facilities by ADF

Initial Public Offering on AIM

CENKOS

Nominated Adviser and broker

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 independent financial advice from your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised under the FSMA who specialises in advising on the acquisition of shares and other securities if you are resident in the UK or, if not, from another appropriately authorised independent adviser.

This document, which is an AIM admission document and has been prepared in accordance with the AIM Rules for Companies, has been issued in connection with an application for admission to trading on AIM of the entire issued, and to be issued, share capital of the Company. This document does not constitute an offer or any part of an offer of transferrable securities to the public within the meaning of section 102B of the FSMA. Accordingly, this document does not constitute a prospectus for the purposes of section 85 of the FSMA or otherwise, and it has not been drawn up in accordance with the Prospectus Regulation Rules published by the FCA and it has not been approved by or filed with the FCA or any other competent authority.

The Company, whose registered office appears on page 10 of this document, and the Directors, whose names, addresses and functions appear on page 10 of this document, accept individual and collective responsibility for the information contained in this document and compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Company and the Directors (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application will be made to the London Stock Exchange for the Enlarged Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Ordinary Shares will commence on AIM on 5 January 2022.

AIM is a market designed primarily for emerging or smaller companies to which a higher Investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the FCA. A prospective investor should be aware of the risks of investing in such companies and should make a decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document.

The rules of AIM are less demanding than those which apply to companies whose shares are listed on the Official List. The Ordinary Shares are not traded on any other recognised investment exchange and no application has been made for the Ordinary Shares to be listed on any other recognised investment exchange. It should be remembered that the price of securities and the income from them (if any) can go down as well as up.

The whole text of this document should be read. Your attention is drawn in particular to the risk factors set out in Part III of this document. All statements regarding the Company's business, financial position and prospects should be viewed in light of the risk factors set out in Part III of this document.

Facilities by ADF plc

(a company incorporated in England and Wales under the Companies Act 2006 with registered number 13761460)

Placing of 30,000,000 New Ordinary Shares and 6,788,000 Sale Shares at 50 pence per share

and

Admission to trading on AIM

Nominated Adviser & Broker

CENKOS

Share capital immediately following Admission

	Issued and Fully Paid	
	Number	*Amount*
Ordinary Shares of 1 pence each	*75,500,000*	*£755,000*

The New Ordinary Shares to be issued pursuant to the Placing will, on issue, rank in full for all dividends and other distributions declared, paid or made in respect of the Ordinary Shares after Admission and will otherwise rank *pari passu* in all other respects with the Existing Ordinary Shares.

Cenkos, which is authorised and regulated in the UK by the FCA, is acting as nominated adviser and broker to the Company in connection with the proposed Placing and Admission and will not be responsible to any person (including any recipient of this document) other than the Company for providing the protections afforded to its clients or for advising any other person on the proposed Placing and Admission or the contents of this document or any transaction or arrangement referred to herein. Cenkos has not authorised the contents of any part of this document for the purposes of the FSMA. The responsibilities of Cenkos as the Company's nominated adviser under the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or any Director, Shareholder or any other person in respect of such person's decision to acquire shares in the Company in reliance on any part of this document. Apart from the responsibilities and liabilities, if any, which may be imposed on Cenkos by the FSMA or the regulatory regime established thereunder, Cenkos does not accept any responsibility whatsoever for the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Ordinary Shares or the Placing and Admission. Cenkos accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above) in respect of this document or any such statement.

A copy of this document will be available to view, subject to certain restrictions relating to persons resident in certain overseas jurisdictions, at the Company's website at www.facilitiesbyadf.com.

IMPORTANT INFORMATION

General

The Company does not accept any responsibility for the appropriateness, 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 or any other person regarding the Company, the Placing or Admission. The Company makes no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

As required by the AIM Rules for Companies, the Company will update the information provided in this document by means of a supplement to it if a significant new factor that may affect the evaluation by prospective investors of the Placing occurs prior to Admission or if it is noted that this document contains any mistake or substantial inaccuracy. This document and any supplement thereto will be made public in accordance with the AIM Rules for Companies.

The contents of this document are not to be construed as investment, accounting, legal, business or tax advice. Each prospective investor should consult his or her own lawyer, financial adviser and/or tax adviser for legal, financial and/or tax advice in relation to any purchase or proposed purchase of Ordinary Shares. Each prospective investor should consult with such advisers as needed to make its investment decision and to determine whether it is legally permitted to hold shares under applicable legal investment or similar laws or regulations. Prospective investors should be aware that they may be required to bear the financial risks of an investment in Ordinary Shares for an indefinite period of time.

No person has been authorised to give any information or make any representation other than those contained in this document and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Company, the Directors or Cenkos. Without prejudice to any legal or regulatory obligation on the Company to publish a supplementary admission document pursuant to the AIM Rules for Companies, neither the delivery of this document nor any subscription or sale made under this document shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company taken as a whole since the date hereof or that the information contained herein is correct as of any time subsequent to the earlier of the date hereof and any earlier specified date with respect to such information. This document is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the Directors, Cenkos or any of their representatives that any recipient of this document should subscribe for and/or purchase any of the Placing Shares.

Investing in and holding the Ordinary Shares involves financial risk. Prior to making any decision as to whether to subscribe for and/or purchase any Ordinary Shares, prospective investors should read the entirety of this document and, in particular, the section headed "Risk Factors" in Part III of this document. Investors should ensure that they read the whole of this document and not just rely on key information or information summarised within it. In making an investment decision, prospective investors must rely upon their own examination of the Company and the terms of this document, including the risk involved. Any decision to acquire Ordinary Shares should be based solely on this document. Prospective investors should consider carefully whether an investment in the Ordinary Shares is suitable for them in light of the information contained in this document and their personal circumstances.

No representation or warranty, express or implied, is made by Cenkos as to the accuracy or completeness of such information, and investors who subscribe for and/or purchase Placing Shares in the Placing will be deemed to have acknowledged that: (i) they have not relied on Cenkos or any person affiliated with Cenkos in connection with any investigation of the accuracy of any information contained in this document for their investment decision; and (ii) they have relied only on the information contained in this document, and no person has been authorised to give any information or to make any representation concerning the Company or the Ordinary Shares (other than as contained in this document) and, if given or made, any such other information or representation should not be relied upon as having been authorised by or on behalf of the Company, the Directors or Cenkos.

Cenkos, which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser and broker to the Company in connection with the proposed Placing and Admission and will not be acting for any other person (including a recipient of this document) or otherwise be responsible to any person for providing the protections afforded to clients of Cenkos or for advising any other person in respect of the proposed Placing and Admission or any transaction, matter or arrangement referred to in this document. Cenkos' responsibilities as the Company's nominated adviser and broker under the AIM Rules for Nominated Advisers are owed solely to London Stock Exchange and are not owed to the

Company or to any Director or to any other person in respect of his decision to acquire shares in the Company in reliance on any part of this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on Cenkos by the FSMA or the regulatory regime established thereunder, Cenkos does not accept any responsibility whatsoever for the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Ordinary Shares or the Placing and Admission. Cenkos accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above) in respect of this document or any such statement.

None of the Company, the Directors, Cenkos or any of their representatives is making any representation to any subscriber or purchaser of Ordinary Shares regarding the legality of an investment by such subscriber or purchaser.

In connection with the Placing, Cenkos and any of its affiliates, acting as investors for their own accounts, may acquire Ordinary Shares, and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Ordinary Shares and other securities of the Company or related investments in connection with the Placing or otherwise. Accordingly, references in this document to the Ordinary Shares being offered, subscribed, acquired, placed or otherwise dealt with should be read as including any offer to, or subscription, acquisition, dealing or placing by, Cenkos and any of its affiliates acting as investors for their own accounts. Cenkos and any of its respective affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services to the Company, for which they would have received customary fees.

Cenkos and/or any of its affiliates may have in the past engaged, and may in the future, from time to time, engage in transactions with, and provided various investment banking, financial advisory and other services in the ordinary course of their business to the Company, for which they would have received, and may in the future receive, customary fees and commissions. As a result of these transactions, these parties may have interest that may not be aligned, or could possibly conflict, with the interests of investors.

Notice to overseas shareholders

This document does not constitute an offer to sell or issue, or the solicitation of an offer to subscribe for or buy, securities in any jurisdiction in which such offer or solicitation is unlawful and, in particular, is not for publication or distribution in or into or from the United States, Canada, Australia, the Republic of South Africa, New Zealand or Japan. The Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "**US Securities Act**") nor under the applicable securities laws of any State thereof, or any province or territory of Canada, Australia, the Republic of South Africa, New Zealand or Japan nor in any country or territory where to do so may contravene local securities laws or regulations. Accordingly, the Ordinary Shares may not be offered or sold directly or indirectly in or into or from the United States, Canada, Australia, the Republic of South Africa, New Zealand or Japan or to any resident of the United States, Canada, Australia, the Republic of South Africa, New Zealand or Japan. 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 about and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions.

Notice to prospective investors in the United Kingdom

This document is being distributed in the United Kingdom where it is directed only at persons who are (a) both "qualified investors" within the meaning of article 2(e) of Regulation (EU) 2017/1129 as it forms part of domestic law pursuant to the European Union (Withdrawal) Act 2018 and either (i) persons having professional experience in matters relating to investments, i.e., investment professionals within the meaning of Article 19(5) of the Financial Promotion Order; (ii) high net-worth companies, unincorporated associations and other bodies within the meaning of Article 49 of the Financial Promotion Order; or (iii) persons to whom it is otherwise lawful to distribute it without any obligation to issue a prospectus approved by competent regulators. The investment or investment activity to which this document relates is available only to such persons. It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of person and in any event, and under no circumstances should persons of any other description rely on or act upon the contents of this document.

Notice to prospective investors in the European Economic Area

In relation to each member state of the European Economic Area ("**EEA**") (each, a "**Member State**"), no Ordinary Shares have been offered or will be offered pursuant to the Placing to the public in that Member State prior to the publication of a prospectus in relation to the Ordinary Shares which has been approved by the competent authority in that Member State, all in accordance with the EU Prospectus Regulation, except that offers of Ordinary Shares to the public may be made at any time under the following exemptions under the EU Prospectus Regulation:

i. to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;

ii. to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) in such Member State; or

iii. in any other circumstances falling within Article 3(2) of the EU Prospectus Regulation;

provided, that no such offer of Ordinary Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the EU Prospectus Regulation or any measure implementing the EU Prospectus Regulation in a Member State, and each person who initially acquires any Ordinary Shares or to whom any offer is made under the Placing will be deemed to have represented, acknowledged and agreed that it is a "**qualified investor**" within the meaning of the EU Prospectus Regulation.

For the purposes of this provision, the expression "**an offer to the public**" in relation to any offer of Ordinary Shares in any Member State means a communication in any form and by any means presenting sufficient information on the terms of the offer and any Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Ordinary Shares, as the same may be varied in that Member State by any measure implementing the EU Prospectus Regulation in that Member State, and the expression "**EU Prospectus Regulation**" means Regulation 2017/1129/EU (as amended), and includes any relevant implementing measure in each Member State.

Restrictions on sales in the United States

The Ordinary Shares have not been and will not be registered under the US Securities Act, or with any securities regulatory authority of any State or other jurisdiction of the United States and, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act, may not be offered, delivered or sold in, into or from the United States. Subject to certain exemptions, this document does not constitute an offer of Ordinary Shares to any person with a registered address, or who is resident in, the United States. There will be no public offer in the United States. The Ordinary Shares are being offered outside of the United States in "offshore transactions" in reliance on Regulation S under the US Securities Act.

The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, or any other securities commission or regulatory authority of the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Ordinary Shares nor have they approved this document or confirmed the accuracy or adequacy of the information contained in this document. Any representation to the contrary is a criminal offence in the US.

Presentation of financial information

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

Unless otherwise indicated, financial information in this document, including the Company's audited financial statements for the years ended 31 December 2018, 31 December 2019 and 31 December 2020 and the Company's unaudited interim results to 30 June 2021, and the notes to that financial information prepared in accordance with the basis of preparation stated therein, is prepared in accordance with IFRS.

Non-IFRS information

This document contains certain financial measures that are not defined or recognised under IFRS, including EBITDA. EBITDA results from Company operating profit adjusted for depreciation and amortisation, share-based payments and exceptional items. Information regarding EBITDA or similar measures is sometimes used by investors to evaluate the efficiency of a company's operations and its ability to employ its earnings toward repayment of debt, capital expenditures and working capital requirements. There are no generally accepted principles governing the calculation of EBITDA or similar measures and the criteria upon which EBITDA or similar measures are based can vary from company to company. EBITDA, alone, does not provide a sufficient basis to compare the Company's performance with that of other companies and should not be considered in isolation or as a substitute for operating profit or any other measure as an indicator of operating performance, or as an alternative to cash generated from operating activities as a measure of liquidity.

Rounding

Certain figures and percentages in this document have been subject to rounding adjustments. Accordingly, any apparent discrepancies in tables between the totals and the sums of the relevant amounts are due to rounding.

Currencies

Unless otherwise indicated in this document, all references to "pounds Sterling" or "£" are to the lawful currency of the UK.

Unless otherwise indicated, the financial information contained in this document has been expressed in pounds Sterling. For all members of the Company, the functional currency is pounds Sterling and the Company presents its financial statements in pounds Sterling.

Forward-looking statements

This document includes statements that are, or may be deemed to be, "forward-looking statements". Some of these statements reflect the Directors' current views with respect to financial performance, business strategy, plans and objectives of management for future operations (including development plans relating to the Company's products and services). These statements include forward-looking statements both with respect to the Company and the sectors and industries in which the Company operates. Statements which include the words "expects", "intends", "plans", believes", "projects", "anticipates", "will", "targets", "aims", "may", "would", "could", "continue" and similar statements are of a future or forward-looking nature.

All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause the Company's actual results to differ materially from those indicated in these statements. These factors include but are not limited to those described in Part III of this document entitled "Risk Factors", which should be read in conjunction with the other cautionary statements that are included in this document. Any forward-looking statements in this document reflect the Directors' current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Company's operations, results of operations and growth strategy.

These forward-looking statements speak only as of the date of this document. Save as required by law or by the AIM Rules for Companies, the Company undertakes no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or individuals acting on behalf of the Company are expressly qualified in their entirety by this paragraph. Prospective investors should specifically consider the factors identified in this document which could cause actual results to differ before making an investment decision.

Presentation of market, economic and industry data

This document contains information regarding the Company's business and the industry in which it operates and competes, which the Company has obtained from various third-party sources. Such third-party information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by the relevant third-party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Company has obtained the third-party data in this document from industry studies, forecasts, reports, surveys and other publications.

Market and industry data is inherently predictive and speculative, and is not necessarily reflective of actual market conditions. Statistics in such data are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market. The value of comparisons of statistics for different markets is limited by many factors, including: (i) the markets are defined differently; (ii) the underlying information was gathered by different methods; and (iii) different assumptions were applied in compiling the data. Consequently, the industry publications and other reports referred to above generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed and, in some instances, these reports and publications state expressly that they do not assume liability for such information. Specifically, Cenkos has not authorised the contents of, or any part of, this document and accordingly no liability whatsoever is accepted by Cenkos for the accuracy or completeness of any market or industry data which is included in this document.

No incorporation of website information

The contents of any website of the Company, 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 prospective investors should not rely on such information.

Interpretation

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

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

All references to legislation in this document are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation or regulation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

Information for distributors

Solely for the purposes of the product governance requirements contained within Chapter 3 of the FCA Handbook Production Intervention and Product Governance Sourcebook (the "**UK Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the UK Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that such securities are: (i) compatible with an end target market of investors who meet the criteria of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in paragraph 3 of the FCA Handbook Conduct of Business Sourcebook; and (ii) eligible for distribution through all distribution channels (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors (for the purposes of UK Product Governance Requirements) should note that: (a) the price of the Placing Shares may decline and investors could lose all or part of their investment; (b) the Placing Shares offer no guaranteed income and no capital protection; and (c) an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Cenkos will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapter 9A or 10A respectively of the FCA Handbook Conduct of Business Sourcebook; or (b) a recommendation to any investor or Company of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels.

CONTENTS

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	21 December 2021
Admission effective and dealings in the Enlarged Share Capital commence on AIM	8.00 a.m. on 5 January 2022
Date for settlement within CREST of the Placing Shares (where applicable)	8.00 a.m. on 5 January 2022
Despatch of definitive share certificates for Placing Shares (where applicable)	19 January 2022

Note:
All times are London times. Each of the times and dates in the table above and mentioned elsewhere in this document are indicative only and may be subject to change at the absolute discretion of the Company and Cenkos.

PLACING STATISTICS

Placing Price	50 pence
Number of Existing Ordinary Shares	45,500,000
Number of New Ordinary Shares to be issued by the Company pursuant to the Placing	30,000,000
Number of Sale Shares being sold by the Selling Shareholders pursuant to the Placing	6,788,000
Total number of Placing Shares	36,788,000
Number of Ordinary Shares in issue on Admission	75,500,000
Percentage of Enlarged Share Capital represented by New Ordinary Shares	39.7%
Percentage of Enlarged Share Capital represented by Sale Shares	9.0%
Percentage of Enlarged Share Capital represented by Placing Shares	48.7%
Gross proceeds of the Placing receivable by the Company	£15.0 million
Estimated net proceeds of the Placing receivable by the Company[1]	Approximately £13.0 million
Gross proceeds receivable by the Selling Shareholders in respect of the sale of the Sale Shares	£3,394,000
Expected market capitalisation of the Company at the Placing Price immediately following Admission[2]	£37,750,000
AIM TIDM	ADF
ISIN	GB00BNZGNM64
SEDOL	BNZGNM6
LEI	984500F550EB62EDCP28
Free float	32.3%

[1] After deduction of the estimated commissions, fees and expenses payable by the Company (excluding VAT).
[2] The market capitalisation of the Company at any given time will depend on the market price of the Ordinary Shares at that time. There can be no assurance that the market price of an Ordinary Share will at any given time equal or exceed the Placing Price.

DIRECTORS, SECRETARY AND ADVISERS

Directors	John Richards *(Non-Executive Chairman*) Marsden Proctor (*Chief Executive Officer*) Neil Evans (*Chief Financial Officer*) Kathryn James (*Independent Non-Executive Director*) Vinodha Wijeratne (*Independent Non-Executive Director*)
Company Secretary	ONE Advisory Limited 201 Temple Chambers 3-7 Temple Avenue London EC4Y 0DT
Registered Office and Principal Place of Business	Ground Floor 31 Oldfield Road Bocam Park Pencoed CF35 5LJ
Company's website	www.facilitiesbyadf.com
Nominated Adviser and Broker	Cenkos Securities plc 6.7.8 Tokenhouse Yard London EC2R 7AS
Reporting Accountants	Crowe UK LLP 55 Ludgate Hill London EC4M 7JW
Solicitors to the Company	Pinsent Masons LLP 30 Crown Place London EC2A 4ES
Solicitors to Cenkos	Osborne Clarke LLP One London Wall London EC2Y 5EB
Auditors	BPU Ltd Radnor House Cardiff CF23 8AA
Financial Public Relations Adviser	Alma PR Limited 71-73 Carter Lane London EC4V 5EQ
Registrars	Neville Registrars Limited Neville House Steelpark Rd Halesowen B62 8HD

DEFINITIONS

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

"ADF"	CAD Services Limited, a company incorporated in England and Wales (registered number 04533535) and having its registered office at Ground Floor 31 Oldfield Road, Bocam Park, Pencoed, Wales, CF35 5LJ
"ADF Financial Information"	the audited historical financial information of CAD Services Limited for the three years ended 31 December 2018, 31 December 2019 and 31 December 2020
"ADF Interim"	the unaudited interim financial information of CAD Services
Financial Information"	for the six-month period to 30 June 2021
"Admission"	the admission of the Enlarged Share Capital to trading on AIM becoming effective in accordance with the AIM Rules for Companies
"AIM"	AIM, a market of that name operated by the London Stock Exchange
"AIM Rules for Companies"	the AIM Rules for Companies published by the London Stock Exchange and as amended and updated from time to time
"AIM Rules for Nominated	the AIM Rules for Nominated Advisers published by the
"Advisers" or "Nomad Rules"	London Stock Exchange and as amended and updated from time to time
"Articles"	the articles of association of the Company as amended from time to time, a summary of which is set out in paragraph 5 of Part V of this document
"Barclays"	Barclays Bank PLC
"Board"	the board of Directors of the Company, whose names are set out on page 10 of this document, or any duly authorised committee thereof
"CAGR"	compound annual growth rate
"CBILS"	Coronavirus Business Interruption Loan Scheme
"certificated" or "in certificated form"	not in uncertificated form (that is, not in CREST)
"CJRS"	Coronavirus Job Retention Scheme
"Companies Act"	the Companies Act 2006 (as amended from time to time)
"Company"	Facilities by ADF plc, a company incorporated in England and Wales (registered number 13761460) and having its registered office at Ground Floor 31 Oldfield Road, Bocam Park, Pencoed, Wales, CF35 5LJ
"Concert Party"	for the purposes of the Takeover Code, those persons set out in paragraph 6.3.1 of Part V of this document
"Controlling Shareholders"	has the meaning given to it in paragraph 15 of Part I of this document
"CREST"	the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and holding shares in uncertificated form, in respect of which Euroclear UK & International Limited is the operator (as defined in the CREST Regulations)
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (as amended from time to time), including (i) any enactment or subordinate legislation which amends or supersedes those regulations; and (ii) any applicable rules made under those regulations or any such enactment or subordinate legislation for the time being in force
"Crowe"	Crowe U.K. LLP
"Directors"	the Directors of the Company

