, 61 Cheapside, London, EC2V 6AX.
- 18.2 In addition, this Document will be published in electronic form and be available on the Company's website at www.toople.com subject to certain access restrictions applicable to persons located or resident outside the United Kingdom.

PART IX

DEFINITIONS

In this document, unless the context requires otherwise the words and expressions set out below shall bear the following meanings.

“Act”	the Companies Act 2006;
“Admission”	admission to the standard segment of the Official List of the UK Listing Authority by way of standard listing and to trading on the London Stock Exchange’s Main Market for listed securities;
“Adviser Warrants”	the 100,000 warrants to be constituted by the Adviser Warrant Deed, each such warrant giving Cairn the right to subscribe for one new Ordinary Shares at the Placing Price subject to the terms and conditions of the Adviser Warrant Deed;
“Adviser Warrant Deed”	the warrant deed constituting the Adviser Warrants, further details of which are set out in paragraph 13.12 of Part VIII;
“Articles”	the Articles of Association of the Company, as amended from time to time;
“AskMerlin”	AskMerlin Limited, a company incorporated on 1 December 2008 in England & Wales with registered number 06762364, being a wholly owned subsidiary of the Company;
“Ask Merlin Poland”	AskMerlin ZOO, a company incorporated on 1 July 2015 in Poland with company number 0000565369 being a wholly owned subsidiary of AskMerlin;
“Board”	the board of directors of the Company;
“Broker”	Vicarage Capital Limited;
“Cairn”	Cairn Financial Advisers LLP of 61 Cheapside, London EC2V 6AX;
“City Code”	City Code on Takeovers and Mergers issued and administered by the United Kingdom Panel on Takeovers and Mergers, as amended from time to time;
“Company” or “Toople”	Toople Plc, a company incorporated in the UK with company number 010037980;
“Concert Party”	David Breith, Andrew Hollingworth, and Matthew Donaldson;
“Control”	an interest, or interests, in Ordinary Shares carrying in aggregate 30% or more of the voting rights of a company, irrespective of whether such interest or interests give de facto control;
“Costs”	total expenses incurred (or to be incurred) by the Company in connection with the Placing, Admission and incorporation of the Company equalling approximately £0.34 million (exclusive of recoverable VAT);
“CREST”	the relevant system (as defined in the CREST Regulations) operated by Euroclear in accordance with which securities may be held and transferred in uncertificated form;

“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001No. 3755), as amended;
“Crowe Clark Whitehill”	Crowe Clark Whitehill LLP of St Bride’s House, 10 Salisbury Square, London, EC4Y 8EH;
“Toople Finance”	Toople Finance Limited, a company incorporated on 25 January 2016 in England & Wales with registered number 09967768, being a wholly owned subsidiary of the Company;
“Toople Management Services”	Toople Management Services Limited, a company incorporated on 25 January 2016 in England & Wales with registered number 09967788, being a wholly owned subsidiary of the Company;
“Toople.com”	Toople.com Limited, a company incorporated on 1 December 2008 in England & Wales with registered number 06762397, being a wholly owned subsidiary of the Company;
“Directors”	the directors of the Company as at the date of this document;
“Disclosure and Transparency Rules”	the disclosure rules and the transparency rules made by the FCA under section 73A of FSMA;
“Enlarged Share Capital”	the issued Ordinary Share capital of the Company on Admission consisting of the Existing Ordinary Shares and the Placing Shares;
“Euroclear”	Euroclear UK & Ireland Limited;
“European Economic Area”	the European Union, Iceland, Norway and Liechtenstein;
“European Union”	an economic and political union of 28 Member States located in Europe;
“Euronext”	the European cross-border exchange for trading and clearing of cash products and derivatives on regulated and non-regulated markets;
“Existing Ordinary Shares”	the 75,000,000 Ordinary Shares in issue as at the date of this document;
“Existing Shareholders”	the Shareholders of the Company prior to Admission, holding the Existing Ordinary Shares;
“FCA”	the Financial Conduct Authority of the United Kingdom (or any such body appointed in replacement thereof);
“Founder”	David Breith;
“Founder Loan”	the loan provided by David Breith as described in paragraph 13.14 of Part VIII’;
“FSMA”	the Financial Services and Markets Act 2000 (as amended from time to time);
“Group”	the Company and the Subsidiaries from time to time;
“IFRS”	International Financial Reporting Standards as adopted by the European Union;
“Investor Warrants”	the 5 million warrants to be constituted by the Investor Warrant Deed, each such warrant giving the holder thereof the right to