“Disclosure Guidance and Transparency Rules”	the disclosure guidance and transparency rules made by the FCA under Part V of the FSMA from time to time
“DVSA”	Driver and Vehicle Standards Agency
“EBITDA”	earnings before interest, tax, depreciation and amortisation
“Enlarged Share Capital”	the issued share capital of the Company immediately following Admission and the Placing, comprising the Existing Ordinary Shares and the New Ordinary Shares
“ESG”	Environmental, Social and Governance
“Euro”	the lawful currency of a member state of the European Union that adopts the single currency
“Euroclear UK & International”	Euroclear UK and International Limited, the operator of CREST
“Executive Directors”	the executive directors of the Company as at the date of this document, namely Marsden Proctor and Neil Evans
“Existing Ordinary Shares”	the 45,500,000 Ordinary Shares in issue immediately prior to Admission
“FVTOCI”	fair value through other comprehensive income
“FVTPL”	fair value through profit or loss
“FCA”	the UK Financial Conduct Authority
“FCA Handbook”	the FCA’s handbook of rules and guidance published by the FCA from time to time
“**FPO**” **or** “**Financial Promotion Order”**	the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005
“FRC”	the Financial Reporting Council in the United Kingdom
“FRC Ethical Standard”	the Financial Reporting Council’s Ethical Standard
“FSMA”	the Financial Services and Markets Act 2000, as amended
“FY18”	the financial year ended 31 December 2018 of the Company
“FY19”	the financial year ended 31 December 2019 of the Company
“FY20”	the financial year ended 31 December 2020 of the Company
“Group”	the Company and its subsidiary undertaking, ADF
“**H1 FY21**”	the six-month financial period ended 30 June 2021 of the Company
“HETV”	High-end Television
“HMRC”	HM Revenue and Customs
“IAS”	International Accounting Standard
“IASB”	International Accounting Standards Board
“IFRS”	International Financial Reporting Standards, as issued by the IASB as adopted by the UK
“ISIN”	international security identification number
“Lock-in Agreements”	the lock-in agreements between the Company, Cenkos and each of the Locked-in Shareholders, summary details of which are set out in paragraph 13.4 of Part V of this document
“**Locked-in Shareholders**”	the Selling Shareholders and the Executive Directors who have each entered into a Lock-in Agreement, details of which are set out in paragraph 13.4 of Part V of this document
“London Stock Exchange”	London Stock Exchange plc

“LTIP”	the Facilities by ADF Long Term Incentive Plan, details of which are set out in paragraph 10 of part V of this document
“New Ordinary Shares”	30,000,000 new Ordinary Shares to be subscribed for and issued as part of the Placing
“**Nominated Adviser**” **or**	Cenkos Securities plc, in its capacity as the Company’s
“Cenkos”	nominated adviser and broker
“**Nominated Adviser and Broker Letter”**	the engagement letter between the Company and Cenkos dated 28 October 2021 pursuant to which the Company has appointed Cenkos to act as nominated adviser, corporate broker and bookrunner to the Company for the purposes of the AIM Rules for Companies and for the purpose of making the application for Admission
“Non-Executive Directors”	the non-executive directors of the Company as at the date of this document, namely John Richards, Kathryn James and Vinodha Wijeratne
“Official List”	the Official List of the FCA
“Options”	share options to subscribe for new Ordinary Shares
“Ordinary Shares”	ordinary shares of 1 pence each in the share capital of the Company
“Placee”	a subscriber or purchaser of Placing Shares
“Placing”	the conditional placing of the New Ordinary Shares and the Sale Shares by Cenkos as agent for and on behalf of the Company and the Selling Shareholders respectively at the Placing Price pursuant to the Placing Agreement
“Placing Agreement”	the conditional agreement dated 21 December 2021 between the Company, Cenkos, the Directors and the Selling Shareholders in relation to the Placing, details of which are set out in paragraph 13.2 of Part V of this document
“Placing Price”	50 pence per Placing Share
“Placing Shares”	together, the New Ordinary Shares and the Sale Shares
“Prospectus Regulation	the prospectus regulation rules made by the FCA pursuant
Rules”	to section 73A of the FSMA from time to time
“QCA”	the Quoted Companies Alliance
“QCA Code“	the Corporate Governance Code for Small and Mid-Size Quoted Companies (2018) published by the QCA
“Register”	the register of members of the Company
“Relationship Agreement”	the conditional relationship agreement dated 21 December 2021 between the Company, Cenkos, Andrew Dixon and Sian Dixon, and Stephen Haines and Julie Fletcher, further details of which are set out in paragraph 13.5 of Part V of this document
“Reorganisation”	the reorganisation of the Group, more particularly described in paragraph 3 of Part V of this document
“**Sale Shares”**	the 6,788,000 Existing Ordinary Shares being sold by the Selling Shareholders in the Placing
“**Selling Shareholders**”	those persons selling Sale Shares pursuant to the Placing, and whose business address is the registered office of the Company namely Andrew Dixon, Sian Dixon, Stephen Haines, Julie Fletcher and Marsden Proctor
“**Shareholders”**	the holders of the Ordinary Shares from time to time

"Takeover Code"	the City Code on Takeovers and Mergers published by the Takeover Panel from time to time
"Takeover Panel"	the Panel on Takeovers and Mergers
"TIDM"	tradable investment display mnemonic
"TV"	television
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland
"UK GAAP"	UK generally accepted accounting principles
"UK MAR"	the Market Abuse Regulation (Regulation 596/2014/EU) as it forms part of domestic law pursuant to the European Union (Withdrawal) Act 2018
"uncertificated" or "in uncertificated form"	shares recorded on the Register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of an instruction issued in accordance with the rules of CREST
"USA", "US" or "United States"	the United States of America, its territories and possessions, any State of the United States and the District of Columbia and all other areas subject to its jurisdiction
"US dollar" or "$"	the lawful currency of the United States
"VAT"	UK value added tax
"WAEP"	weighted average exercise price

PART I

INFORMATION ON THE COMPANY

1. Introduction

ADF is a leading provider of premium serviced production facilities to the UK film and HETV industry. The Group hires out its facilities to productions throughout the UK and Europe, providing its services to some of the world's largest traditional and on-demand content production companies. ADF is the only high-volume facilities provider in Europe that is approved by albert, an organisation that measures and assesses the environmental impact of businesses in the film and television industry.

ADF's business was established in 1992 in Bridgend, Wales, by Andrew Dixon with Stephen Haines, joining the business as co-owner in 1997. Since then, ADF has grown to the point where it now:

- services productions with its fleet of over 500 trailers and vehicles;
- provides its services to the largest global production companies including Netflix, Sky, BBC, ITV, Disney, HBO, and Apple, amongst others;
- has worked on some of the UK's most popular television series, such as The Crown, Gangs of London and Peaky Blinders; and
- has an estimated 35 per cent. market share of providing facilities to the UK HETV market.

The Group has ambitions to grow its business to £100 million revenue.

ADF's production fleet is made up of premium mobile make-up, costume and artiste trailers, production offices, mobile bathrooms (known as honey wagons), diners, school rooms and technical vehicles. The Group provides these production facilities and additional services after a planning process with the customer held well in advance of filming. In servicing productions, ADF staff are available on site and each production is allocated an account manager who acts as a single lead point of contact during filming.

The Group serves customers in an industry that has experienced significant growth in recent years with additional demand driven by a material rise in the consumption of film and HETV content via streaming platforms such as Netflix, Disney and Amazon Prime. The UK film and TV industry has directly benefited during this growth due to the quality of its production facilities and studios, highly skilled domestic workforce, geography, accessibility to Europe, English language environment and strong governmental support. Major US streaming companies have now set up permanent bases in the UK, with the UK now Netflix's third largest operation after the USA and Canada.

The above trends have led to increased demand for the Group's services, with ADF's fleet capacity already almost fully booked for the 2022 calendar year, and the Group is seeing booking lead times of on average seven months prior to the commencement of filming. The Group's financial profile is continuing to grow despite FY20 being impacted by the disruption to its services as a result of the Covid-19 pandemic restrictions. A summary of the Group's revenue, EBITDA, and EBITDA margin in the three financial years ended 31 December 2020 and the six months ended 30 June 2021 can be summarised below:

	FY18	**FY19**	**FY20**	**H1 FY21***
Revenue	£12.6m	£15.9m	£8.0m	£11.5m
EBITDA	£2.33m	£3.34m	£0.83m	£4.17m
EBITDA Margin	18.4%	21.0%	10.3%	36.1%

**Unaudited; EBITDA excludes provisions.*
Source: Historical Financial Information.

The Directors believe that ADF's key strengths include:

- a high quality, market-leading offering resulting in strong relationships with some of the world's largest film and HETV producers;
- an experienced management team with a wide and deep network of contacts;
- strong revenue and earnings visibility;
- being an established player in an industry with high barriers to entry; and

- being the only facilities provider in Europe that is approved by albert, the authority on environmental sustainability for the film and television industry – an endorsement of the Group's positive ESG strategy.

The Company is seeking admission to trading on AIM in order to raise approximately £15.0 million of new equity to finance the acquisition of new capital equipment to meet increasing demand and to strengthen the Group's balance sheet. Admission will also help to raise the Company's profile as a leading provider of premium facilities to the film and HETV industry.

Admission will also enable the Selling Shareholders to sell a portion of their existing interests in the Company's Ordinary Shares. The Selling Shareholders and certain Directors will be subject to a lock-in period of 18 months from Admission (subject to customary exemptions).

2. History and development

A summary timeline of the Group's major historical events is shown below:

1992	Andy Dixon Facilities established by Andrew Dixon
1997	First contracts signed with the BBC, ITV and S4C
2002	Incorporation of CAD Services Limited, trading as Facilities by ADF
2012	Lease signed for workshop and head office in Bridgend
2014	Marsden Proctor joins ADF
2016	Marsden Proctor appointed as Managing Director
2017	10-year lease signed for main operational center in Bordon, Hampshire
2018	John Richards joins ADF as Chairman *Fleet size – 293 units*
2019	Neil Evans joins ADF as Chief Financial Officer 10-year lease is signed for new head office in Bocam Park, Bridgend
2020	*Fleet size – 418 units*
2021	15 year lease signed for operational hub in Longcross, Surrey, for use from 2022 *Fleet size – 514 units* Kathryn James and Vinodha Wijeratne join ADF as Non-Executive Directors

3. Business description

The Group is a leading provider of premium serviced production facilities to the UK film and HETV industry. ADF's business has grown significantly since being established in 1992 and is now profitable, cash-generative and offers a suite of over 500 vehicles and trailers to its customers. The Group intends to increase its vehicle and trailer count to over 700 units by the end of 2023.

Premises

The Group has a presence in multiple locations across England and Wales, comprising office and operational space:

Head office – Bocam Park, Bridgend, Wales

The Group's head office includes all key account management and administrative functions, including finance, HR, sales & marketing, compliance, IT, along with training and meeting spaces.

Factory – Aneurin Bevan Avenue, Brynmenin, Wales

A 5,527 square foot factory and office that includes a specialist workshop where the Company builds and maintains its fleet of vehicles and completes the fit-outs specific to client requirements. This site is owned by trustees of the shareholders' pension scheme and the Company pays rent to the pension scheme.

Storage yard – George Thomas Avenue, Brynmenin, Wales

The George Thomas Avenue storage yard is adjacent to the main factory unit and is owned by the trustees of the shareholders' pension scheme. ADF pays rent to the pension scheme each month.

Operational centre and storage – Bordon, Hampshire, England

The Bordon site is a former Ministry of Defence base and accommodates the fleet and support functions for London and the surrounding area. Employees include technicians, electricians, plumbers and body shop teams, along with a logistics team which organises and plans the delivery of the necessary units to customers.

New operational centre – Longcross, Surrey, England

An agreement was signed in May 2021 for a five acre site close to Chertsey in Surrey. The site is close to major studios from which ADF services, and the Group is due to move into the new premises in early 2022.

Storage yard – Squire Drive, Brynmenin, Wales

The Squire Drive storage yard is located close to the main factory unit and is owned by Andrew Dixon. The premises are leased from Andrew Dixon.

The Group also operates and has satellite offices in the following locations providing proximity to customers and production studios:

- Pinewood Studios – Slough
- Great Point Seren Studios – Cardiff

Workforce

As at 30 June 2021, the Group employed approximately 172 people, comprising nine directors and 163 employees. The 163 employees can be divided into the following departments:

Production support – 56 employees

This department comprises ADF teams that are based at a production site for the duration of a project. Responsibilities include looking after the customer and overseeing vehicle movements, set-up and cleaning. There is also one account manager that is assigned to each production and manages customers relations and the on-site operation.

Drivers – 44 employees

This department is responsible for the transport of facilities to and from production sites.

Technical workshop – 39 employees

This department includes technicians, electricians, shop-fitters, plumbers and body-shop experts who are responsible for the repair and preparation of the fleet.

Central – 24 employees

This department includes the finance, HR, compliance and IT operations and supports all functions and other departments of the Group.

The fleet

The Group provides a comprehensive suite of premium trailers and vehicles to the film and HETV industry. As at 31 October 2021, the fleet consisted of 514 units as follows:

	Number*	**Average Purchase Cost**
Artiste Trailers – *VIP accommodation for artists*	122	Note 1
Make-up Units	39	£65,000
Costume Units	38	£60,000
Double Expandable Trailer	1	£180,000
Generator Units	30	£67,000
Honey wagons – *Bathrooms for production staff and artists*	36	£20,000
Production Units	25	£65,000
Dining Trailers	18	£20,000
Schoolroom Trailers – *Meeting spaces for staff and artists*	21	£16,500
Technical Vehicles – *Storage and transport for equipment*	57	£75,000
Total Trailers	**387**	
Tractor Units – *Heavy-duty towing vehicles*	91	£85,000
Gully suckers – *Specialised trucks used to drain honey wagons*	6	£72,000
Other General-Usage Vans	30	£72,000
Total Vehicles	**127**	
Total Fleet as at 31 October 2021	**514**	

**Source: Management Information*

Note 1:

There are three types of artiste trailers, with the difference being the number of artists each one can accommodate. The average cost of each of each of these is as follows:

- Artiste Trailer – accommodation for one artist: £65,000
- American 2 Ways – accommodation for two artists: £55,000
- American 3 Ways – accommodation for three artists: £65,000

The average age of ADF's fleet units is currently less than 2.5 years, with approximately 75 per cent. of units less than four years old. The Directors' expectation is that the current assets will have an operational life with the Group of an average of 10 years, with older trailers being refurbished over that time and vehicles being maintained by the Group's workshops and body shops.

The Group has historically financed its fleet primarily through hire purchase and finance lease agreements. A typical hire purchase agreement will cover the financing of multiple units, with more recent agreements being over periods of between four and seven years, with ownership of the units subject to the hire purchase agreement transferring to ADF on conclusion of the agreement's term. Interest rates on fleet related hire purchase agreements typically between 2 per cent. to 4 per cent. per annum and ADF has financing agreements in place with a number of providers, including HSBC, Aldermore and Investec.

With the Group utilising its in-house workshop facilities to frequently refurbish its fleet to ensure that the high-quality standards expected by its clients are maintained, the Group does not regularly resell its vehicles or trailers.

Customers

The Group works with some of the world's largest film and HETV production companies, including Netflix, Sky, BBC, HBO and Disney. ADF prides itself on its strong relationships with these customers given the length of the working relationships, having worked with the majority of them since 2015. ADF services between 30 and 57 productions per year, having done so for the last five years, and has a current customer base of approximately 40 production companies and studios. Due to an increase in demand for content, the industry is having to plan future productions further in advance, with the Group's current average booking lead time of seven months prior to the commencement of filming. This has led to increased revenue visibility for the Group and has resulted in ADF's services being fully booked for the calendar year 2022.

The Group has seen the average initial spend per production (prior to service additions during production) increase from approximately £255,000 in 2018 to £606,000 in 2021. This is due, in part, to the increasing length and complexity of productions. Once revenue uplifts for additional services provided during production are taken into account, the Group's average total revenue per production in H1 FY2021 has been £607,000.

A breakdown of the Group's revenues between 1 January 2018 and 30 June 2021 is shown below:

Customer	**FY18-H1 FY21 revenue (£m)**	**% of total revenue**
Netflix	£9.9m	23.9%
Sky	£7.7m	18.6%
BBC	£5.5m	13.4%
ITV	£3.1m	7.6%
Disney	£3.0m	7.2%
HBO	£2.7m	6.4%
Apple TV	£2.4m	5.7%
Other	£7.1m	17.2%
Total	**£41.4m**	**100%**

Business generation

The Group's ability to generate new business is assisted by:

1) The Chief Executive Officer, Marsden Proctor, has over 25 years' experience in the film and HETV industry and has developed a wide and deep network of contacts during this time. The Group does not rely on advertising and new business enquiries regularly reach out directly to Marsden Proctor and the Group's sales staff for quotations in relation to potential new business.

2) The Group operates in an industry where there are high barriers to entry. This has resulted in only a few reputable premium facilities providers in the market for large film and HETV producers.

3) Production companies rely on the wellbeing of artists and staff at filming sites in order to run a successful production. ADF facilities are of a standard which, so the Directors believe, are highly regarded in higher end productions and are of greater quality and comfort than smaller facilities players in the market are able to provide. This is reflected by the continued retention of ADF by Netflix and other large production companies.

Service delivery

The delivery of the Group's services typically begins with a customer approaching ADF with an outline of its requirements for an upcoming production. Given facilities are an absolute necessity for film and TV production, the availability of the Group's equipment and services can be critical to defining production timelines. As a result, the Company is currently receiving initial enquiries from customers up to 12 to 18 months prior to the intended commencement of filming and average lead times for ADF's products between bookings and the commencement of filming are at present an average of approximately seven months. In response to an initial customer approach, the Group's sales and marketing team produces an initial quote based on initial specifications that is updated as the customer's requirements change in the leadup to, and during, production.

During the lead time to production, the operations team completes a plan that details the logistics to fit around the production requirements. This will include the facilities and staff required, at which specific times, and for how long they are required on set, along with any planned movements in between locations during filming. Should any facilities to be provided by ADF require bespoke or amended specifications, these alterations can be carried out by ADF's Fleet Maintenance and Transport division in the lead up to production.

During the project, an ADF account manager will act as a single point of contact to the customer 24 hours a day, seven days a week, in doing so responding to any questions or any requested changes to the original plan. Changes to agreed customer plans may occur, for example, if there have been delays in filming and the production requires ADF to provide facilities for longer than had initially been agreed. In addition, each project will be supported by an on-site team to oversee vehicle movements between filming locations, and for the set-up and cleaning of facilities.

The Group primarily generates revenue through the hiring of its facilities on a fixed daily rate. Revenue is also generated by any additional customer spend on productions, including:

- Labour: includes base staff on-site and drivers transporting trailers to the production;
- Fuel: all fuel used in the delivery of ADF's services as part of productions is charged to customers at a 10 per cent. margin;
- Sundry recharges: includes cleaning and other costs that are passed on to customers; and
- Fuel Cards by ADF: Providing a fuel card solution to an industry not typically supported by main stream fuel card providers, allowing ADF's customers to centralise and effectively manage their own production related fuel costs.

A breakdown of ADF's historical revenue by source is set out below:

Source	**FY18**	**FY19**	**FY20**	**H1 FY21***
Facility hire	£7.57m	£10.15m	£6.15m	£6.69m
Labour	£3.63m	£3.98m	£1.49m	£3.58m
Fuel	£1.03m	£0.98m	£0.07m	£0.84m
Sundry recharges	£0.28m	£0.49m	£0.21m	£0.29m
Fuel Cards by ADF	£0.02m	£0.23m	£0.09m	£0.12m
Other	£0.07m	£0.08m	£0.03m	£0.02m
Total	**£12.60m**	**£15.91m**	**£8.04m**	**£11.54m**

**Unaudited*

4. Key strengths

High quality offering

In order to deliver large scale productions and compete in the production facilities market, the quality of a provider's fleet needs to be high. ADF prides itself upon the strength of its fleet and customer service, and this has required significant capital expenditure on a range of specialised equipment.

Maintaining a high-quality fleet alongside providing strong customer service has led to ADF having positive direct relationships with some of world's largest traditional and on-demand production companies. This has enabled ADF to win contracts for future productions produced by its existing customers.

Being able to retain customers is critical for the success of a business such as ADF's as production companies are unlikely to change provider once they know the facilities and service levels meet its requirements. This is due to the importance of the wellbeing of its artists, staff and for the overall success of a production, and a production company could risk this by engaging an unreliable or unknown facilities provider.

Strong earnings visibility

The Group serves customers in an industry where long term planning is a requirement, given the complex logistics, number of staff, differing locations and often bespoke set requirements of each production. The length of time for planning has increased in recent years due to the rise in both demand for content and scale of productions. As a result, ADF is receiving enquiries up to between 12 and 18 months before a production is filmed and its orderbook has been completely filled for 2022 and currently stands at approximately £20 million, excluding uplifts. The current level of revenue visibility allows the Group to both prepare effectively in order to provide high quality customer service, and also carefully and accurately plan its growth strategy.

Established player in an industry with high barriers to entry

In order to have an established market share in the premium production facilities industry, there are two significant barriers to entry.

Firstly, a large amount of capital expenditure on specialised equipment is required in order to satisfy the requirements of the largest film and HETV productions in the UK. The Directors believe it would take at least two to three years and require approximately £40 million of capital expenditure to replace ADF's current fleet.

Secondly, having a high quality network of contacts and an industry recognised brand is required in order to generate material new engagements. A new entrant into the market without an industry contact base would likely struggle to generate sufficient leads. For example, with over 25 years' experience in the film and HETV industry, Marsden Proctor, Chief Executive Officer, has developed this network which enables ADF to compete for most material new UK production contracts.

The above means there is limited competition in the market for premium facility providers, and as a result ADF is one of only a few reputable options to deliver on productions of a certain scale.

5. Growth strategy

The Group has ambitions to grow revenues to over £100 million. Initially, the Company intends to grow organically through further investment into revenue generating fleet equipment, however, the Group is also looking at a number of other opportunities to grow the business through inorganic means.

Organic growth

ADF plans to increase its fleet size from its current level of 514 to 600 by the end of 2022 and over 700 by the end of 2023. The Group has committed to new fleet capital expenditure orders of approximately £7.2 million and £6.6 million for 2022 and 2023, respectively. These capital expenditure commitments are for incremental additions to the fleet and not replacement units. Once the fleet size reaches 700 as planned, the Directors believe the requirement for incremental capital expenditure will significantly decrease from 2022 and 2023 levels.

The Group's 2022 and 2023 capital expenditure orders have been placed well in advance due to the current high demand for production facilities and strained worldwide supply chains. This has led to increased lead times on production of the new fleet from ADF's key suppliers in Canada, the UK and the Netherlands. Long lead times on supply does however, the Directors believe, mean that only those facilities companies with existing supplier relationships, such as ADF, will be able to secure supply and thus ADF is expected to maintain and even increase its market share in the UK.

Due to the growth in UK film and HETV production and the high levels of demand seen for ADF's services, the Directors believe that there will be sufficient demand over the coming years to fully utilise a fleet size of 700 vehicles and trailers.

Inorganic growth

ADF's inorganic growth strategy will focus on the following areas:

- **Competitor suppliers** – the Directors estimate that ADF currently has approximately 20 to 25 per cent. of the UK TV and film facilities market, with three other main competitors comprising a further approximate 45 to 50 per cent. of the market, and the remainder of the market largely consisting of smaller sole operators. All of these competitors are private companies and the Directors believe that ADF's access to public capital markets and share incentives following Admission will put the Company in a strong position for acquisitions, with any acquisitions increasing ADF's market share.
- **Complementary services for film and TV** – ADF can expand its range of services through the acquisition of other businesses servicing the UK film and TV industry. Such businesses may include those which provide storage, props, catering, training and other equipment to ADF's own customers. The rationale of expanding ADF's range of services will be to move ADF closer to a "one stop shop" for film and TV producers and to capitalise on cross referral of sales.

- **Expansion into Europe** – acquisition of European film and TV production suppliers, initially focused, in Spain, France and Eastern Europe. The Directors believe that the acquisition of international businesses with existing teams and equipment will be a more productive route to gaining international market share than attempting to grow ADF's business purely organically in overseas jurisdictions.

6. The UK film and HETV Market

Demand for UK film and HETV has never been higher, with a total estimated spend in the UK market of £5.2 billion in the 12 months to 30 June 2021, including £3.6 billion spent in the 6 months to 30 June 2021 across 300 productions. The main driver of this increase in spending has been an increased production of HETV, driven by increased demand for HETV and the relocation to the UK of a number of the world's large production companies, such as Netflix. This has resulted in the UK HETV market, which ADF predominantly services, growing at a CAGR of 37 per cent. since the 2016/17 year.

A summary of the UK film & HETV industry spend over the previous 5 years is shown below, with total spend growing over that period at a CAGR of 15 per cent..

£bn	2016/17	2017/18	2018/19	2019/20	2020/21
Films	2.0	2.1	2.2	1.4	1.7
HETV	1.0	1.5	1.8	1.4	3.5
Total	**3.0**	**3.6**	**4.0**	**2.8**	**5.2**

Source: British Film Institute

Some of the world's largest production companies have in recent times begun setting up significant long term operations in the UK. For example, the world's largest spender on content, The Walt Disney Company, in 2019 secured a long term lease at London's Pinewood Studios. Furthermore, in 2019 Netflix signed a 10 year lease at Shepperton Studios in West London which guarantees Netflix exclusive access to the majority of the facilities. Following this, in September 2021, Netflix signed an additional long term lease at Longcross Film Studios which gives it additional physical production footprint to produce content. The UK is Netflix's third biggest production base outside of the USA and Canada and it plans to produce $1 billion worth of film and TV in the territory in 2021. Netflix's cash spend on production content has grown at a CAGR of 32.1 per cent. since the beginning of 2015 and is expected to reach a total of $17 billion in 2021.

Sky Studios has also announced the investment in building a new 32-acre, state-of-the-art TV and film studio at Elstree, just north of London, which is expected to generate an additional £3 billion of production investment in the UK's creative economy over the first five years of operation, from Sky, NBCUniversal and other producers. The appeal of the UK for international production is further exemplified by Amazon Studios decision to move the filming of its second season of *The Lord of the Rings* to the UK from New Zealand. Amazon spent £336 million on the first season and four more seasons are expected.

The large increase in UK film and TV spend by production companies has been driven by a number of factors, mainly that the UK has an expanding supply of high quality studios; a long history and experience of film making with a highly skilled domestic workforce; a wide array of accessible locations, including cities, scenery and nearby access to Europe; strong government support, as demonstrated during the Covid-19 pandemic; favourable tax treatment and UK government incentives; and the English language, which is the language of the majority of films and TV productions.

7. Competition

The Directors believe that the Group currently has a share of approximately 20 to 25 per cent. of the UK's film and HETV facilities market, with three other main competitors comprising a further approximate 45 to 50 per cent. of the market. The Directors believe that the remainder of the market largely consists of smaller sole operators which only have the capacity for one or two concurrent productions.

The Group's three major competitors are Translux International Limited, with an estimated market share of approximately 23 per cent. of the UK film and HETV market and an estimated fleet size of approximately 600; Movie Makers Limited, with an estimated market share of approximately 14 per cent. of the UK market and an estimated fleet size of over 500; and On-Set Location Services Limited, with an estimated market share of approximately 9 per cent. of the UK market and an estimated fleet size of approximately

250. Each of these competitors are privately owned and have each been operating in the market for approximately 25 years.

Given the Group is focused on the HETV market, the Directors estimate that the Group has approximately 36 per cent. of the UK HETV market share, with Translux International Limited, Movie Makers Limited, On-Set Location Services Limited, and other smaller operators, having approximately 19 per cent., 6 per cent., 10 per cent., and 29 per cent., respectively.

8. Suppliers/supply chain

ADF considers itself to have excellent relationships with the suppliers of its fleet. This is critical to the success of the business due to the specialised nature of the trailers that are provided.

The Group's tractor units, gully suckers and other general-use vans are sourced from a range of vehicle manufacturers. These include Audi AG, Mercedes-Benz, Volkswagen Group, Volvo Cars, and other well-known brands found throughout Europe.

Five different suppliers are used for the Group's trailers. All of these have been used since ADF started offering the trailers it supplies.

DAF

UK-based DAF is the provider of 161 of ADF's current fleet and includes technical vehicles, generators, gully suckers and camera trucks. These vehicles and financed 100 per cent. through PACCAR (parent of DAF) and their in-house financing provider. Purchase plans have already been agreed for 2022 and 2023.

General Coach

General Coach, based in Canada, provides the artiste trailers and production offices which arrive fully-fitted to specifications. ADF currently has 41 orders in place to satisfy demand and purchase plans have already been agreed for 2022 and 2023.

Talson

Talson, based in Germany, provides costume and makeup trailers. They are motorised trailers and therefore do not require another vehicle to tow them to and from production sites. Talson's trailers do not come fitted and therefore ADF's workshops fit them to requirements.

Expandable-BV

Expandable BV is a new supplier of high-end double expandable trailers from the Netherlands. ADF acquired one unit in August 2021.

Shaw Services Huddersfield

Shaw Services provides honey wagons, school rooms and dining trailers to ADF.

9. Environmental, Social and Governance (ESG)

The Group is very conscious of its responsibilities as a corporate citizen and is proactive in achieving a strong ESG strategy and maintains a compliance profile, covering its legal obligations for vehicles, water testing, electrical work, equipment inspection, training and wellbeing programmes.

Environmental considerations

The Group is committed to establishing the management of its environmental considerations as a key corporate priority, helping to deliver an environmentally sustainable media production industry. ADF is recognised as the only albert Approved facilities provider to the film and television industry in Europe. albert is the film and TV industry authority on environmental sustainability and it is funded by the industry to understand the opportunities for the industry to create positive environmental change.

ADF has undertaken the following in order to achieve this status:

- invests in its vehicles to ensure that they are clean and efficient, and that they meet Euro 6 emission standards;

- all vehicles are Ultra Low Emission Zone (ULEZ) and eco-friendly compliant and use biofuel wherever possible;
- unnecessary mileage on its vehicles is reduced through meticulous planning ahead of productions;
- holds a full DVSA license for the operation of goods vehicles and full comprehensive insurance cover; and
- maintains approved contractor status with NICEIC, the UK's leading registration body for the electrical contracting industry.

Social

The Group is committed to protecting the health, safety and wellbeing of employees and wider stakeholders who are affected by its business operations, as shown by:

- adhering to up-to-date health and safety policies and Covid-19 protocols, including location-based risk assessments and employee / driver vetting procedures;
- achieving approved contractor status with First Option Safety Group, the leading health and safety consultants to the media and entertainment industry;
- ongoing monitoring that includes a program of regular health and safety inspections, audit and reporting to ensure compliance; and
- frequent external assessments by health & safety consultants. These assessments ensure ongoing conformity to compliance obligations, the introduction of safety improvement initiatives and ongoing enhancements.

Governance

The Board recognises the value and importance of high standards of corporate governance and will, with effect from Admission, adopt the QCA Code. Further details as to the Company's approach to governance are set out in Part II of this document.

10. Current trading and prospects

Since the period ended 30 June 2021, ADF has continued to trade strongly and is expected to achieve a strong annual revenue in the 2021 calendar year. Demand for the Group's services continues to be strong with the current fleet's capacity almost entirely booked for the 2022 calendar year.

Given the continued positive momentum in the Group's business, and the Directors' assessment of the strength of the Group's growth strategy and business model, the Directors have confidence in the Group's prospects for the current and upcoming financial year. The Board is focused on the Group's growth strategy to continue gaining market share and being the leading provider of facilities to the UK film and HETV market.

11. Directors and Senior Managers

Executive Directors

Marsden Proctor – Chief Executive Officer (aged 51)

Marsden began working in the Television and Film industry in 1996 at Screen Facilities as a Facilities Driver. He then worked at Bristol Television Film Services for 14 years prior to joining ADF in July 2014. Marsden's initial appointment at ADF was as General Manager with the objective of implementing an infrastructure that would give the business the capacity to grow, along with developing the sales department.

Following the decision of the founders Andrew Dixon & Stephen Haines to take a step back from ADF in 2016, Marsden was appointed as Chief Executive Officer. During his tenure Marsden has driven the Group's long-term growth strategy through the growth of its infrastructure and oversaw the Group's fleet more than double in size.

Neil Evans – Chief Financial Officer (aged 59)

Neil joined ADF in April 2019. His career began as an officer in the Royal Marine Commandos before joining Deloitte in 1989 where he qualified as a Chartered Accountant.

After leaving Deloitte, Neil has worked in a variety of directorship roles. Having been Group Finance Director at family-owned business Greens Motor Group Limited for five years, Neil then joined Dublinbased outsource call centre business Conduit, where he worked as Managing Director for seven years, growing the UK work force to over 3,500. Neil then joined FTSE 100 company Serco plc as Chief Commercial Officer of its newly formed BPO division, before taking up the Finance Director role at Bluestone National Park, where he brought the business back into employee / family ownership in 2018 and became a part-owner as a result.

Non-Executive Directors

John Richards – Non-Executive Chairman (aged 65)

John joined ADF in 2018. He is an experienced business manager who, following graduation from Aston University, worked as a graduate trainee at Delta Metals Group. He served as Sales and Marketing Director of Ibstock Brick before becoming Managing Director of a number of Ibstock plc subsidiaries.

He is now Chairman of Brickability Group plc, a national supplier of building materials, Chairman of JR and M Investments, a provider of finance to the home building industry, and a Director of Birmingham Moseley Rugby Limited.

Kathryn James – Independent Non-Executive Director (aged 53)

Kathryn most recently spent four years as Managing Director of all of the NEC Group's exhibition, conference and conventions businesses having previously been Managing Director of The National Exhibition Centre for 8 years. Prior to this Kathryn spent a total of approximately six years as Managing Director, and Finance, HR & Commercial Director, of Luton Airport. Kathryn is also a member of ICAEW.

Vinodha Wijeratne – Independent Non-Executive Director (aged 56)

Vinodha is the Interim Chief Financial Officer for the Gambling Commission. Vinodha was formerly CFO for The Royal Mint and a member of its Executive and Board between 2010 and 2018, subsequently he was appointed Interim Chief Operating Officer at the University of South Wales before being appointed CFO of Zip World, an adventure leisure business with private equity investment. Earlier in his career he was Commercial Finance Director of Orange for five years before becoming Director of Strategic Planning at Orange and EE. Vinodha is a Fellow at the Institute of Chartered Accountants of England and Wales and a Fellow of the Institute of Directors.

The Company intends to appoint an additional independent non-executive director to the Board in the 12 months following Admission.

Senior Manager (PDMRs)

Wayne Evans – Operations Director

Wayne has worked in a number of Senior Operation and Contract Management roles for over 35 years. This has included working as Operations Manager at Aggreko plc, a global provider of temporary power generation and temperature equipment, for 10 years.

Wayne joined ADF in 2018 as Head of Operations before being made Operations Director in August 2019. Wayne's focus is to deliver client centric solutions and maintain a high-quality service through safety, compliance, and quality-control.

Equity participation

Immediately prior to Admission, the Directors will be interested, in aggregate, in 5,500,000 Ordinary Shares, representing 12.1 per cent. of the Existing Ordinary Shares. On Admission, the Directors will be interested in 3,800,000 Ordinary Shares, representing 5.0 per cent. of the Enlarged Share Capital.

Incentive arrangements

The Company's incentive arrangements are summarised in Part II of this document and further details are set out in paragraphs 4.7 and 10 of Part V of this document.

12. Reasons for Admission and use of proceeds

The Company is seeking to raise approximately £15.0 million before expenses pursuant to the Placing (approximately £13.0 million net of expenses). In addition, the Selling Shareholders are seeking to raise approximately £3.4 million before expenses in the Placing. The funds raised through the issue of the New Ordinary Shares will be used as capital for the Company to pursue organic growth through the acquisition of capital equipment and to pay fees associated with the Placing and Admission.

The Company will not receive any proceeds from sale of the Sale Shares which will be paid to the Selling Shareholders.

13. Dividend policy

The Directors recognise the strong earnings profile of the Company following Admission and believe that the Company will be well placed to pay a regular dividend to Shareholders. At the same time, the Directors believe that there is significant opportunity to grow the business and win market share, establishing ADF as a market leader in the UK.

It is the Board's intention to commence a progressive dividend policy when appropriate and will target a dividend cover of approximately three times earnings per Ordinary Share in the near future.

14. The Placing and Admission

On Admission, the Company will have 75,750,000 Ordinary Shares in issue and a market capitalisation at the Placing Price, of £37.75 million. The Placing comprises the issue of 30,000,000 New Ordinary Shares and the sale of 6,788,000 Existing Ordinary Shares. Cenkos has agreed, pursuant to the Placing Agreement and conditional, *inter alia*, on Admission, to use its reasonable endeavours to procure institutional and other subscribers for the New Ordinary Shares to be issued by the Company and purchasers for the Sales Shares to be sold by the Selling Shareholders under the Placing. The Placing will raise in total £15.0 million before expenses for the Company. The Placing Shares will represent approximately 48.7 per cent. of the Enlarged Share Capital.

The Placing, which is not being underwritten, is conditional, *inter alia*, upon:

- the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms prior to Admission; and
- Admission becoming effective not later than 8.00 a.m. on 5 January 2022, or such later date as Cenkos and the Company may agree, being not later than 8.00 a.m. on 31 January 2022.

The New Ordinary Shares will be issued fully paid. On Admission, the New Ordinary Shares will rank *pari passu* in all respects with the Existing Ordinary Shares (including the Sale Shares) including the right to receive all dividends and other distributions declared, paid or made after the date of issue.

The Selling Shareholders have agreed to satisfy any liability to stamp duty or stamp duty reserve tax (if any) arising on the sale of the Sale Shares, save for any stamp duty or stamp duty reserve tax arising under sections 67, 70, 93 and 96 of the Finance Act 1986

None of the Placing Shares have been marketed to or will be made available in whole or in part to the public in conjunction with the application for Admission. Application has been made to the London Stock Exchange for the issued and to be issued ordinary share capital of the Company to be admitted to trading on AIM. Admission is expected to become effective and dealings in the Ordinary Shares are expected to commence at 8.00 a.m. on 5 January 2022.

Further details of the Placing Agreement are set out in paragraph 13.2 of Part V of this document.

15. Relationship Agreement

The Company has entered into a relationship agreement with (i) Andrew Dixon, Sian Dixon, Stephen Haines and Julie Fletcher (being the "**Controlling Shareholders**") and (ii) Cenkos to regulate the relationship between the Company and the Controlling Shareholders after Admission, further details of which are set out in paragraph 13.5 of Part V of this document (the "**Relationship Agreement**"). The Relationship Agreement will be binding for as long as the Controlling Shareholders (together with anyone deemed to be acting in concert with them) are interested in 20 per cent. or more of the rights to vote at a general meeting of the Company. Amongst other things, the Relationship Agreement provides that each of the Controlling Shareholders, so far as they are able, shall (a) procure that all arrangements between any member of the Group and the Controlling Shareholders be on an arm's length basis and on normal commercial terms; (b) not take any action that could reasonably be expected to have the effect of preventing the Company from complying with its obligations under the AIM Rules for Companies; and (c) not propose or procure the proposal or a resolution intended to circumvent the proper application of the AIM Rules for Companies.

16. Lock-ins and orderly market arrangements

Pursuant to the terms of the Lock-in Agreements, each of the Locked-in Shareholders has undertaken not to sell, transfer or dispose of any Ordinary Shares held by them at Admission for a period of 18 months following Admission (the "**Restricted Period**"). These restrictions are subject to certain customary exceptions including any sale or disposal with the prior consent of Cenkos.

In addition, each of the Locked-in Shareholders has undertaken not to dispose of any Ordinary Shares during the period of six months from the end of the Restricted Period.

The Lock-in Agreements are intended to preserve an orderly market in the Ordinary Shares after Admission. Details of these arrangements are set out in paragraph 13.4 of Part V of this document.

At Admission, these restrictions will apply in respect of 36,712,000 Ordinary Shares representing 48.6 per cent. of the Enlarged Share Capital.

17. The Takeover Code

The Takeover Code applies to the Company. Under the Takeover Code, if an acquisition of Ordinary Shares were to increase the aggregate interest in shares of the acquirer and any parties acting in concert with it to Ordinary Shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer and, depending on the circumstances, its concert parties (if any) would be required (except with the consent of the Takeover Panel) to make a cash offer for the Ordinary Shares not already owned by the acquirer and its concert parties (if any) at a price not less than the highest price paid for Ordinary Shares by the acquirer or its concert parties (if any) during the previous 12 months. A similar obligation to make such a mandatory cash offer would also arise on the acquisition of Ordinary Shares by a person holding together with its concert parties (if any) Ordinary Shares carrying at least 30 per cent., but not more than 50 per cent., of the voting rights in the Group if the effect of such acquisition were to increase the percentage of the aggregate voting rights held by the acquirer and its concert parties (if any).

The Takeover Code defines persons "acting in concert" as comprising persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control of a company or to frustrate the successful outcome of an offer for a company. "Control" means an interest, or interests, in shares carrying in aggregate 30 per cent. or more of the voting rights of a company, irrespective of whether such interest or interests give *de facto* control. A person and each of its affiliated persons will be deemed to be acting in concert with each other.

The Company's advisers have agreed with the Takeover Panel that there is a concert party comprising the Controlling Shareholders. Together, this Concert Party will hold 46.8 per cent. of the Enlarged Share Capital immediately following Admission as follows:

Persons		Description	% of Ordinary Shares
(a)	Andrew Dixon	Founding Shareholder	14.0%
(b)	Stephen Haines	Founding Shareholder	14.0%
(c)	Sian Dixon	Founding Shareholder	9.4%
(d)	Julie Fletcher	Founding Shareholder	9.4%

Since, on Admission, the Concert Party will together be interested in Ordinary Shares carrying not less than 30 per cent. but will not hold Ordinary Shares carrying more than 50 per cent. of the voting rights of the Company, it will be unable to increase its aggregate holding of voting rights in the Company without making a general offer for the Company under Rule 9 or otherwise with the Takeover Panel's consent.