	subscribe for one new Ordinary Shares at the Placing Price subject to the terms and conditions of the Investor Warrant Deed;
“Investor Warrant Deed”	the warrant deed constituting the Investor Warrants, further details of which are set out in paragraph 13.11 of Part VIII;
“Listing Rules”	the Listing Rules made by the FCA under Part VI of the FSMA;
“Locked-In Person”	each of the Directors together with David Breith, Michael Hinch, Oliver Pruden, Barry French, Marie McNamee and Piotr Kwiatkowski (being the existing shareholders of the Company prior to Admission);
“London Stock Exchange” or “LSE”	London Stock Exchange plc;
“Main Market”	the Main Market of the LSE;
“Member State”	a member state of the European Economic Area;
“Model Code”	the Model Code for directors’ dealings contained in the Listing Rules;
“NED Warrants”	the 3 million warrants to be constituted by the NED Warrant Deed, each such warrant giving the holder thereof the right to subscribe for one new Ordinary Shares at the Placing Price subject to the terms and conditions of the NED Warrant Deed;
“NED Warrant Deeds”	the warrant deeds constituting the NED Warrants, further details of which are set out in paragraph 13.10 of Part VIII;
“Net Proceeds”	the net proceeds of the Placing less Costs, being approximately £1.66 million (exclusive of recoverable VAT);
“Official List”	the Official List of the United Kingdom Listing Authority;
“Ordinary Shares”	ordinary shares of 0.0667 nominal value in the capital of the Company;
“Prospectus Rules”	the prospectus rules made by the FCA under section 73A of FSMA;
“Placees”	those persons who have signed Placing Letters pursuant to the Placing;
“Placing”	the placing of the Placing Shares at the Placing Price to be undertaken by Vicarage Capital Limited, as agent for the Company, to raise £2,000,000, conditional on Admission;
“Placing Letters”	the letters from potential investors dated 29 April 2016 making irrevocable conditional applications for Ordinary Shares under the Placing;
“Placing Price”	8 pence being the price at which each Placing Share will be issued pursuant to the Placing;
“Placing Shares”	the 25,000,000 new Ordinary Shares to be issued to the Placees pursuant to the Placing;
“Premium Listing”	a Premium Listing under Chapter 6 of the Listing Rules;
“Pro Forma Financial Information”	the unaudited pro forma statement of net assets of the Company as at Part V of this Document;

“Prospectus Rules”	the prospectus rules made by the FCA pursuant to section 73A of the FSMA, as amended from time to time;
“Registrar”	Share Registrars Limited;
“Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755) (as amended from time to time);
“Shareholders” or “Shareholder”	the holder or holders of Ordinary Shares;
“Share Exchange Agreements”	the four share for share exchange agreements each entered into on 15 April 2016 between the Company and David Breith, further details of which are set out in paragraph 13.13 of Part VIII;
“Short Term Loan”	the short term loan provided by David Breith as described in paragraph 13.18 of Part VIII;
“Standard Listing”	a Standard Listing under Chapter 14 of the Listing Rules;
“Subsidiaries”	means collectively Toople.com, AskMerlin, AskMerlin Poland, Toople Finance and Toople Management Services;
“Substantial Shareholders”	David Breith and Andrew Hollingworth who together beneficially own approximately 65 per cent. of the Enlarged Share Capital;
“Takeover Panel”	Panel on Takeovers and Mergers, regulatory body which administers the City Code on Takeovers and Mergers;
“UK”	United Kingdom;
“UK Corporate Governance Code”	the UK Corporate Governance Code as published by the Financial Reporting Council in September 2014 and as subsequently amended from time to time;
“UKLA” or “United Kingdom”	the FSA acting in its capacity as the competent authority for the Listing Authority” purpose of Part VI of FSMA;
“Vicarage Capital Ltd”	the broker to the Company;
“Voting Rights”	all the voting rights attributable to the capital of a company which are currently exercisable at a general meeting;
“Warrants”	Investor Warrants, NED Warrants and Adviser Warrants; and
“£” or “GDP”	United Kingdom pounds

In this document, words denoting any gender include all genders and the singular includes the plural (and vice versa).

PART X

GLOSSARY OF TECHNICAL TERMS

“ADSL 2+”	Asynchronous Digital Subscriber Line extending existing ADSL capacity;
“Bundled Solution”	A collection of services for which pricing is not quoted for each element that it comprises;
“Carriers”	Communications providers with the ability to carry calls;
“CDR”	Call Detail Record/Call Data Record, being the records relating to voice calls;
“Cloud-based”	A product or service accessed through a data link/the internet;
“CRM”	Customer Relationship Management;
“Cloud PBX”	Cloud based PBX services;
“Data Services”	Broadband and Ethernet services;
“Direct”	Service supplied by the Group directly to the end user;
“DSL”	Digital Subscriber Line;
“Ethernet”	A commonly used networking protocol;
“EFM”	Ethernet First Mile;
“Fibre”	Fibre optic cable;
“Fixed Line”	Provision of communications services to premises using wired technology;
“Fixed Telephony Systems”	Provision of telephony services via a Fixed Line;
“FTTC”	Fibre to the Cabinet broadband service;
“Hosted Services”	Services provided to an end-customer via a Data Link;
“IP”	Internet Protocol;
“LLU”	Local Loop Unbundled;
“PBX”	Private Branch Exchange;
“Portal”/“Merlin Portal”	The Merlin platform through which the Group’s customers access their services;
“SIP”	Session Initiation Protocol for VoIP handling;
“SIP Trunking”	The provision of VoIP services using SIP;
“SLA”	Service Level Agreement;
“Traditional Services”	Calls and lines using common signal paths;
“VoIP”	Voice over Internet Protocol