Further information on the provisions of the Takeover Code and the Concert Party is set out in paragraph 6.3 of Part V of this document.

18. Admission, dealings and CREST

Application has been made to the London Stock Exchange for the Enlarged Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings will commence in the Ordinary Shares at 8.00 a.m. on 5 January 2022.

No temporary documents of title will be issued. All documents sent by or to a placee, or at his or her direction, will be sent through the post at the placee's risk. Pending the dispatch of definitive share certificates, instruments of transfer will be certified against the register of members of the Company. The Company has applied for the Ordinary Shares to be admitted to CREST and it is expected that the Ordinary Shares will be so admitted and accordingly enabled for settlement in CREST on the date of Admission. Accordingly, settlement of transactions in Ordinary Shares following Admission may take place within the CREST system if any individual Shareholder so wishes provided such person is a "system member" (as defined in the CREST Regulations) in relation to CREST. Dealings in advance of crediting of the relevant CREST account(s) shall be at the sole risk of the persons concerned.

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument in accordance with the CREST Regulations. The Articles permit the holding of Ordinary Shares in uncertificated form in accordance with the CREST Regulations.

CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

For more information concerning CREST, Shareholders should contact their brokers or Euroclear UK & International Limited at 33 Cannon Street, London, EC4M 5SB.

19. Taxation

The attention of investors is drawn to the information regarding taxation which is set out in paragraph 17 of Part V of this document. These details are, however, only intended as a guide to the current taxation law position in the UK. **Investors who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK are strongly advised to consult their professional advisers.**

20. Risk Factors

Prospective investors should consider carefully the risk factors described in the section headed "Risk Factors" and set out in Part III of this document in addition to the other information set out in this document and their own circumstances, before deciding to invest in Ordinary Shares.

21. Notification of major interest in Ordinary Shares

Chapter 5 of the Disclosure, Guidance and Transparency Rules makes provisions regarding notification of certain shareholdings and holdings of financial instruments. Where a person holds voting rights in the Company as a shareholder through direct or indirect holdings of financial instruments, then that person has an obligation to make a notification to the Company of the percentage of voting rights held where that percentage reaches, exceeds or falls below 3 per cent. or any whole percentage point above 3 per cent. The requirement to notify also applies where a person is an indirect shareholder and can acquire, dispose of or exercise voting rights in certain cases.

22. Further Information

You should read the whole of this document which provides additional information on the Company and the Placing and not rely on summaries or individual parts only. Your attention is drawn, in particular, to the financial information in Part IV of this document and the additional information set out in Part V of this document.

PART II

DIRECTORS AND CORPORATE GOVERNANCE

1. Directors

The Board comprises the following persons:

- John Richards (*Non-Executive Chairman*)
- Marsden Proctor (*Chief Executive Officer*)
- Neil Evans (*Chief Financial Officer*)
- Kathryn James (*Independent Non-Executive Director*)
- Vinodha Wijeratne (*Independent Non-Executive Director*)

The Company intends to appoint an additional independent non-executive director to the Board in the 12 months following Admission.

The Directors are supported by senior manager Wayne Evans, the Group's Operational Director.

2. Corporate governance

The Board recognises the value and importance of high standards of corporate governance and intends to observe the requirements of the QCA Code.

The Board will continue to be responsible for the overall management of the Company including the formulation and approval of the Company's long-term objectives and strategy, the approval of budgets, the oversight of Company operations, the maintenance of sound internal control and risk management systems and the implementation of the Company's strategy, policies and plans. Whilst the Board may delegate specific responsibilities, there will be a formal schedule of matters specifically reserved for decision by the Board. The Board will formally meet eight times per annum to review performance.

At Admission, the Board is expected to comprise five directors, of whom two are executive and three are non-executive.

The Board has established an audit committee, remuneration committee and disclosure committee with formally delegated duties and responsibilities, as described below.

Audit committee

The audit committee will have responsibility for monitoring the integrity of the Company's financial statements, reviewing significant financial reporting issues, reviewing the effectiveness of the Company's internal control and risk management systems, monitoring the effectiveness of the internal audit function and overseeing the relationship with the external auditors (including advising on their appointment, agreeing the scope of the audit and reviewing the audit findings).

The audit committee comprises John Richards, Kathryn James and Vinodha Wijeratne and will be chaired by Vinodha Wijeratne. The audit committee will meet at least three times a year at appropriate times in the reporting and audit cycle and otherwise as required. The audit committee also has unrestricted access to the Company's external auditors.

Remuneration committee

The remuneration committee will have responsibility for determining and agreeing with the Board the framework for the remuneration of the Chairman, the Executive Directors and other designated senior executives and, within the terms of the agreed framework, determining the total individual remuneration packages of such persons including, where appropriate, bonuses, incentive payments and share options or other share awards. The remuneration of Non-Executive Directors will be a matter for the chairman and the executive members of the Board. No Director will be involved in any decision as to his or her own remuneration.

The remuneration committee comprises John Richards, Kathryn James and Vinodha Wijeratne and will be chaired by John Richards. The remuneration committee will meet as and when necessary.

Nomination committee

The nomination committee will have responsibility for reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board and giving full consideration to succession planning. The Nomination Committee will also have responsibility for recommending new appointments to the Board and to the other Board committees. It will be responsible for identifying suitable candidates for board membership and monitor the performance and suitability of the current Board on an on-going basis.

The nomination committee comprises John Richards and Kathryn James and will be chaired by John Richards. The nomination committee will meet as and when necessary.

Disclosure committee

The disclosure committee will provide support to the Board in relation to compliance with UK MAR, the Disclosure Guidance and Transparency Rules and the AIM Rules for Companies and the identification, control and disclosure of "inside information". The disclosure committee comprises John Richards and Neil Evans and is chaired by John Richards. The disclosure committee will meet at such times and in such manner (including by telephone) as shall be necessary or appropriate.

Share dealing code

The Company has adopted a share dealing code, with effect from Admission, which is compliant with Article 19 of UK MAR and Rule 21 of the AIM Rules for Companies. The share dealing code will apply to any person discharging management responsibility, including the Directors and senior management and any closely associated persons and applicable employees.

The share dealing code imposes restrictions beyond those that are imposed by law (including by the FSMA, UK MAR and other relevant legislation) and its purpose is to ensure that persons discharging managerial responsibility and persons connected with them do not abuse, and do not place themselves under suspicion of abusing, price-sensitive information that they may have or be thought to have. The share dealing code sets out a notification procedure which is required to be followed prior to any dealing in the Company's securities.

3. Share incentive arrangements

The Directors believe that the success of the Group will depend to a significant degree on the future performance of the management team. The Directors also recognise the importance of ensuring that all employees are well motivated and identify closely with the success of the Group. Accordingly, ADF has historically issued share options to key ADF executives and the Company will operate a long term incentive plan with effect from Admission.

Long term incentive plan

The LTIP is a plan under which awards of conditional shares (being a conditional right to acquire Ordinary Shares), options (with a nil/nominal or market value exercise price) and/or restricted shares (subject to restrictions and the risk of forfeiture) may be granted to Directors and key employees over Ordinary Shares. Awards may have performance conditions attached.

Details of the LTIP are set out at paragraph 10 of Part V of this document.

PART III

RISK FACTORS

An investment in the Company is subject to a number of risks and uncertainties. Accordingly, in evaluating whether to make an investment in the Company, potential investors should consider carefully all of the information set out in this document and the risks attaching to an investment in the Company, including but not limited to the risk factors described below, before making any investment decision with respect to the Ordinary Shares.

The risk factors described below do not purport to be an exhaustive list and do not necessarily comprise all of the risks to which the Company is exposed or all those associated with an investment in the Company. In particular, the Company's performance is likely to be affected by changes in market and/or economic conditions and in legal, accounting, regulatory and tax requirements. The risk factors described below are not intended to be presented in any assumed order of priority. Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect upon the Company. If any of the following risks were to materialise, the Company's business, financial condition, results, prospects and/or future operations may be materially adversely affected. In such case, the value of the Ordinary Shares may decline and an investor may lose all or part of their investment.

Prospective investors should consider carefully whether an investment in the Ordinary Shares is suitable for them in the light of the information in this document and their personal circumstances. Prospective investors should consult a legal adviser, an independent financial adviser or a tax adviser for legal, financial or tax advice if they do not understand any part of this document.

RISKS RELATING TO THE BUSINESS AND OPERATIONS OF THE COMPANY

Reduction in quality of service or product or failure to deliver service could have a negative impact on reputation

The Group has a good reputation for the quality of its service provision and the breadth of its offering. The strength of the ADF brand and the Group's ability to deliver services in the production of high value film and HETV productions is fundamental to the Group's success and in winning new business. The ability of the Group to deliver a production is based on numerous factors such as the availability of equipment, the availability of labour, the required expertise, the weather and the cooperation of other contractors. If the Group is unable to deliver its services to the satisfaction of the customer, the customer's artists or at all, it would reflect negatively on the Group. As the Group expands it becomes more challenging to ensure a consistent quality of product and service and the risk of delivering a project that is not of a sufficient standard increases. Any such reduction in standard would be to the detriment of the Group's brand and may adversely affect the Group's business, financial condition, results, prospects and/or future operations.

Equipment failure and human error

Due to the nature of the business, a failure of equipment provided by the Group to its customers or could lead to an interruption in the provision of the Group's production critical services. Such a failure could impact the reputation of the Group. The Group relies on its employees and third parties in its day-to-day operations who may, as a result of human error, fail to operate the equipment properly and in accordance with health and safety guidelines. If there was an accident or injury caused by negligent acts or omissions or the improper operation of equipment provided by Company, the reputational impact on the Group's brand would be substantial. The repercussions of any such incidents could affect the Group's ability to win or retain business. In addition to the reputational impact of equipment failure or human error, the Company would likely incur significant associated costs. These costs could be sufficiently sizeable to have a material impact on the Company's profitability and could adversely affect the Group's business, financial condition, results, prospects and/or future operations.

Material claims for breach of contractual obligations

Any failure by the Group to meet its contractual obligations to any customer could result in the Group receiving claims for losses and damages which could have a material and adverse impact on the Group. Whilst the Group actively seeks to minimise its risk through appropriate contractual terms, it may not always be able to negotiate suitable terms which could expose it to greater loss. Similarly, whilst the Group reviews its insurance cover, there could be circumstances which could conceivably lead to the Group suffering loss which is either not insured or in respect of which it is not fully insured. Any such loss may materially adversely affect the Group's business, financial condition, results, prospects and/or future operations.

Dependence on key executives and personnel

ADF's future success is substantially dependent on a relatively small number of people and the Directors therefore view the continued service of certain of its Directors, senior management and other key personnel as important. While the Directors are taking steps to ensure that knowledge, skills and expertise are shared so as to avoid the Group being unduly dependent on individuals, they acknowledge that such measures may prove not to be effective if there were adverse circumstances beyond the Group's control affecting one or more key personnel. In order to be able to develop, support and maintain its business, the Group must also recruit and retain suitably qualified personnel. There is no assurance that it will always be able to do so on a timely basis. The loss of any key member of the Group's management may have a material and adverse effect on the business, financial condition, results, prospects and/or future operations

New operation centre at Longcross

ADF signed an agreement in May 2021 for a five acre site at Longcross, near Chertsey in Surrey. The site is close to major studios, such as Netflix, Pinewood, Shepperton and Elstree. The Group is due to move its operations from its Bordon site to the new premises in mid 2022. The redevelopment of the existing facilities are currently under way however there is no guarantee that the Group will be able to relocate to Longcross in mid 2022. The Company is required to vacate the Bordon site in April 2022 and as such has taken a temporary six month lease of a site nearby to the existing Bordon site. If there is a delay to the Longross redevelopment project and the Company is unable to relocate in mid 2022, the Company may have to find a further temporary solution until it is able to relocate to the Longcross site. This disruption will result in additional costs for the Group and may adversely affect the Group's business, financial condition, results, prospects and/or future operations.

Failure to protect confidential information or data privacy compliance breaches could harm the Group's reputation and expose the Company to litigation or other legal or regulatory actions.

The Group provides its services to the UK film and HETV industry and regularly works on projects which are highly confidential and subject to strict non-disclosure agreements. In the event of a breach of such agreements, the film and TV studios take action to enforce their rights against any person who is believed to have been complicit. If the Company or any of its employees or agents were implicated in any inadvertent or intentional breach of confidentiality it would have a material adverse affect of the Company's reputation and might adversely affect the Group's business, financial condition, results, prospects and/or future operations.

The Group processes personal data as part of its business and there is a risk that this data could become public if there were a security breach at the Group or its third party service providers, such as, as a result of phishing or malware attacks, in respect of such data.

The Group relies upon third party contractors and its own employees to collect and process personal data and to maintain its databases. Therefore, the Group is exposed to the risk that such data could be wrongfully appropriated, lost or disclosed, damaged or processed in breach of data protection law and regulation.

Advances in technology may result in an increased prevalence of, and/or more sophisticated, cyber-security attacks which may result in the compromise of the Group's information security systems. The Group's security measures may not detect or prevent all attempts to breach the Group's security systems which may subject the Group to fines. The Group and such third parties may not be able to anticipate or prevent all types of attacks. Security breaches can also occur as a result of non-technical issues, including intentional or inadvertent security breaches by the Group's employees or by third-parties' employees. In addition, due to the ever-evolving nature of these threats, the Group is required to continue to invest resources to enhance the Group's security systems.

Breaches of the Group's security measures or other cyber-security incidents could impact the day-to-day operations of the Group and result in: (i) unauthorised access to the Group's networks and systems, resulting in unauthorised access to sensitive and confidential customer information, proprietary information of the Group or third parties; (ii) disruption of the Group's operations; and (iii) costs incurred to remedy such breach, and other potential liabilities. In the event of any system security breaches, the Group could face liability under such laws (including significant fines), In particular, in the event of any system security breaches, the Group could face liability under such laws (including significant fines), could lose the goodwill of its customers and clients and suffer significant reputational damage which could have a material adverse effect on its business.

System Failure / Cyber Attacks

Phones systems, basic email and Group network functionality are integral to ensuring the smooth operation of sales and purchasing functions, and the ADF business in general. The Group has protection and backup systems in place via contracted IT providers which manage and maintain IT systems, however should these protections fail or be breached in a cyber-attack this could impact the day-to-day operations of the business, potentially impacting the Group's profitability and customer relationships. In November 2020, the Group detected a potential data attack when three of its servers became non-operational within the space of a few hours. The situation was satisfactorily addressed with the Information Commissioners' Office and key stakeholders were notified. In response to the data breach the Group put in place additional preventative measures however there can be no certainty that the Group's systems will be able to prevent future cyber-attacks which could have a material adverse effect on its business.

Use of third party logos

The Group uses certain third party logos and names on its website and in promotions, marketing and advertising materials. The Group does not always have an explicit licence with such third parties and instead relies on custom and practice to use the logos and names. The unauthorised use of third party intellectual property rights by the Group would constitute an infringement of third party intellectual property rights and might expose the Group to the risk of third party claims in this respect. If such claims were successful they may have a material adverse effect on the Group's business, financial condition, results, prospects and/or future operations.

Loss of a major customer

Although the Group's customer base is relatively well diversified across some of the world's largest film and HETV content production companies, the Group's top four customers with which the Group has a long-term historical relationship, contributed approximately 70 per cent. of ADF's revenues between FY19 and FY20. Consequently the loss of any such major customer would have a direct impact on the earnings potential of the business. Furthermore, it would be challenging to replace any such lost income with a single equivalent contract with a different production company, as the relationship for a first major contract with the potential new customer usually takes time to establish. The Group regularly enters into contracts with customers on a production by production basis and has done for a number of years. If the customer ceases to engage the Group in future years then this could have an adverse impact on the business, financial condition, results, prospects and/or future operations of the Group.

Loss of a major supplier

The Group's equipment is critical to the delivery of ADF's offering and the quality of the Group's fleet is as a direct result of the Group's in-house bespoke customisation, maintenance, and refurbishment of units. The Group relies heavily on a limited number of supplies of tractor units and base trailers. The Group has no written or long-term contractual arrangements with these suppliers and so if one of these major suppliers were to cease or materially reduce its supply to the Group, or be unable to deliver new units as part of the Group's intended expansion, it would be challenging to make up purchases from other suppliers which could have a negative impact on the business, financial condition, results, prospects and/or future operations of the Group.

Stamp duty and transfer taxes

In connection with the corporate reorganisation, there has been a transfer of the entire issued share capital of ADF to the Company pursuant to a share exchange agreement prior to the completion of the Placing and Admission. The Company has made an application to HMRC for such transfer to be adjudicated as not chargeable to stamp duty by virtue of section 77 of the Finance Act 1986. While it is expected that all of the conditions of section 77 of the Finance Act 1986 can be satisfied and relief should be available, if such relief is not forthcoming the Company will be required to pay 0.5 per cent. stamp duty of the value of the consideration given for that transfer, which is expected to be, broadly, 0.5 per cent. of the value of the share capital of ADF transferred to the Company.

Competition

Whilst the Directors consider that the Group has a leading position it its market, the film and HETV industry is highly competitive. The Group typically differentiates itself from its competitors on quality of service and product, which can result in a higher priced offering. On occasion the Group will therefore lose work to a competitor that has a different offering, usually priced at a discount to the ADF service. Competitive pricing pressure can therefore lead to a loss of revenue and/or margin and have a material adverse effect on the Group's financial performance. Furthermore, in certain locations, the Group's competitors will have existing relationships with local event organisers and have an established a track record of successful delivery. These longstanding relationships and local reputation may limit the Group's ability to win work in new locations and may inhibit the Group's international expansion as a result.

Covid-19 pandemic

The ongoing Covid-19 pandemic, including the resulting global economic uncertainty and measures taken in response to the pandemic, in particular its effects in the United Kingdom, or other epidemics or pandemics, could have a significant adverse impact on the Group's revenue, operations and workforce. The outbreak of the Covid-19 pandemic has resulted in authorities, including those in the United Kingdom, implementing numerous measures to try to contain the virus, such as travel bans and restrictions, lockdowns, quarantines and shutdowns of business and workplaces and has led to materially increased volatility in financial markets and significant changes to the global macroeconomic outlook. During lockdown the Group's operations were suspended as the film and HETV industry ceased producing new content. Strict measures may be put in place in the future, which for example, may impact adversely the Group's fulfilment and logistic capabilities. Any further regional or global epidemics or pandemics or the further and continued spread of Covid-19 and its new variants, may have an adverse effect on the Group's business, results of operations and financial condition and the degree of such impact will depend on future developments, which are uncertain and cannot be predicted.

Informal contractual arrangements

Some of the Group's contractual arrangements are based on the counterparty's standard terms and conditions as amended by agreed oral terms or a course of dealing, rather than by a written contract. The lack of a formal, written contract documenting the agreed terms may result in an inherent lack of certainty as to the exact terms agreed which may lead to potential disputes with the counter parties. The costs of resolving any such disputes may have a material adverse effect on the Group's business, financial condition, results, prospects and/or future operations.

Furthermore, as the Group does not have formal long term contracts in place, such third party suppliers may alter the terms on which they operate and provide services to the Group on terms less favourable to the Group or change the terms on which they supply products to the Group, fail to deliver products in a timely manner and/or terminate their relationship with the Group, all of which could negatively affect the Group's business, results of operations and financial condition.

Unfavourable contract terms

The Group has a number of contracts with its customers which include wide indemnities and some of these indemnities are provided on an uncapped basis or otherwise do not seek to limit the Group's liability thereunder. These indemnities create an inherent risk that any liability on the Group's part for any breach could be material. A successful claim under such indemnities may therefore have a significant adverse impact on the Group's profitability. In addition, the Group has a number of contractual relationships under which the counterparty may terminate for a change of control. In the event that this affects a contract which is material to the Group's business, this may have a significant impact on the Group's profitability.

Financial controls, internal reporting procedures and regulatory policies

The Group has systems and controls in place to allow it to produce accurate and timely financial statements and to monitor and manage risks. If any of these systems or controls were to fail the Group may be unable to produce financial statements accurately or on a timely basis or expose the Group to risk. Any concerns investors may have over the potential lack of available and current financial information and the controls the Group has in place could adversely affect the Company's share price. Furthermore, until recently the Group has not had anti-bribery, anti-corruption and anti-facilitation of tax evasion policies and procedures in place. There is no positive obligation to have such policies and procedures in place, however without them the Group will be unlikely to be able to avail itself of the defence of having adopted reasonable policies and procedures. In the event of any wrongdoing by the Group's agents, employees or other intermediaries being found to have occurred prior to the adoption of the policies and procedures, it would have a material adverse impact on the Group's reputation.

The Group's operations are subject to health and safety and other regulations

The Group is required to comply with regulations relating to, among others, health and safety, planning, land use, building regulation standards, environmental matters and employment. The Company has in place a health and safety policy statement and procedures however, the Company has no formal safety management system in place and needs to formalise this as well as a training programme in relation to health and safety management post Admission. Significant events or breaches or violations of applicable laws or regulations could result in restrictions on operations, damages, fines, litigation and/or other sanctions and/or result in the Company incurring liabilities which, in turn, could have a material adverse effect on the Group's businesses, results of operations and overall financial condition or adversely affect the value of the Group's assets.

Current operating results as an indication of future results

The Group's operating results may fluctuate significantly in the future due to a variety of factors, many of which are outside of its control. Accordingly, investors should not rely on comparisons with the Group's results to date as an indication of future performance. Factors that may affect the Group's operating results include the number of productions filmed and an increased level of expenses as it continues to expand organically and through acquisition. It is possible that, in the future, the Group's operating results will fall below the expectations of securities analysts or investors. If this occurs, the trading price of the Company's shares may decline significantly.

Inability to find appropriate acquisition targets

One of the Board's stated strategies is to expand through acquisition. Such acquisitions may provide increases in footprint via the addition of new locations, provide access to customers and relationships that the Group may not currently have and would accelerate the Group's ability to grow the business. However, sourcing acquisition targets which suit the Group's target markets, strategy, geographic focus, brand and ethics, presents a far greater challenge. Accordingly, the Group may find that its growth opportunities are limited by the quality and appropriateness of the acquisition targets in any given geography. Furthermore, once an appropriate acquisition candidate has been identified, there is a risk that the Group may enter into a competitive purchase process with other market participants, which will likely inflate the purchase price.

Failure to successfully integrate future acquisitions

Having identified and completed an acquisition, the Group will face the challenge of integrating a new company into the Group's operations. Integration of a company and its employees into a wider group's management structure, systems and controls, reporting framework, information technology systems, culture and strategy, to the extent necessary, may prove challenging and create inefficiencies. This may be particularly problematic when buying businesses internationally, where local business culture and working practices differ significantly. The process might also require significant attention from management that would otherwise be focussed on the ongoing development of its business. There can be no guarantee that the Group will be able to successfully integrate future acquisitions in an efficient manner. Any integration challenges that the Group encounters may have a negative effect on the business, financial condition, results, prospects and/or future operations of the Group and may lead to a write off of goodwill.

Liabilities to French taxation and payroll withholding in relation to Marsden Proctor's salary and taxable benefits

Marsden Proctor currently provides services to the Company from both the UK and France, and has done so since he commenced employment with the Company in 2014. Accordingly, the Company's payroll income tax withholding obligations in relation to Mr. Proctor's salary and other taxable benefits should have been apportioned between France and the United Kingdom based on the number of workdays spent by Mr. Proctor in each country. It is understood that, based on his working time, such apportionment should have been on an approximate 50/50 basis – with the portion of Marsden Proctor's salary and taxable benefits which is attributable to his duties in the United Kingdom being subject to UK income tax. The portion of Marsden Proctor's salary and taxable benefits which is attributable to his French workdays should be subject to French income tax. Based on applicable social security regulations, Marsden Proctor's entire salary and taxable benefits should be subject to both employee's and employer's French social security contributions, with no portion of his salary and taxable benefits subject to UK employee's or employer's National Insurance contributions ("**NICs**"). The Company is obliged to operate payroll withholding in respect of such tax and social security liabilities and pay the relevant amounts to HMRC or the French tax authorities, as applicable.

The Company has only recently become aware of the Company's obligations in relation to Marsden Proctor's working patterns and has historically solely withheld UK tax and employee's NICs from (and paid UK employer's NICs on) the full amount of Marsden Proctor's salary and taxable benefits, without any apportionment on account of Marsden Proctor's working time in France. The Company has not withheld and paid to the French tax authorities any amount on account of French income tax and social security contributions in respect of Marsden Proctor's salary and taxable benefits, nor has the Company paid any amount of French employer's social security contributions due on such amounts. The Company has therefore been advised that it therefore in default on its French payroll withholding in this regard and its liability to pay French employer's social security contributions on Marsden Proctor's salary and taxable benefits.

The Company is actively engaging with its tax advisers to calculate the amount of French tax that should have been withheld and paid to the French tax authorities in respect of the French portion of Marsden Proctor's salary and taxable benefits, as well as the Company's liability to pay French employer's social security contributions, and any penalties and interest that will be payable in respect of its default on its payroll withholding and employer social security obligations for relevant periods in France (from 1 January 2018 onwards).

This potential liability is likely to be offset in part by the availability of refund of any income tax, employee's NIC and employer's NICs which have been overpaid in the UK since UK tax year 2015/16.

The aggregate liability of the Company is estimated at up to approximately £124,000. Further potential penalties and interest of up to approximately £40,000 are estimated and will be payable by the Company.

Liabilities to French employer's social security obligations on exercise of Marsden Proctor's options over Ordinary Shares

Marsden Proctor's French working patterns also means that the three grants of Options over an aggregate of 3,500,000 Ordinary Shares which have been granted to him (and which are further detailed at paragraph 4.7 of Part V of this document) (the "**Relevant Options**") will be subject to French payroll tax withholding (in relation Mr. Proctor's to French workdays) and fully subject to both employee's and employer's French social security contributions (with no time apportionment for duties performed in the UK) when the Relevant Options are exercised.

Marsden Proctor intends to exercise the Relevant Options in full immediately prior to Admission. A Company liability to French employer's social security contributions will arise on exercise of the Relevant Options, in the amount of £327,192. This liability will be a direct cash cost to the Company.

Future equity awards made to Marsden Proctor on or after Admission may be subject to tax in France based on his French workdays and may, depending on the facts, be fully chargeable to French social security.

GENERAL RISKS

An investment in the Company is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss that may result from the investment. A prospective investor should consider with care whether an investment in the Company is suitable for him or her in the light of his or her personal circumstances and the financial resources available to him or her. The investment opportunity offered in this document may not be suitable for all recipients of this document. Investors are therefore strongly recommended to consult an investment adviser authorised under the FSMA, or such other similar body in their jurisdiction, who specialises in advising on investments of this nature before making their decision to invest.

Investment in the Company should not be regarded as short-term in nature. There can be no guarantee that any appreciation in the value of the Company's investments will occur or that the commercial objectives of the Company will be achieved. Investors may not get back the full amount initially invested.

The prices of shares and the income derived from them can go down as well as up. Past performance is not necessarily a guide to future performance.

Any economic downturn either globally or locally in any area in which the Group operates may have an adverse effect on demand for the Group's products. A more prolonged downturn may lead to an overall decline in sales. Economic uncertainty might have an adverse impact on the Group's business, financial condition, results, prospects and/or future operations.

A downturn in the economy

An economic downturn, either globally or locally in any area in which the Group operates, is likely to have a negative effect on the general public's disposable income. This will have an impact on the affordability of many of the subscription-based services of many of ADF's customers.

Reduced numbers of content service subscribers would be expected to reduce the demand for content and may therefore reduce the scope for the Group's services as the frequency of productions reduces. Content producers may react to an economic downturn by reducing subscription costs and production budgets, an action that would have a knock-on effect for suppliers and service providers. A reduction in the cost of ADF's services would have a negative impact on profitability. The markets in which the Group operates are directly affected by many national and international factors that are beyond the Group's control and as a result there can be no guarantee that the Group's current level of profitability will be maintained.

Government regulation

There are currently a number of UK government schemes in place which increase the level of investment within the UK film and HETV industry. There is no guarantee that these government programmes and tax advantages will continue, and their removal could lead to a reduction in the demand from international production companies for UK based services, which may lead to a reduction in profitability for the Group.

Taxation and legislative changes

This document has been prepared on the basis of current legislation, regulation, rules and practices and the Directors interpretation thereof. Such interpretation may not be correct and legislation, regulation, rules and practice may change, possibly with retrospective effect. Any change in legislation, regulation, rules or practice may have an adverse effect on the returns available on an investment in the Company.

RISK RELATING TO THE ORDINARY SHARES

General

Prior to Admission, there has been no public market in the Ordinary Shares. Whilst the Company is applying for Admission, there can be no assurance that an active trading market for the Ordinary Shares will develop or, if developed, that it will be maintained.

The Ordinary Shares will be traded on AIM rather than the Official List. AIM is a market emerging or smaller companies and may not provide the liquidity normally associated with the Official List or other exchanges. It may be more difficult for an investor to realise his or her investment in an AIM-traded company than a company whose securities are listed on the Official List.

The trading price of the Ordinary Shares may be subject to wide fluctuations in response to a range of events and factors, such as change in investor sentiment regarding the Ordinary Shares or variations in interim or full year operating results, announcements of technological innovations or new products and services by the Group or its competitors, changes in financial estimates and recommendations by securities analysts, the share price performance of other companies that investors may deem comparable to the Group, the general market perception of construction supply companies, construction industry, market conditions in the sector, news reports relating to trends in the Group's markets, legislative changes in the Group's sector and other factors outside of the Group's control. Such events and factors may adversely affect the trading price of the Ordinary Shares, regardless of the performance of the Group.

Prospective investors should be aware that the value of the Ordinary Shares could go down as well as up and investors may therefore not recover their original investment especially. The market price of the Ordinary Shares may not reflect the underlying value of the Company.

The future success of AIM and the liquidity in the market for ordinary shares cannot be guaranteed. In particular, the market for ordinary shares may be, or may become, relatively illiquid particularly given the Lock-in Agreements described paragraph 13.4 of Part V of this document and therefore the Ordinary Shares may be or may become difficult to sell.

An investment in shares traded on AIM carry a higher risk than those listed on the Official List.

The price which investors may realise for their holding of Ordinary Shares, and when they are able to do so, may be influenced by a large number of factors, some of which are specific to the Company and others of which are extraneous.

Valuation of Ordinary Shares

The Placing Price has been determined by the Company and may not relate to the Company's net asset value, net worth or any established criteria or value. There can be no guarantee that the Ordinary Shares will be able to achieve higher valuations or, if they do so, that such higher valuations can be maintained.

Market perception

Market perception of the Group may change, potentially affecting the value of investors' holdings and the ability of the Group to raise further funds by the issue of further Ordinary Shares or otherwise.

Substantial sales of Ordinary Shares, Lock-in and Orderly Marketing Arrangements

There can be no assurance that certain Directors or other Shareholders will not elect to sell their Ordinary Shares following the expiry of the Lock-in Agreements and orderly marketing arrangements, details of which are set out in paragraph 13.4 of Part V of this document, or otherwise. The market price of Ordinary Shares could decline as a result of any such sales of Ordinary Shares or as a result of the perception that these sales may occur. In addition, if these or any other sales were to occur, the Company may in the future have difficulty in offering Ordinary Shares at a time or at a price it deems appropriate.

Additional capital and dilution

The Directors are of the opinion, having made due and careful enquiry and taking into account the net proceeds of the Placing, that the Group will from the time of Admission have sufficient working capital for its present requirement, that is for at least 12 months from the date of Admission. However, it is possible that the Company will need or choose to raise extra capital in the future to finance the development of the Group's business or to respond to new competitive pressures. If the Group is unable to obtain this financing on terms acceptable to it then it may be forced to curtail its development. If additional funds are raised through the issue of new equity or equity-linked securities of the Company other than on a *pro rata* basis to existing Shareholders, the percentage ownership of such Shareholders may be substantially diluted. There is no guarantee that the then prevailing market conditions will allow for such a fundraising or that new investors will be prepared to subscribe for Ordinary Shares at the same price as the Placing Price or higher.

No guarantee that the Ordinary Shares will continue to be traded on AIM

The Company cannot assure investors that the Ordinary Shares will always continue to be traded on AIM or on any other exchange. If such trading were to cease, certain investors may decide to sell their shares, which could have an adverse impact on the price of the Ordinary Shares. Additionally, if in the future the Company decides to obtain a listing on another exchange in addition or as an alternative to AIM, the level of liquidity of the Ordinary Shares traded on AIM could decline.

Dividends

There can be no assurance as to the level of future dividends, if any. The declaration, payment and amount of any future dividends of the Company is subject to the discretion of the Directors and will depend upon, among others, the Company's earnings, financial position, cash requirements and availability of profits, as well as the provisions of relevant laws and generally accepted accounting practice.

PART IV

HISTORICAL FINANCIAL INFORMATION RELATING TO CAD SERVICES LIMITED

PART IV – SECTION A

Accountant's Report on the Historical Financial Information of CAD Services Limited

Crowe U.K. LLP
Chartered Accountants
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21 December 2021

The Directors
Facilities by ADF plc
Ground Floor, 31 Oldfield Road
Bocam Park
Pencoed
Wales CF35 5LJ

The Directors
Cenkos Securities plc
6.7.8 Tokenhouse Yard
London EC2R 7AS

Dear Sirs,

Introduction

We report on the audited historical financial information of CAD Services Limited ("**ADF**") for the three years ended 31 December 2018, 31 December 2019 and 31 December 2020 (the "**ADF Financial Information**"), set out in Section B "*Historical Financial Information of CAD Services Limited*" of Part IV "*Historical Financial Information Relating to CAD Services Limited*" of Facilities by ADF plc's (the "**Company**") admission document dated 21 December 2021 (the "**Admission Document**").

Opinion on financial information

In our opinion, the ADF Financial Information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the ADF as at the date stated and of the results, financial position, cash flows and changes in equity for the period then ended in accordance with the basis of preparation set out in note 2 to the ADF Financial Information and International Financial Reporting Standards as issued by the UK Endorsement Board ("**IFRS**").

Responsibilities

The Directors are responsible for preparing the ADF Financial Information on the basis of preparation set out in note 2 to the ADF Financial Information. It is our responsibility to form an opinion on the ADF Financial Information and to report our opinion to you.

Basis of Preparation

This ADF Financial Information has been prepared for inclusion in the Document on the basis of preparation and accounting policies set out in note 2 to the ADF Financial Information. This report is required by part (a) of Schedule Two to the AIM Rules for Companies (the **"AIM Rules"**) and is given for the purposes of complying with the AIM Rules and for no other purpose.

Basis of opinion

We conducted our work in accordance with Standards of Investment Reporting issued by the Financial Reporting Council in the United Kingdom (the "**FRC**"). We are independent of ADF in accordance with relevant ethical requirements. In the United Kingdom this is the FRC's Ethical Standard as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our work included an assessment of evidence relevant to the amounts and disclosures in the ADF Financial Information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial statements underlying the ADF Financial Information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

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

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules, we are responsible for this report as part of the Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Document in compliance with Paragraph (a) of Schedule Two of the AIM Rules.

Yours faithfully

Crowe. U.K. LLP

Crowe U.K. LLP

Chartered Accountants

PART IV – SECTION B

HISTORICAL FINANCIAL INFORMATION OF CAD SERVICES LIMITED

FOR THE THREE YEARS ENDED 31 DECEMBER 2020

Statements of profit or loss and other comprehensive income

	Note	Year ended 31 December 2018 £'000	Year ended 31 December 2019 £'000	Year ended 31 December 2020 £'000
Revenue	4	12,602	15,914	8,038
Cost of sales		(8,427)	(10,851)	(7,475)
Gross profit		4,175	5,063	563
Other operating income	5	—	—	1,895
Administrative expenses		(2,557)	(2,661)	(2,527)
Operating profit/(loss)	7	1,618	2,402	(69)
Finance income	11	—	—	1
Finance expense	11	(108)	(264)	(411)
Profit/(loss) before taxation		1,510	2,138	(479)
Taxation	12	(286)	(470)	77
Profit/(loss) for the year		1,224	1,668	(402)
Other comprehensive income				
Total other comprehensive income		—	—	—
Total other comprehensive income/(expense)		1,224	1,668	(402)
Earnings per share for profit attributable to the owners				
Basic earnings/(loss) per share (£')	14	12,242	16,677	(4,022)
Diluted earnings/(loss) per share (£')	14	11,678	15,969	(3,738)

All amounts relate to continuing operations.

Statements of financial position

	Note	As at 31 December 2018 £'000	As at 31 December 2019 £'000	As at 31 December 2020 £'000
Assets				
Current assets				
Trade and other receivables	18	944	830	665
Corporation tax receivable	12	—	—	365
Cash and cash equivalents	19	310	1,330	1,254
Total current assets		1,254	2,160	2,284
Non-current assets				
Property, plant and equipment	15	2,265	3,165	3,378
Right-of-use assets	16	3,181	8,819	11,106
Total non-current assets		5,446	11,984	14,484
Total assets		6,700	14,144	16,768
Liabilities				
Current liabilities				
Trade and other payables	20	1,778	1,775	2,258
Lease liabilities	16	972	839	2,100
Borrowings	21	27	71	547
Corporation tax payable	12	256	86	—
Total current liabilities		3,033	2,771	4,905
Non-current liabilities				
Borrowings	21	53	77	399
Other provisions	17	—	34	37
Lease liabilities	16	595	6,692	7,273
Deferred tax liabilities	12	469	852	1,224
Total non-current liabilities		1,117	7,655	8,933
Total liabilities		**4,150**	**10,426**	**13,838**
Net Assets		**2,550**	**3,718**	**2,930**
Equity				
Called up share capital	22	—	—	—
Retained earnings		2,550	3,718	2,930
Total equity		**2,550**	**3,718**	**2,930**

Statements of changes in equity

	Share Capital £'000	Retained earnings £'000	Total Equity £'000
Balance as 01 January 2018	**—**	**1,706**	**1,706**
Comprehensive Income			
Profit for the year	—	1,224	1,224
Transactions with owners			
Dividends	—	(380)	(380)
Balance at 31 December 2018	—	2,550	2,550
Balance at 01 January 2019	—	2,550	2,550
Comprehensive Income			
Profit for the year	—	1,668	1,668
Transactions with owners			
Dividends	—	(500)	(500)
Balance at 31 December 2019	—	3,718	3,718
Balance at 01 January 2020	—	3,718	3,718
Comprehensive Income			
Loss for the year	—	(402)	(402)
Transactions with owners			
Dividends	—	(386)	(386)
Balance at 31 December 2020	—	2,930	2,930

Statements of cash flows

	Note	Year ended 31 December 2018 £'000	Year ended 31 December 2019 £'000	Year ended 31 December 2020 £'000
Cash flows from operating activities				
Profit/ (loss) before taxation from continuing activities		1,510	2,138	(479)
Adjustments for non-cash/non-operating items:				
Depreciation of property, plant and equipment	15	175	207	65
Amortisation of right-of-use assets	16	532	735	830
Movement in provisions		—	34	3
Profit on disposal of property, plant and equipment and right-of-use assets		233	595	324
Foreign currency profit		—	—	(19)
Finance income	11	—	—	(1)
Finance expense	11	108	264	411
		2,558	3,973	1,134
(Increase)/decrease in trade and other receivables		(419)	86	161
Increase in trade and other payables		321	26	504
Cash from operations		2,460	4,085	1,799
Corporation tax (paid)/ received		(110)	(262)	—
Net cash generated from operating activities		2,350	3,823	1,799
Cash flows from investing activities				
Purchase of property, plant and equipment	15	(208)	(176)	(95)
Purchase of right of use assets		—	(314)	(901)
Interest received	11	—	—	1
Net cash used in investing activities		(208)	(490)	(995)
Cash flows from financing activities				
New borrowings and amounts introduced from Directors		80	106	869
Borrowing's repayments		(103)	(38)	(71)
Cash movements on lease liabilities	16	(1,500)	(1,617)	(881)
Interest paid on lease liabilities	16	(103)	(246)	(390)
Other interest paid	11	(5)	(18)	(21)
Dividends paid	13	(380)	(500)	(386)
Net used in financing activities		(2,011)	(2,313)	(880)
Net increase /(decrease) in cash and cash equivalents		131	1,020	(76)
Cash and cash equivalents at beginning of year	19	179	310	1,330
Cash and cash equivalents at end of year	19	310	1,330	1,254

Notes to the historical financial information

1 General Information

ADF is a private company limited by shares and registered and incorporated in England and Wales. The registered office is Facilities By ADF, Ground Floor 31 Oldfield Road, Bocam Park, Pencoed, Wales, CF35 5LJ.

The principal activity of ADF throughout the period is that of supply of mobile facilities for television and film productions.

The information for the periods covered by the ADF Financial Information does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for the three years ended 31 December 2018, 31 December 2019 and 31 December 2020 has been delivered to the Registrar of Companies. The auditors, BPU Limited, reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

2 Accounting policies

2.1 Basis of preparation

The ADF Financial Information presents the financial track record of ADF for the three years ended 31 December 2018, 31 December 2019 and 31 December 2020 and is prepared for the purposes of admission of ADF to AIM, a market operated by the London Stock Exchange.

For all periods up to and including the year ended 31 December 2020, ADF prepared its financial statements in accordance with UK generally accepted accounting principles ("UK GAAP"). ADF have prepared the ADF Financial Information in accordance with UK-adopted IFRS as defined by section 474(1) of the Companies Act 2006. ADF's transition date to IFRS for the purposes of the ADF Financial Information is 1 January 2018. The only transitional adjustments relate to IFRS 16 which are detailed in the accounting policies below.

The ADF Financial Information is prepared on a going concern basis, under the historical cost convention, except for certain financial assets and liabilities at fair value through profit or loss ("FVTPL") and fair value through other comprehensive income ("FVTOCI"). The ADF Financial Information is presented in pounds sterling and all values are rounded to the nearest thousand (£'000), except when otherwise indicated.

The principal accounting policies adopted in the preparation of the ADF Financial Information are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. ADF has applied the requirements of IFRS 16 "*Leases*" from 1 January 2018, in advance of its effective date of 1 January 2019, to facilitate consistent presentation across the periods shown within the ADF Financial Information. As such, IFRS 16 has been applied at 1 January 2018 which is the start of the historical financial period. The modified retrospective method of adoption was applied and has resulted in recognition of assets (right-of-use assets) by ADF representing the right to use items under operating leases. Lease liabilities have also been directly recognised on the statement of financial position representing obligations for future operating lease payables. Lease costs each financial year are now recognised in the form of depreciation of the right-of-use asset and interest expense on the lease liability. This results in a higher interest expense in the earlier years of the lease term, however the total expense that is ultimately recognised in the Income Statement over the life of the lease will remain unaffected by the new standard.

2.2 Going concern

ADF has continued to invest in growth throughout the historical financial period, with ADF continuing to trade throughout the historical financial period in a net asset position. The Directors are pleased with progress of trading to date, and in particular, the progress made relative to the challenges of the last eighteen months, whereby the film and television industry closed due to UK government lockdowns for approximately a third of the FY20 financial year.

The Directors have assessed the ability of ADF to continue as a going concern using cash flow forecasts. With the continued encouraging current trading results, the Directors are satisfied that there are sufficient resources to continue in business for the foreseeable future and for at least 12 months from the date of signing these financial statements.

Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt upon ADF's ability to continue as a going concern. They remain mindful of the ongoing pandemic but are confident they have appropriate plans in place to mitigate any such further risk in relation to this. Therefore, the financial statements continue to be prepared on the going concern basis.

2.3 New standards, amendments, and interpretations

New standards impacting ADF that have been adopted effective 1 January 2018 are as follows:

- Definition of a Business (Amendments to IFRS 3);
- Interest Rate Benchmark Reform – IBOR 'phase 2' (Amendments to IFRS 9, International Accounting Standard ("IAS") 39 and IFRS 7); and
- COVID-19-Related Rent Concessions (Amendments to IFRS 16).

Following an assessment, ADF have determined that these standards have no material impact.

New standards, amendments and interpretations not yet adopted

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that ADF has decided not to adopt early. The following amendments are as follows:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41);
- References to Conceptual Framework (Amendments to IFRS 3).
- Amendment to IFRS 3 Business Combinations – Reference to the Conceptual Framework

ADF does not believe that these standards will have a material impact

2.4 Revenue recognition

IFRS 15 "Revenue from Contracts with Customers" is a principle-based model of recognising revenue from contracts with customers. It has a five-step model that requires revenue to be recognised when control over goods and services are transferred to the customer.

Revenue includes facilities rental incomes, fees from the provision of services incidental to facilities and fuel. Revenue is measured at the fair value of consideration received or receivable, net of discounts, VAT and sales taxes.

Fuel income is recognised at point of time of delivery.

Revenue from all other services rendered is recognised proportionally over the period in which the facilities are rented out based on the terms of the contract. The stage of completion is assessed on the basis of the actual service provided (number of days of rental in the accounting period).

2.5 Other operating income and grants

Other operating income represents all other income received by ADF. This includes UK government grants for the Coronavirus Job Retention Scheme ("CJRS").

UK government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received, and ADF will comply with all attached conditions. UK government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

In the year ended 31 December 2020, ADF utilised the CJRS, which allows for businesses to submit claims for repayment of furlough or flexible furlough employee wages as a result of COVID-19. Additionally, in the year ended 31 December 2020, ADF utilised the UK government's Coronavirus Business Interruption Loan Scheme ("CBILS"), which allows businesses to apply for loans with deferred payment and interest terms, as a result of the effects of COVID-19. The grant income received has been accounted for in accordance with IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance' and shown in other operating income in the income statement and personnel costs have been shown gross of grant income.

2.6 Employee benefits: Pension obligations

ADF operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which ADF pays fixed contributions into a separate entity. Once the contributions have been paid ADF has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from ADF in independently administered funds.

2.7 Net finance costs

Finance expense

Finance expense comprises of interest payable and lease interest which are expensed in the period in which they are incurred and reported in finance costs. Debt issue costs are capitalised and amortised over the life of the associated facility.

Finance income

Finance income relates to interest on bank deposits.

2.8 Foreign currency translation

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period. All differences are taken to the statement of profit or loss and other comprehensive income.

2.9 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the UK where ADF operates and generates taxable income.

Deferred tax balances are recognised in respect of all temporary differences that have originated but not reversed by the reporting date, except:

– The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and

– Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and

the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.10 Property plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the reducing balance method. Depreciation is provided on the following basis:

– Plant and machinery – 25% reducing balance

– Motor vehicles – 10-25% reducing balance

– Computer equipment –25% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date. At each reporting period end date, ADF reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

2.11 Impairment of assets

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or cash-generating unit's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.12 Leased assets

At inception of a contract, ADF assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, ADF assesses whether: an identified physically distinct asset can be identified; and ADF has the right to obtain substantially all of the economic benefits from the asset throughout the period of use and has the ability to direct the use of the asset over the lease term being able to restrict the usage of third parties as applicable.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

– Leases of low value assets; and

– Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case ADF's incremental borrowing rate on commencement of the lease is used.

On initial recognition, the carrying value of the lease liability also includes:

– amounts expected to be payable under any residual value guarantee;

– the exercise price of any purchase option granted in favour of ADF if it is reasonably certain to access that option;

– any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of the termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

– lease payments made at or before commencement of the lease;

– initial direct costs incurred; and

– the amount of any provision recognised where ADF is contractually required to dismantle, remove, or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term. When ADF revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the revised discount rate applicable at the date of estimation. An equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

Where ADF leases contain variable payment terms, payments determined as variable are treated as a charge to the income statement and not capitalised. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term.

2.13 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term highly liquid deposits which are subject to an insignificant risk of changes in value.

2.14 Financial assets

Financial instruments are all financial assets and financial liabilities that comprise a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity and are detailed in note 26.

Financial assets and financial liabilities are recognised when ADF becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable (other than financial assets or liabilities at FVTPL are added to or deducted from the fair value as appropriate, on initial recognition.

Financial assets

Financial assets are subsequently classified into the following specified categories:

- financial assets at FVTPL, including held for trading;
- FVTOCI; or
- amortised cost.

The classification depends on the nature and purpose of the financial asset (i.e., ADF's business model for managing the financial assets and the contractual terms of the cash flows) and is determined at the time of initial recognition.

They are measured at amortised cost if they are held within a business mode whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets not held at amortised cost or FVTOCI are held at FVTPL.

At present, ADF only has financial assets held at amortised cost.

Financial liabilities

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements.

Equity instruments are any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recognised at proceeds received net of issue costs.

Financial liabilities are classified as either financial liabilities at FVTPL or financial liabilities at amortised cost, which are measured using the effective interest method.

At present ADF only has financial liabilities held at amortised cost.

Impairment of financial assets

IFRS 9 requires the use of forward-looking information to recognise expected credit losses – the 'expected credit loss ("ECL") model'. Recognition of credit losses is not dependent on ADF first identifying a credit loss event; instead, ADF considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Trade and other receivables

ADF makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating this, ADF uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

ADF assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics based on grouping debt by days overdue.

2.15 Equity instruments

Equity comprises the following:

- "Called up share capital" represents the nominal value of equity shares.
- "Retained Earnings" represents retained earnings less retained losses.

2.16 Share based payments

ADF issues equity-settled share-based incentives to certain employees in the form of share options. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date is expensed in ADF's financial statements on a straight-line basis over the estimated vesting period, based on the estimate of shares that will eventually vest.

Share options that have been issued by ADF have been reviewed under the Black Scholes model to evaluate any provision that may be required to set against the reserves of ADF. All share options that have been issued by ADF only vest on an exit event such as a sale, takeover or IPO. No share-based payment expense has been included in any period of the ADF Financial Information on the grounds of materiality.

2.17 Provision

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that ADF becomes aware of the obligation and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

Provisions are made where an event has taken place that gives ADF a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

2.18 Dividends

Ordinary dividends proposed by the board of directors of ADF are not recorded in the financial statements until they have been approved by the shareholders at the Annual General Meeting.

2.19 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors of ADF. ADF has two reporting segments, being the hire of facilities and fuel cards by ADF.

3 Critical accounting judgements and estimates

The preparation of the ADF Financial Information in compliance with IFRS requires the use of certain critical accounting estimates. It also requires ADF management to exercise judgement and use assumptions in applying ADF's accounting policies. The resulting accounting estimates calculated using these judgements and assumptions will, by definition, seldom equal the related actual results but are based on historical experience and expectations of future events. Management believe that the estimates utilised in preparing the ADF Financial Information are reasonable and prudent.

Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in the ADF Financial Information are discussed below makes certain estimates and assumptions regarding the future.

Key accounting estimates and judgements

The following are the areas requiring the use of estimates and judgements that may significantly impact the ADF Financial Information.

Discount rates

IFRS 16 states that the lease payments shall be discounted using the lessee's incremental borrowing rate where the rate implicit in the lease cannot be readily determined. Accordingly, all lease payments have been discounted using the incremental borrowing rate. The incremental borrowing rate has been determined by management using a range of data including current economic and market conditions, review of current debt and capital within ADF, lease length and comparisons against seasoned corporate bond rates and other relevant data points.

Hire of equipment revenues constitute leases

Any arrangement that is dependent on the use of a specific asset or assets should be accounted for as a lease under IFRS 16. The Directors have concluded that none of ADF contracts with customers include the use of an asset as substantive substitution rights exist throughout the period of use, whereby substitution would be economically beneficial to ADF. All revenues therefore are classified within the scope of IFRS 15.

4 Revenue from contracts with customers

All of ADF's revenue was generated from the provision of services in the UK. 2 customers make up 10% or more of revenue in the period ending 31 December 2020 (2019: 3; 2018: 5). Management considers revenue derives from two business stream being that of hire of facilities and fuel by ADF.

Revenue from customers

	Year ended 31 December 2018 £'000	**Year ended 31 December 2019 £'000**	**Year ended 31 December 2020 £'000**
Hire of facilities			
Customer 1	2,731	2,648	3,355
Customer 2	2,490	3,854	1,830
Customer 3	2,235	1,989	699
Customer 4	1,316	1,186	440
Customer 5	1,248	655	395
All other customers	2,551	5,352	1,233
Fuel by ADF	31	230	86
	12,602	15,914	8,038

Timing of transfer of goods or services

	Year ended 31 December 2018 £'000	Year ended 31 December 2019 £'000	Year ended 31 December 2020 £'000
Services transferred over time	12,571	15,684	7,952
At a point in time	31	230	86
	12,602	15,914	8,038

5 Other operating income

	Year ended 31 December 2018 £'000	Year ended 31 December 2019 £'000	Year ended 31 December 2020 £'000
Grants received	—	—	1,895
	—	—	1,895

ADF received UK government grants totalling as part of initiatives to provide financial support as a result of the COVID-19 pandemic. There are no future costs in respect of these grants which were received solely as compensation for the impact of the pandemic during the year.

The CBILS loan incurs interest of 2.25% above Bank of England base rate, whereby the interest on the loan is payable by the UK government as part of the business interruption payment under the facility. Interest of £1,233 was accrued on the loan, payable by the UK government up to 31 December 2020.

6 Segmental reporting

ADF has two reporting segments, being the hire of facilities and fuel cards by ADF. No non-UK GAAP reporting measures are monitored. Total assets and liabilities are not provided to the chief operating decision maker in the ADF's internal management reporting by segment and therefore are not presented below, information on segments is reported at a gross profit level only. Information about geographical revenue is disclosed in note 4. All non-current assets are located in the UK.

	Year ended 31 December 2018 £'000	Year ended 31 December 2019 £'000	Year ended 31 December 2020 £'000
Revenue			
Hire of facilities	12,571	15,684	7,952
Fuel by ADF	31	230	86
	12,602	15,914	8,038
Cost of sales profit			
Hire of facilities	8,391	10,645	7,399
Fuel by ADF	36	206	76
	8,427	10,851	7,475
Gross Profit	4,175	5,063	563

7 Expenses by nature

Operating profit is stated after charging:

	Year ended 31 December 2018 £'000	Year ended 31 December 2019 £'000	Year ended 31 December 2020 £'000
Depreciation of property, plant and equipment	175	207	65
Loss on disposal of property, plant and equipment and right-of-use assets	233	595	324
Amortisation of right-of-use assets	532	735	830
Foreign exchange differences	—	—	(19)

8 Auditor remuneration

	Year ended 31 December 2018 £'000	Year ended 31 December 2019 £'000	Year ended 31 December 2020 £'000
Fee payable for the audit of the financial statements	8	8	8
Fees relating to other services	6	2	3
	14	10	11

9 Employee benefit expenses

Employee benefit expenses (including directors) comprise:

	Year ended 31 December 2018 £'000	Year ended 31 December 2019 £'000	Year ended 31 December 2020 £'000
Wages and salaries	4,670	5,708	5,203
Social security contributions and similar taxes	517	631	576
Pension costs	54	112	102
	5,241	6,451	5,881

Average number of people (including directors) employed by activity:

	Year ended 31 December 2018 £'000	Year ended 31 December 2019 £'000	Year ended 31 December 2020 £'000
Drivers and transport	44	55	53
Head office and senior management	23	28	29
Workshop, yard, and base staff	58	60	67
	125	143	149

10 Director emoluments

Director emoluments comprise:

	Year ended 31 December 2018 £'000	Year ended 31 December 2019 £'000	Year ended 31 December 2020 £'000
Remuneration for qualifying services	290	392	448
Pension costs	14	15	16
	304	407	464

Directors participating in money purchase pension schemes as at the period end 2020 was 6 (2019: 6; 2018: 4).

Key management personnel include all directors of ADF, who together have authority and responsibility for planning, directing, and controlling the activities of the ADF's business. There are no key management personnel other than the directors of ADF.

Remuneration disclosed above include the following amounts paid to the highest paid director:

	Year ended 31 December 2018 £'000	Year ended 31 December 2019 £'000	Year ended 31 December 2020 £'000
Wages and salaries	102	102	116
Pension costs	1	1	1
	103	103	117

11 Finance income and finance expense

	Year ended 31 December 2018 £'000	Year ended 31 December 2019 £'000	Year ended 31 December 2020 £'000
Other interest receivable	—	—	1
Total finance income	—	—	1

	Year ended 31 December 2018 £'000	Year ended 31 December 2019 £'000	Year ended 31 December 2020 £'000
Interest on bank loans & overdrafts	5	18	21
Interest on lease liabilities	103	246	390
Total finance expense	108	264	411

12 Taxation

Analysis of (credit)/ expense in year	Year ended 31 December 2018 £'000	Year ended 31 December 2019 £'000	Year ended 31 December 2020 £'000
Current tax on profits for the year	256	90	(451)
Adjustments in respect of previous years	—	—	—
Total current tax	256	90	(451)
Deferred tax			
Origination and reversal of temporary differences	30	380	374
Effect of tax rate change on opening balance	—	—	—
Adjustments in respect of prior years	—	—	—
Total deferred tax	30	380	374
Tax expense/ (credit) per statement of comprehensive income	286	470	(77)

The tax credits for the periods presented differ from the standard rate of corporate tax in the UK. The differences are explained below:

	Year ended 31 December 2018 £'000	Year ended 31 December 2019 £'000	Year ended 31 December 2020 £'000
Profit/ (loss)on ordinary activities before tax	1,510	2,138	(479)
Tax using ADF's domestic tax rates	287	406	(91)
Effects of:			
Expenses not deductible for tax purposes	6	3	2
Adjustments in respect of prior years	(39)	(329)	(366)
Capital allowances in excess of depreciation	—	—	
Adjustments to tax charge in respect of previous periods	—	4	—
Effect of changes in tax rates on losses carried back	—	—	(1)
Deferred tax movement	30	383	372
Other tax movements	2	3	9
Total tax (credit)/charge	286	470	(75)

The main rate of UK corporation tax was 19 per cent. for the periods ended 31 December 2018, 31 December 2019 and 31 December 2020.

The main rate of UK corporation tax was 19% for all periods included in the ADF Financial Information. The UK corporation tax will be set at the main rate of 25% from the financial year 2023, this was substantially enacted on 24 May 2021.

Current tax assets and liabilities

	Year ended 31 December 2018 £'000	Year ended 31 December 2019 £'000	Year ended 31 December 2020 £'000
Income tax payable/ (receivable)	256	86	(365)
	256	86	(365)

The following is the analysis of the deferred tax balances for financial reporting purposes:

	Year ended 31 December 2018 £'000	Year ended 31 December 2019 £'000	Year ended 31 December 2020 £'000
Accelerated capital allowances and other temporary differences	469	852	1,224
	469	852	1,224

Movement in the year

	£'000
Liability at 1 January 2018	439
Charge to profit and loss	30
Liability at 31 December 2018	469
Liability at 1 January 2019	469
Charge to profit and loss	383
Liability at 31 December 2019	852
Liability at 1 January 2020	852
Charge to profit and loss	372
Liability at 31 December 2020	1,224

13 Dividends

	Year ended 31 December 2018 £'000	Year ended 31 December 2019 £'000	Year ended 31 December 2020 £'000
Final dividends paid on ordinary shares	380	500	386
	380	500	386

Dividend paid per share at 31 December 2020 £3,862 (2019: £5,000; 2018: £3,800).

14 Earnings per share

Basic and diluted earnings per share is calculated by dividing the result attributable to equity holders by the weighted average number of ordinary shares in issue. Earnings per share is presented based on the number of shares outstanding in ADF. Diluted earnings per share is calculated by dividing the profit attributable to ordinary equity holders by the weighted average number of ordinary shares in issue during the period.

	Year ended 31 December 2018 £	**Year ended 31 December 2019 £**	**Year ended 31 December 2020 £**
Profit used in calculating basic diluted EPS	1,224,211	1,667,718	(402,259)
Weighted average number of shares	100	100	100
Diluted weighted average number of shares	105	104	108
Earnings per share	12,242	16,677	(4,022)
Diluted earnings per share	11,678	15,969	(3,738)

15 Property, plant and equipment

Depreciation charge is recognised in administrative expenses in the Statement of Profit or Loss within operating expenses, throughout the ADF Financial Information period.

	Plant and machinery £'000	Hire Fleet £'000	Motor vehicles £'000	Computer equipment £'000	Total £'000
Cost					
At 1 January 2018	64	1,832	360	60	2,316
Additions	49	54	99	6	208
Transfers	—	1,432	66	—	1,498
Disposals	—	(259)	(34)	—	(293)
At 31 December 2018	113	3,059	491	66	3,729
Depreciation					
At 1 January 2018	22	727	141	31	921
Charge for the year	13	94	61	7	175
Transfers	—	454	34	—	488
Disposals	—	(100)	(20)	—	(120)
At 31 December 2018	35	1,175	216	38	1,464
Net book amount					
At 31 December 2018	78	1,884	275	28	2,265
Cost					
At 1 January 2019	113	3,059	491	66	3,729
Additions	1	164	3	8	176
Transfer	—	2,085	54	—	2,139
Disposals	—	(978)	(191)		(1,169)
At 31 December 2019	114	4,330	357	74	4,875
Depreciation					
At 1 January 2019	35	1,175	216	38	1,464
Charge for the year	17	150	33	7	207
Transfers	—	583	30	—	613
Disposals	—	(411)	(163)	—	(574)
At 31 December 2019	52	1,497	116	45	1,710
Net book amount					
At 31 December 2019	62	2,833	241	29	3,165
Cost					
At 1 January 2020	114	4,330	357	74	4,875
Additions	8	87	—	—	95
Transfers	—	632	102	—	734
Disposals	—	(457)	(196)	—	(653)
At 31 December 2020	122	4,592	263	74	5,051
Depreciation					
At 1 January 2020	52	1,497	116	45	1,710
Charge for the year	8	42	11	4	65
Transfer	—	184	47		231
Disposals	—	(215)	(118)	—	(333)
At 31 December 2020	60	1,508	56	49	1,673
Net book amount					
At 31 December 2020	62	3,084	207	25	3,378

16 Leases

ADF leases a number of assets in the jurisdictions from which it operates in with all lease payments, in-substance, fixed over the lease term, where there are leasehold properties which hold a variable element to lease payments made these are not fixed and not capitalised as part of the right of use asset. All expected future cash out flows are reflected within the measurement of the lease liabilities at each period end.

Nature of leasing activities

	Year ended 31 December 2018	**Year ended 31 December 2019**	**Year ended 31 December 2020**
Number of active leases	32	51	64

ADF leases include leasehold properties for commercial and head office use, motor vehicles and equipment. The leases range in length from 10 to 3 years and vary in length depending on lease type. Leasehold properties holding the longest-term length of up to 10 years, motor leasehold up to 4 years, hire fleet up to 7 years, vehicles up to 7 years, and equipment of up to 5 years.

Extension, termination, and break options

ADF sometimes negotiates extension, termination, or break clauses in its leases. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

On a case-by-case basis, ADF will consider whether the absence of a break clause would expose ADF to excessive risk. Typically, factors considered in deciding to negotiate a break clause include:

– The length of the lease term;

– The economic stability of the environment in which the property is located; and

– Whether the location represents a new area of operations for ADF.

Incremental borrowing rate

ADF has adopted a rate with a range of 3% – 4% as its incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. This rate is used to reflect the risk premium over the borrowing cost of ADF measured by reference to the ADF facilities.

ADF performed a sensitivity analysis where incremental borrowing rates have been used and identified if the incremental borrowing rate increased to 5% there would be a reduction in the carrying amount of the right-of-use asset at 31 December 2020 of £39,404 (2019: £44,616 2018: £8,897); there would be a subsequent decrease in the lease liability of £30,418 (2019: £37,922; 2018: £7,103). If the incremental borrowing rate decreased to 1% there would be an increase in the carrying amount of the right-of-use asset at 31 December 2020 of £118,841 (2019: £139,001; 2018: £26,438); there would be a subsequent increase in the lease liability of £89,373 (2019: £116,805; 2018: £20,854).

Sensitivity analysis is not performed on hire purchase leases as interest is inherent within these lease agreements.

Right-of-use assets

	Leasehold Property £'000	Motor Leasehold £'000	Hire Fleet and Motor Vehicles £'000	Equipment £'000	Total £'000
Cost					
At 1 January 2018	497	—	4,539	5	5,041
Additions	—	—	361	—	361
Transfers	—	—	(1,497)	—	(1,497)
Disposal	—	—	(85)	—	(85)
At 31 December 2018	497	—	3,318	5	3,820
Depreciation					
At 1 January 2018	—	—	616	—	616
Charge for the period	113	—	417	2	532
Transfers	—	—	(488)	—	(488)
Disposals	—	—	(21)	—	(21)
At 31 December 2018	113	—	524	2	639
Net book amount	384	—	2,794	3	3,181
At 31 December 2018					
Cost					
At 1 January 2019	497	—	3,318	5	3,820
Additions	900	30	6,964	8	7,902
Transfers	—	—	(2,139)	—	(2,139)
Disposals	—	—	—	(1)	(1)
At 31 December 2019	1,397	30	8,143	12	9,582
Depreciation					
At 1 January 2019	113	—	524	2	639
Charge for the period	152	2	577	4	735
Transfers	—	—	(610)	—	(610)
Disposals	—	—	—	(1)	(1)
At 31 December 2019	265	2	491	5	763
Net book amount	1,132	28	7,652	7	8,819
At 31 December 2019					
Cost					
At 1 January 2020	1,397	30	8,137	12	9,576
Additions	—	79	3,547	—	3,626
Transfers	—	—	(734)	—	(734)
Disposals	—	—	—	(4)	(4)
At 31 December 2020	1,397	109	10,950	8	12,464
Depreciation					
At 1 January 2020	265	2	491	5	763
Charge for the period	292	25	510	3	830
Transfers	—	—	(231)		(231)
Disposals	—	—	—	(4)	(4)
At 31 December 2020	557	27	770	4	1,358
Net book amount	840	82	10,180	4	11,106

Lease liabilities

	Leasehold Property £'000	Motor Leasehold £'000	Hire Fleet and Motor Vehicles £'000	Equipment £'000	Total £'000
At 1 January 2018	497	—	2,084	5	2,586
Additions	—	—	361	—	361
Interest expense	18	—	85	—	103
Lease payments (including interest)	(126)	—	(1,355)	(2)	(1,483)
At 31 December 2018	389	—	1,175	3	1,567
At 1 January 2019	389	—	1,175	3	1,567
Additions	867	30	6,677	8	7,582
Interest expense	24	—	222	—	246
Lease payments (including interest)	(143)	(4)	(1,713)	(4)	(1,864)
At 31 December 2019	1,137	26	6,361	7	7,531
At 1 January 2020	1,137	26	6,361	7	7,531
Additions	—	79	2,647	—	2,726
Interest expense	41	3	345	—	389
Lease payments (including interest)	(307)	(25)	(938)	(3)	(1,273)
At 31 December 2020	871	83	8,415	4	9,373

Reconciliation of minimum lease payments and present value

	Year ended 31 December 2018 £'000	Year ended 31 December 2019 £'000	Year ended 31 December 2020 £'000
Within 1 year	1,022	1,890	2,247
Later than 1 year and less than 5 years	629	4,976	3,999
After 5 years	—	1,543	4,170
Total including interest cash flows	1,651	8,409	10,416
Less: interest cash flows	(84)	(878)	(1,043)
Total principal cash flows	1,567	7,531	9,373

Reconciliation of current and non-current lease liabilities

	Year ended 31 December 2018 £'000	Year ended 31 December 2019 £'000	Year ended 31 December 2020 £'000
Current	972	839	2,100
Non-current	595	6,692	7,273
Total	1,567	7,531	9,373

Short term or low value lease expense

	Year ended 31 December 2018 £'000	Year ended 31 December 2019 £'000	Year ended 31 December 2020 £'000
Total short term or low value lease expense	19	19	21
	19	19	21

17 Other provisions

	Year ended 31 December 2018 £'000	Year ended 31 December 2019 £'000	Year ended 31 December 2020 £'000
Amounts falling after one year:			
Lease liability dilapidations	—	34	37
	—	34	37

Lease liability dilapidations	Leasehold Property £'000
At 1 January 2018	—
Additions	—
Interest expense	—
At 31 December 2018	—
At 1 January 2019	—
Additions	34
Interest expense	—
At 31 December 2019	34
At 1 January 2020	
Additions	34
Interest expense	3
At 31 December 2020	37

As part of the ADF's property leasing arrangements there is an obligation to repair damages which incur during the life of the lease, such as wear and tear. These costs have been charged in line with IFRS 16 and shown separately to the lease obligation liability. The provisions are expected to be utilised by 2029 as the leases terminate. The dilapidations provision is considered a source of estimation. The provision has been calculated using historical experience of actual expenditure incurred on dilapidations and estimated lease termination dates.

18 Trade and other receivables

	Year ended 31 December 2018 £'000	Year ended 31 December 2019 £'000	Year ended 31 December 2020 £'000
Amounts falling due within one year:			
Trade receivables	522	453	226
Amounts recoverable on contracts	143	72	144
Prepayments	279	305	295
	944	830	665

Trade receivables are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are non-interest bearing. The carrying amount of trade and other receivables approximates fair value.

Analysis of trade receivables based on age of invoices:

	< 30 £'000	31 – 60 £'000	61 -90 £'000	> 90 £'000	Total Gross £'000	ECL £'000	Total Net £'000
31 December 2018	432	81	(4)	13	522	—	522
31 December 2019	409	26	11	7	453	—	453
31 December 2020	210	10	4	2	226	—	226

ADF applies the IFRS 9 simplified approach to measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables. The ECL balance has been determined as £Nil based on historical data available to management in addition to forward looking information utilising management knowledge. Based on the analyses performed there is no material impact on the transition to ECL from previous methods of estimating the provision for doubtful accounts.

19 Cash and cash equivalents

	Year ended 31 December 2018 £'000	Year ended 31 December 2019 £'000	Year ended 31 December 2020 £'000
Cash at bank available on demand	310	1,330	1,254
	310	1,330	1,254

20 Trade and other payables

	Year ended 31 December 2018 £'000	Year ended 31 December 2019 £'000	Year ended 31 December 2020 £'000
Amounts falling due within one year:			
Trade payables	779	711	447
Other payables	75	130	333
Taxation and social security	656	651	928
Accrued expenses	152	197	222
Deferred income	116	86	328
	1,778	1,775	2,258

The Directors consider that the carrying value of trade and other payables approximates to their fair value. Trade payables are non-interest bearing and are normally settled monthly.

Included in other creditors were director loan accounts with a balance as at 31 December 2020 £28,668 (2019: £5,914; 2018: £47,957), all amounts were non-interest bearing.

21 Borrowings

	Year ended 31 December 2018 £'000	Year ended 31 December 2019 £'000	Year ended 31 December 2020 £'000
Current:			
Bank loans	27	53	527
Other loans	—	18	20
	27	71	547
Non-current			
Bank loans	53	—	342
Other loans	—	77	57
	53	77	399
Total borrowings	80	148	946

A maturity analysis of ADF's borrowings is shown below:

	Year ended 31 December 2018 £'000	Year ended 31 December 2019 £'000	Year ended 31 December 2020 £'000
Less than 1 year	27	71	547
Later than 1 year and less than 5 years	53	77	399
After 5 years	—	—	—
	80	148	946

Included in bank loans is a CBILS loan held with Barclays. The loan was taken out in May 2020 and matures four years after this date. The loan incurs interest of 2.25% above Bank of England base rate, with deferred payment start date as part of the CBILS scheme for the first 12 months. Interest on the loan is payable by the UK government as part of the business interruption payment under the facility.

Included in bank loans is a trade finance facility held with HSBC. The agreement is renewed annually and provides 60-day finance facility. At 31 December 2020 the facility held a limit of £500,000 of which the following amounts had been drawn down and were outstanding £468,887 (2019: £Nil; 2018: £Nil). The facility incurred interest payable at 31 December 2020 of 2.5% per annum.

Included in bank loans was a loan held with Barclays. The loan was taken out in November 2018 and was to mature three years after this date. The loan incurred interest of 3%. This loan was fully paid down in April 2020, before inception of the CBILS loan.

Included in other loans is a loan from the CAD Services Pension Scheme, whereby the trustees, A Dixon and S Haines, are also directors of ADF. The agreement matures over five years from inception in May 2019. The facility incurred interest payable at 12%.

22 Share capital

	Year ended 31 December 2018 £	Year ended 31 December 2019 £	Year ended 31 December 2020 £
Allotted, called up and fully paid			
100 Ordinary shares of £1 each	100	100	100
	100	100	100

All classes of shares have full voting, dividends and capital distribution rights.

ADF operates two equity-settled share-based remuneration schemes for employees, under Enterprise Management Inceptive Share Schemes. The options will lapse if the individual leaves within 10 years from the date of grant, if all vesting conditions had not been met earlier. The terms and conditions of the grants are detailed below:

Date of grant	No. of options	Exercise price	Vesting conditions	Contractual life of options
30 March 2016	4	3,532	Exit Event	10 years
25 September 2020	12	22,279	Exit Event	10 years
	16			

Details of the number of share options granted, exercised, lapsed and outstanding at the end of each period as well as the weighted average exercise prices in £ ("WAEP") are as follows:

	As at 1 January 2018	WAEP	As at 31 December 2018	WAEP	As at 31 December 2019	WAEP	As at 31 December 2020	WAEP
Outstanding at beginning of period	5	3,532	5	3,532	5	3,532	4	3,532
Granted during the period	—	—	—	—	—	—	12	22,279
Forfeited/lapsed during the period	—	—	—	—	(1)	3,532	—	—
Exercised during the period	—	—		—	—	—	—	—
Outstanding at period end	5	3,532	5	3,532	4	3,532	16	17,593
Exercisable at end of period	—	—	—	—	—	—	—	—

All options valid at the end of each of the periods presented had the same exercise condition based on an exit criterion. No expense was recognised in the statement of comprehensive income for the options outstanding as in the opinion of the directors of ADF it was not highly probable that the exit criteria of the share option awards would be met in the foreseeable future at the statement of financial position date.

23 Reserves

Called up share capital

Called up share capital represents the nominal value of shares that have been issued.

Retained earnings

Retained earnings relate to cumulative net gains and losses less distributions made.

24 Retirement benefit scheme

	Year ended 31 December 2018 £'000	Year ended 31 December 2019 £'000	Year ended 31 December 2020 £'000
Defined contribution schemes:			
Charge to income statement	54	100	90

ADF operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of ADF in an independently administered fund. The outstanding pension contributions was £Nil at each period end included with the ADF Financial Information.

25 Capital and contingencies

Capital and financial commitments

ADF commits to lease agreements in respect of hire facilities over 6 months in advance, this is due to the nature of the facilities leased. As at 31 December 2020 ADF had committed to lease expenses of £1,206,772 in respect of future lease agreements. The agreements are held with Shaw Services Limited, General Coach Limited, and KTH Trailer Limited.

ADF had committed to a motor vehicle lease as 31 December 2020. The expected commencement of this lease is 13 September 2021, with expected rentals of £6,769 per annum.

ADF held no other additional capital, financial and or other commitments at the end of 31 December 2020.

ADF operates two equity-settled share-based remuneration schemes for employees, under Enterprise Management Inceptive Share Schemes. Should any of these options be exercised on IPO, ADF may become liable for employer social security taxes. The number and timing of the share options to be exercised and the potential tax liability arising on their exercise was considered extremely uncertain as at 31 December 2020. As such it was not possible to reliably predict the potential liability, but the directors estimate the maximum liability at 31 December 2020 to be £394,012. Due to the uncertainty in predicting the amount and timing of any liability, no provision has been made within the financial statements.

26 Financial Instruments

Financial assets

Financial assets are not measured at fair value and due to short-term nature, the carrying value approximates their fair value. They comprise trade receivables, other receivables, and cash. It does not include prepayments.

	Year ended 31 December 2018 £'000	Year ended 31 December 2019 £'000	Year ended 31 December 2020 £'000
Trade receivables	522	453	226
Other receivables	143	72	144
Cash at bank and on hand	310	1,330	1,254
	975	1,855	1,624

Financial liabilities

Financial liabilities measured at amortised cost comprise trade payables, other payables, deferred income and accruals. It does not include deferred income and other taxation and social security.

	Level	Year ended 31 December 2018 £'000	Year ended 31 December 2019 £'000	Year ended 31 December 2020 £'000
Trade payables	3	779	711	447
Other payables	3	75	130	333
Accruals	3	152	197	222
Borrowings	3	80	148	946
		1,086	1,186	1,948

Financial risk management

ADF is exposed through its operation to the following financial risks: credit risk, interest rate risk, foreign exchange risk and liquidity risk. Risk management is carried out by the directors of ADF. ADF uses financial instruments to provide flexibility regarding its working capital requirements and to enable it to manage specific financial risks to which it is exposed.

ADF finances its operations through a mixture of debt finance, cash and liquid resources and various items such as trade debtors and trade payables which arise directly from ADF's operations.

Credit risk

Credit risk is the risk of financial loss to ADF if a customer or counterparty to a financial instrument fails to meet its contractual obligations. In order to minimise the risk, ADF endeavours only to deal with companies which are demonstrably creditworthy and this, together with the aggregate financial exposure, is continuously monitored. The maximum exposure to credit risk is the carrying value of its financial receivables, trade and other receivables and cash and cash equivalents as disclosed in the notes to the ADF Financial Information.

The receivables' age analysis is evaluated on a regular basis for potential doubtful debts, considering historic, current and forward-looking information. No impairments to trade receivables, have been made to date. Further disclosures regarding trade and other receivables are provided within the notes to ADF Financial Information.

Credit risk also arises on cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "B+" are accepted. Currently all financial institutions whereby ADF holds significant levels of cash are rated from AA- to A+.

Interest rate risk

As at 31 December 2020, ADF's current borrowings include a range of financing facilities at the following rates; a fixed interest rate of the 2.5% with HSBC variable on the amount drawn down; a fixed interest of 12% on Director pension loan; and a floating rate of 2.25% above Bank of England base per the CBILS loan, interest is not payable on this facility until June 2021, the balance of this loan being £400,000 as at 31 December 2020. Therefore, interest rate risk exposure for ADF is minimal. ADF's policy aims to manage the interest cost of ADF within the constraints of its financial borrowings.

Foreign exchange risk

Foreign exchange risk arises when ADF enter into transactions in a currency other than their functional currency. ADF's policy is, where possible, to settle liabilities denominated in a currency other than its functional currency with cash already denominated in that currency. As at 31 December 2020 non-GBP balances held are not material.

Liquidity risk

ADF seeks to maintain sufficient cash balances. Management reviews cash flow forecasts on a regular basis to determine whether ADF has sufficient cash reserves to meet future working capital requirements and to take advantage of business opportunities.

A maturity analysis of ADF's total liabilities is shown below:

	Year ended 31 December 2018 £'000	Year ended 31 December 2019 £'000	Year ended 31 December 2020 £'000
Less than 1 year:			
Lease liabilities	1,022	1,890	2,247
Trade and other payables	854	841	780
Accruals	152	197	222
Borrowings	30	90	555
	2,058	3,018	3,804
Between 1-5 years:			
Lease liabilities	629	4,976	3,999
Borrowings	55	87	408
	684	5,063	4,407
More than 5 years:			
Lease liabilities	—	1,543	4,170
	—	1,543	4,170
Total including interest cash flows	2,742	9,624	12,381
Less interest cash flow:			
Lease liabilities	(84)	(878)	(1,043)
Borrowings	(5)	(29)	(17)
Total principal cash flows	2,653	8,717	11,321

Capital Disclosures

Equity comprises share capital, share premium and retained losses and is equal to the amount shown as 'Equity' in the statement of financial position.

ADF's current objectives when maintaining capital are to:

- Safeguard ADF's ability as a going concern so that it can continue to pursue its growth plans.
- Provide a reasonable expectation of future returns to shareholders.
- Maintain adequate financial flexibility to preserve its ability to meet financial obligations, both current and long term.

ADF sets the amount of capital it requires in proportion to risk. ADF manages its capital structure and adjusts it in the light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust the capital structure, ADF may issue new shares or sell assets. During the years ended 31 December 2018, 2019, and 2020 ADF's business strategy remained unchanged.

27 Related party transactions

The CAD Services Pension Scheme, a pension scheme whereby the trustees S Haines, and S Dixon are also directors of ADF, owns properties leased by ADF. In total ADF paid the CAD Services Pension Scheme as at 31 December 2020 £38,000 (2019: £38,000; 2018: £38,000) in lease payments.

Included in other loans is a loan from the CAD Services Pension Scheme, whereby the trustees, A Dixon and S Haines, are also directors of ADF. The agreement matures over five years from inception in May 2019. The facility incurred interest payable at 12%. Amounts still outstanding at 31 December 2020 was £77,202 (2019: £95,428).

Included in other creditors were Director loan accounts with a balance as at 31 December 2020 £28,668 (2019: £5,914; 2018: £47,957), all amounts were non-interest bearing.

Dividends were paid to A Dixon, a shareholder of ADF, during the year ended 31 December 2020 of £115,875 (2019: £150,000; 2018: £114,000).

Dividends were paid to S Dixon, a shareholder of ADF, during the year ended 31 December 2020 of £77,250 (2019: £100,000; 2018: £76,000).

Dividends were paid to S Haines, a shareholder of ADF, during the year ended 31 December 2020 of £115,875 (2019: £150,000; 2018: £114,000).

Dividends were paid to J Fletcher, a shareholder of ADF, during the year ended 31 December 2020 of £77,250 (2019: £100,000; 2018: £76,000).

28 Changes in liabilities from financing activities

	At 1 January 2020 £'000	Financing cash flows £'000	Interest £'000	New borrowings non – cash £'000	New borrowings cash £'000	At 31 December 2020 £'000
Lease liabilities	**7,531**	**(1,273)**	**389**	**2,726**	**—**	**9,373**
Borrowings	**148**	**(92)**	**21**	**—**	**869**	**946**
Total liabilities from financing activities	7,679	(1,365)	410	2,726	869	10,319

	At 1 January 2019 £'000	Financing cash flows £'000	Interest £'000	New borrowings non – cash £'000	New borrowings cash £'000	At 31 December 2019 £'000
Lease asset liabilities	1,567	(1,864)	246	7,582	—	7,531
Borrowings	80	(56)	18	—	106	148
Total liabilities from financing activities	1,647	(2,757)	264	8,419	106	7,679

	At 1 January 2018 £'000	Financing cash flows £'000	Interest £'000	New borrowings non – cash £'000	New borrowings cash £'000	At 31 December 2018 £'000
Lease asset liabilities	2,586	(1,483)	103	361	—	1,567
Borrowings	103	(108)	5	—	80	80
Total liabilities from financing activities	2,689	(1,608)	108	378	80	1,646

29 Contingent liabilities

ADF operates two equity-settled share-based remuneration schemes for employees, under Enterprise Management Inceptive Share Schemes. Should any of these options being exercised on admission, ADF may become liable for employer social security taxes. As the outcome and timing of how many options will be exercised and whether tax will arise on their exercise is uncertain, it is not possible at the moment to reliably predict the final liability but the directors estimate the maximum potential liability at 30 June 2021 to be £394,012. Due to the uncertainty in predicting the amounts and timing of any liability, no provision has been made within the financial statements.

30 Ultimate controlling party

The Directors do not consider there to be one ultimate controlling party.

31 Post balance sheet events

On 2nd December 2021, ADF implemented the corporate reorganisation set out in Part V of the Admission Document.

32 Transition to IFRS

For all periods up to and including 31 December 2020, ADF prepared its statutory financial statements in accordance with UK GAAP. This is the first financial information ADF has prepared in accordance with IFRS. ADF's effective IFRS transition date for the purposes of this financial information was 1 January 2018. The effects of transition to IFRS on the statements of financial position as at 1 January 2018, 31 December 2018, 31 December 2019 and 31 December 2020 and the income statements for the years ended 31 December 2018, 31 December 2019 and 31 December 2020, are shown below. In preparing the ADF Financial Information of ADF, ADF has applied IFRS for the first time from 1 January 2018. The principles and requirements for first time adoption of IFRS are set out in IFRS 1. IFRS 1 allows certain exemptions in the application of standards to prior periods in order to assist companies with the transition process.

ADF have applied the requirements of IFRS 16 Leases from 1 January 2018, in advance of its effective date of 1 January 2019, to facilitate consistent presentation across the periods shown within the ADF Financial Information. The effects of adoption have been recognised directly in opening retained earnings. The lease payments associated with leases for which the lease term ends within 12 months of the date of transition to IFRS. No other transitional exemptions have been taken.

Estimates

The estimates within the statutory accounts up to 31 December 2021 are consistent with those made for the same dates in accordance with UK GAAP (after adjustments to reflect any differences in accounting policies).

The transition adjustments required on applying IFRS, as numbered in the tables below, were:

1. Under IFRS 16 the standard was effective from 1 January 2019, with early adoption applicable. ADF have applied the modified retrospective approach adopting the standard effectively from 1 January 2018, the first day of the first period included in the ADF Financial Information under IFRS, no other expedients were used on transition. Adjustments to leases under IFRS 16, to recognise leases previously recognised as operating leases as right-of-use assets. The initial recognition of right-of-use assets and lease liabilities as of 1 January 2018 was for £4,425,719 and £2,701,099 respectively, with a reduction in trade and other payables of £2,198,774 and reduction in property, plant and equipment of £3,923,394. In the year ended 31 December 2018 right-of-use assets decreased by £1,243,235 and lease liabilities decreased by £1,133,541, along with an increase in trade and other payables of £1,023,781, and an increase in property, plant, and equipment of £1,128,466. The impact of this adjustment has decreased operating expenses by £13,232, and increased finance expense by £18,242. In the year ended 31 December 2019 right-of-use assets increased by £5,636,030 and lease liabilities and associated provisions increased by £5,998,124, along with a decrease in trade and other payables of £5,185,891, and a reduction in property, plant, and equipment of £4,854,396. The impact of this adjustment has increased operating expenses by £6,134, and increased finance expense by £24,464. In the year ended 31 December 2020 right-of-use assets increased by £2,287,270 and lease liabilities and associated provisions increased by £1,843,147, along with a decrease in trade and other payables of

£2,053,527 and a decrease in property, plant, and equipment of £2,528,851. The impact of this adjustment has decreased operating expenses by £14,090, and increased finance expense by £45,290. Additional detail on transition to IFRS 16 is detailed in the accounting policies note 2.12 and note 16.

The following transition adjustment required on applying IFRS, as numbered in the tables below, which would also have included restatement under UK GAAP are continued as follows:

2. This adjustment was to correctly net off the corporation tax receivable and payable balances. This adjustment related solely to the year ended 31 December 2020 and reduced trade and other receivables by £450,748, increased current tax receivable £364,570, and decreased corporation tax payable by £86,178. There was no impact to the statement of profit or loss.

Statements of financial position as at 1 January 2018

	UK GAAP £'000	IFRS Adjustment 1 £'000	IFRS £'000
Assets			
Current assets			
Trade and other receivables	519	—	519
Corporation tax receivable	—	—	—
Cash and cash equivalents	179	—	179
Total current assets	698	—	698
Non-current assets			
Property, plant and equipment	5,320	(3,923)	1,397
Right-of-use asset	—	4,426	4,426
Total non-current assets	5,320	503	5,823
Total assets	**6,018**	**503**	**6,521**
Liabilities			
Current liabilities			
Trade and other payables	2,728	(1,268)	1,460
Lease liabilities	—	1,377	1,377
Borrowings	78	—	78
Corporation tax payable	111	—	111
Total current liabilities	2,917	109	3,026
Non-current liabilities			
Borrowings	24	—	24
Other provisions	931	(931)	—
Lease liabilities	—	1,325	1,325
Deferred tax liabilities	440	—	440
Total non-current liabilities	1,395	394	1,789
Total liabilities	**4,312**	**503**	**4,815**
Net Assets	**1,706**	**—**	**1,706**
Equity			
Called up share capital	—	—	—
Retained earnings	1,706	—	1,706
Total equity	**1,706**	**—**	**1,706**

Statements of financial position as at 31 December 2018

	UK GAAP £'000	B/fwd Adjustment £'000	IFRS Adjustment 1 £'000	IFRS £'000
Assets				
Current assets				
Trade and other receivables	944	—	—	944
Corporation tax receivable	—	—	—	—
Cash and cash equivalents	310	—	—	310
Total current assets	1,254	—	—	1,254
Non-current assets				
Property, plant and equipment	5,059	(3,923)	1,129	2,265
Right-of-use asset	—	4,426	(1,245)	3,181
Total non-current assets	5,059	503	(116)	5,446
Total assets	**6,313**	**503**	(116)	6,700
Liabilities				
Current liabilities				
Trade and other payables	2,626	(1,268)	420	1,778
Lease liabilities	—	1,377	(405)	972
Borrowings	27	—	—	27
Corporation tax payable	256	—	—	256
Total current liabilities	2,909	109	15	3,033
Non-current liabilities				
Borrowings	53	—	—	53
Other provisions	326	(931)	605	—
Lease liabilities	—	1,325	(730)	595
Deferred tax liabilities	469	—	—	469
Total non-current liabilities	848	394	(125)	1,117
Total liabilities	**3,757**	**503**	**(110)**	**4,150**
Net Assets	**2,556**	**—**	**(6)**	**2,550**
Equity				
Called up share capital	—	—	—	—
Retained earnings	2,556	—	(6)	2,550
Total equity	**2,556**	**—**	**(6)**	**2,550**

Statements of profit or loss and other comprehensive income for year ended 31 December 2018

	UK GAAP £'000	IFRS Adjustment 1 £'000	IFRS £'000
Revenue	12,602	—	12,602
Cost of sales	(8,427)	—	(8,427)
Gross profit	4,175	—	4,175
Other operating income	—	—	—
Administrative expenses	(2,570)	13	(2,557)
Operating profit	1,605	13	1,618
Finance income	—	—	—
Finance expense	(89)	(19)	(108)
Profit before taxation	1,516	(6)	1,510
Taxation	(286)	—	(286)
Profit for the year	1,230	(6)	1,224
Other comprehensive income			
Total other comprehensive income	—	—	—
Total other comprehensive income	1,230	(6)	1,224

Statements of financial position as at 31 December 2019

	UK GAAP £'000	B/fwd Adjustment £'000	IFRS Adjustment 1 £'000	IFRS £'000
Assets				
Current assets				
Trade and other receivables	830	—	—	830
Corporation tax receivable	—	—	—	—
Cash and cash equivalents	1,330	—	—	1,330
Total current assets	2,160	—	—	2,160
Non-current assets				
Property, plant and equipment	10,814	(2,794)	(4,855)	3,165
Right-of-use asset	—	3,181	5,638	8,819
Total non-current assets	10,814	387	783	11,984
Total assets	**12,974**	**387**	**783**	**14,144**
Liabilities				
Current liabilities				
Trade and other payables	2,324	(848)	299	1,775
Lease liabilities	—	972	(133)	839
Borrowings	71	—	—	71
Corporation tax payable	86	—	—	86
Total current liabilities	2,481	124	166	2,771
Non-current liabilities				
Borrowings	77	—	—	77
Other provisions	5,812	(326)	(5,452)	34
Lease liabilities	—	595	6,097	6,692
Deferred tax liabilities	852	—	—	852
Total non-current liabilities	6,741	269	645	7,655
Total liabilities	**9,222**	**393**	**811**	**10,426**
Net Assets	**3,752**	**(6)**	**(28)**	**3,718**
Equity				
Called up share capital	—	—		—
Retained earnings	3,752	(6)	(28)	3,718
Total equity	**3,752**	**(6)**	**(28)**	**3,718**

Statements of profit or loss and other comprehensive income for year ended 31 December 2019

	UK GAAP £'000	IFRS Adjustment 1 £'000	IFRS £'000
Revenue	15,914	—	15,914
Cost of sales	(10,851)	—	(10,851)
Gross profit	5,063	—	5,063
Other operating income	—	—	—
Administrative expenses	(2,655)	(6)	(2,661)
Operating profit	2,408	(6)	2,402
Finance income	—	—	—
Finance expense	(242)	(22)	(264)
Profit before taxation	2,166	(28)	2,138
Taxation	(470)	—	(470)
Profit for the year	1,696	(28)	1,668
Other comprehensive income			
Total other comprehensive income	—	—	—
Total other comprehensive income	1,696	(28)	1,668

Statements of financial position at 31 December 2020

	UK GAAP £'000	B/fwd Adjustment £'000	IFRS Adjustment 1 £'000	Adjustment 2 £'000	IFRS £'000
Assets					
Current assets					
Trade and other receivables	1,116	—	—	(451)	665
Corporation tax receivable	—	—	—	365	365
Cash and cash equivalents	1,254	—	—	—	1,254
Total current assets	2,370	—	—	(86)	2,284
Non-current assets					
Property, plant and equipment	13,556	(7,649)	(2,529)	—	3,378
Right-of-use asset	—	8,819	2,287	—	11,106
Total non-current assets	13,556	1,170	(242)	—	14,484
Total assets	**15,926**	**1,170**	**(242)**	**(86)**	**16,768**
Liabilities					
Current liabilities					
Trade and other payables	4,053	(549)	(1,246)	—	2,258
Lease liabilities	—	839	1,261	—	2,100
Borrowings	547	—	—	—	547
Corporation tax payable	86	—	—	(86)	—
Total current liabilities	4,686	290	15	(86)	4,905
Non-current liabilities					
Borrowings	399	—	—	—	399
Other provisions	6,620	(5,778)	(805)	—	37
Lease liabilities	—	6,692	581	—	7,273
Deferred tax liabilities	1,224	—	—	—	1,224
Total non-current liabilities	8,243	914	(224)	—	8,933
Total liabilities	**12,929**	**1,204**	**(209)**	(86)	**13,838**
Net Assets	**2,997**	**(34)**	**(33)**	**—**	**2,930**
Equity					
Called up share capital	—	—		—	—
Retained earnings	2,997	(34)	(33)	—	2,930
Total equity	**2,997**	**(34)**	**(33)**	**—**	**2,930**

Statements of profit or loss and other comprehensive income for year ended 31 December 2020

	UK GAAP £'000	IFRS Adjustment 1 £'000	IFRS £'000
Revenue	8,038	—	8,038
Cost of sales	(7,475)	—	(7,475)
Gross profit	563	—	563
Other operating income	1,895	—	1,895
Administrative expenses	(2,540)	13	(2,527)
Operating profit	(82)	13	(69)
Finance income	1	—	1
Finance expense	(365)	(46)	(411)
Profit before taxation	(446)	(33)	(479)
Taxation	77	—	77
Profit for the year	(369)	(33)	(402)
Other comprehensive income			
Total other comprehensive income	—	—	—
Total other comprehensive income	(369)	(33)	(402)

PART IV – SECTION C

UNAUDITED INTERIM FINANCIAL INFORMATION OF CAD SERVICES LIMITED

FOR THE SIX MONTHS ENDED 30 JUNE 2021

Statements of profit or loss and other comprehensive income

	Note	Six months ended 30 June 2020 (unaudited) £'000	Six months ended 30 June 2021 (unaudited) £'000
Revenue	3	2,380	11,536
Cost of sales		(3,114)	(6,406)
Gross profit		(734)	5,130
Other operating income	4	1,290	25
Administrative expenses		(957)	(2,111)
Operating profit/(loss)		(401)	2,944
Finance income		1	—
Finance expense		(116)	(117)
Profit/(loss) before taxation		(516)	2,827
Taxation	6	76	(606)
Profit/(loss) for the period		(440)	2,221
Other comprehensive income			
Total other comprehensive income		—	—
Total other comprehensive income/(expense)		(440)	2,221
Earnings per share for profit attributable to the owners			
Basic (loss)/ earnings per share (£')		(4,400)	22,210
Diluted (loss)/ earnings per share (£')		(4,231)	20,565

All amounts relate to continuing operations.

Statements of financial position

	Note	Year ended 31 December 2020 £'000	Six months ended 30 June 2021 (unaudited) £'000
Assets			
Current assets			
Trade and other receivables	10	665	1,209
Corporation tax receivable		365	451
Cash and cash equivalents		1,254	3,066
Total current assets		2,284	4,726
Non-current assets			
Property, plant and equipment	8	3,378	3,846
Right-of-use assets	9	11,106	12,792
Total non-current assets		14,484	16,638
Total assets		16,768	21,364
Liabilities			
Current liabilities			
Trade and other payables	11	2,258	3,136
Lease liabilities		2,100	2,287
Borrowings	12	547	128
Other provisions	11	—	327
Corporation tax payable		—	480
Total current liabilities		4,905	6,358
Non-current liabilities			
Borrowings	12	399	331
Other provisions		37	36
Lease liabilities	9	7,273	8,522
Deferred tax liabilities		1,224	1,349
Total non-current liabilities		8,933	10,238
Total liabilities		**13,838**	**16,596**
Net Assets		**2,930**	**4,768**
Equity			
Called up share capital		—	—
Retained earnings		2,930	4,768
Total equity		**2,930**	**4,768**

Statements of changes in equity

	Share Capital £'000	Retained earnings £'000	Total Equity £'000
Balance at 01 January 2020	—	3,718	3,718
Comprehensive Income			
Loss for the year	—	(402)	(402)
Transactions with owners			
Dividends	—	(386)	(386)
Balance at 31 December 2020	—	2,930	2,930
Balance at 01 January 2021	—	2,930	2,930
Comprehensive Income			
Profit for the period	—	2,221	2,221
Transactions with owners			
Dividends	—	(383)	(383)
Balance at 30 June 2021	**—**	**4,764**	**4,764**

Statements of cash flows

	Note	Six months ended 30 June 2020 (unaudited) £'000	Six months ended 30 June 2021 (unaudited) £'000
Cash flows from operating activities			
Profit/ (loss) before taxation from continuing activities		(516)	2,827
Adjustments for non-cash/non-operating items:			
Depreciation of property, plant and equipment	8	66	177
Amortisation of right-of-use assets	9	324	719
Profit on disposal of property, plant and equipment and right-of-use assets		152	10
Movement in provision		—	327
Finance income		(1)	—
Finance expense		116	117
		141	4,177
(Increase)/ decrease in trade and other receivables		540	(544)
Increase/ (decrease) in trade and other payables		(562)	878
Cash from operations		119	4,511
Corporation tax (paid)		—	(87)
Net cash generated from operating activities		119	4,424
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(8)	(297)
Purchase of right-of-use assets		(116)	(401)
Interest received		1	—
Net cash used in investing activities		(123)	(698)
Cash flows from financing activities			
New borrowings and amounts introduced from Directors		400	—
Repayment of borrowings		(63)	(487)
Cash movements on lease liabilities		(531)	(927)
Interest paid on lease liabilities		(106)	(108)
Other interest paid		(9)	(9)
Dividends paid	7	(196)	(383)
Net cash used in financing activities		(505)	(1,914)
Net increase/ (decrease) in cash and cash equivalents		(509)	1,812
Cash and cash equivalents at beginning of period		1,330	1,254
Cash and cash equivalents at end of period		821	3,066

Notes to the historical financial information

1 General Information

ADF is a private company limited by shares and registered and incorporated in England and Wales. The registered office is Facilities By ADF, Ground Floor 31 Oldfield Road, Bocam Park, Pencoed, Wales, CF35 5LJ.

The principal activity of ADF throughout the period is that of supply of mobile facilities for television and film productions.

The unaudited interim financial information presents the financial results of ADF for the six-month period to 30 June 2021 ("ADF Interim Financial Information"). This financial information has been prepared in accordance with UK-adopted International Accounting Standard 34, 'Interim Financial Reporting.'

2 Summary of significant accounting policies

2.1 Basis of preparation and accounting policies

The ADF Interim Financial Information does not constitute the full statutory accounts for that period. The Annual Report and Financial Statements for the year ending 31 December 2020 have been filed with the Registrar of Companies. The Independent Auditors' Report on the Annual Report and Financial Statement ended 31 December 2020 was unqualified.

2.2 Accounting policies

The accounting policies are consistent with those followed in the preparation of the ADF Financial Information, included in the Admission Document.

2.3 Critical accounting judgements and estimates

The preparation of the ADF Interim Financial Information requires the use of certain critical accounting estimates. It also requires ADF management to exercise judgement and use assumptions in applying the ADF's accounting policies. The resulting accounting estimates calculated using these judgements and assumptions will, by definition, seldom equal the related actual results but are based on historical experience and expectations of future events. The Directors believe that the estimates utilised in preparing the ADF Interim Financial Information are reasonable and prudent.

Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in the ADF Interim Financial Information are consistent with those followed in the preparation of the ADF Financial Information, included in the Admission Document.

3 Revenue from contracts with customers

All of the ADF's revenue was generated from the provision of services in the UK. 4 customers make up 10% or more of revenue in the period ending 30 June 2021 (2020: 2). The Directors considers revenue derives from two business stream being that of hire of facilities and fuel by ADF.

During the six months ended 30 June 2020, ADF's revenue was affected by the COVID-19 pandemic, whereby, within the UK, residents and businesses were placed into localised and national lockdowns by the UK government. Further additional travel restrictions also existed throughout this period. As such, the film and TV industry was not able to trade for the majority of this period, directly affecting revenue. There were limited restrictions in place by the UK government for the period ending 30 June 2021.

Revenue from customers

	Six months ended 30 June 2020 (unaudited) £'000	Six months ended 30 June 2021 (unaudited) £'000
Hire of facilities		
Customer 1	202	2,352
Customer 2	1,273	1,864
Customer 3	—	1,852
Customer 4	201	1,345
Customer 5	313	708
All other customers	381	3,297
Fuel by ADF	10	118
	2,380	11,536

Timing of transfer of goods or services

	Six months ended 30 June 2020 (unaudited) £'000	Six months ended 30 June 2021 (unaudited) £'000
Services transferred over time	2,370	11,418
At a point in time	10	118
	2,380	11,536

4 Other operating income

	Six months ended 30 June 2020 (unaudited) £'000	Six months ended 30 June 2021 (unaudited) £'000
Grants received	1,290	25
	1,290	25

ADF received UK government grants as part of initiatives to provide financial support as a result of the COVID-19 pandemic. There are no future costs in respect of these grants which were received solely as compensation for the impact of the pandemic during the period.

5 Segmental reporting

ADF has two reporting segments, being the hire of facilities and fuel cards by ADF. No non-GAAP reporting measures are monitored. Total assets and liabilities are not provided to the chief operating decision maker in ADF's internal management reporting by segment and therefore are not presented below, information on segments is reported at a gross profit level only. Information about geographical revenue is disclosed in note 3, all non-current assets are held in the UK.

	Six months ended 30 June 2020 (unaudited) £'000	Six months ended 30 June 2021 (unaudited) £'000
Revenue		
Hire of facilities	2,370	11,418
Fuel by ADF	10	118
	2,380	11,536
Cost of sales profit		
Hire of facilities	(3,105)	(6,301)
Fuel by ADF	(9)	(105)
	(3,114)	(6,406)
Gross Profit	(734)	5,130

6 Taxation

	Six months ended 30 June 2020 (unaudited) £'000	Six months ended 30 June 2021 (unaudited) £'000
Analysis of (credit)/expense in period		
Current tax on profits for the period	(274)	481
Adjustments in respect of previous periods	—	—
Total current tax	(274)	481
Deferred tax		
Origination and reversal of temporary differences	198	125
Effect of tax rate change on opening balance	—	—
Adjustments in respect of prior periods	—	—
Total deferred tax	198	125
Tax expense/ (credit) per statement of comprehensive income	(76)	606

7 Dividends

	Six months ended 30 June 2020 (unaudited) £'000	Six months ended 30 June 2021 (unaudited) £'000
Interim dividends paid on ordinary shares	196	383
	196	383

Dividend paid per share at 30 June 2021 £3,830 (2020: £1,958).

8 Property, plant and equipment

Depreciation charge is recognised in administrative expenses in the Statement of Profit or Loss within operating expenses, throughout the interim financial information period.

	Plant and machinery £'000	Hire Fleet £'000	Motor vehicles £'000	Computer equipment £'000	Total £'000
Cost					
At 01 January 2020	114	4,330	357	74	4,875
Additions	8	87	—	—	95
Transfers	—	632	102	—	734
Disposals	—	(457)	(196)	—	(653)
At 31 December 2020	122	4,592	263	74	5,051
Depreciation					
At 01 January 2020	52	1,497	116	45	1,710
Charge for the year	8	42	11	4	65
Transfer	—	184	47		231
Disposals	—	(215)	(118)	—	(333)
At 31 December 2020	60	1,508	56	49	1,673
Net book amount					
At 31 December 2020	62	3,084	207	25	3,378
Cost					
At 01 January 2021	122	4,592	263	74	5,051
Additions	25	263	—	9	297
Transfer	—	463	—	—	463
Disposals	—	—	(27)	—	(27)
At 30 June 2021	147	5,318	236	83	5,784
Depreciation					
At 01 January 2021	60	1,508	56	49	1,673
Charge for the period	9	155	10	3	177
Transfers	—	106	—	—	106
Disposals	—	—	(18)	—	(18)
At 30 June 2021	69	1,769	48	52	1,938
Net book amount					
At 30 June 2021	78	3,549	188	31	3,846

9 Leases

Right-of-use assets

	Leasehold Property £'000	Motor Leasehold £'000	Hire Fleet and Motor Vehicles £'000	Equipment £'000	Total £'000
Cost					
At 01 January 2020	1,397	30	8,137	12	9,576
Additions	—	79	3,547	—	3,626
Transfers	—	—	(734)	—	(734)
Disposals	—	—	—	(4)	(4)
At 31 December 2020	1,397	109	10,950	8	12,464
Depreciation					
At 01 January 2020	265	2	491	5	763
Charge for the period	292	25	510	3	830
Transfers	—	—	(231)		(231)
Disposals	—	—	—	(4)	(4)
At 31 December 2020	557	27	770	4	1,358
Net book amount					
At 31 December 2020	840	82	10,180	4	11,106
Cost					
At 01 January 2021	1,397	109	10,950	8	12,464
Additions	—	—	2,762	—	2,762
Transfers	—	—	(463)	—	(463)
At 30 June 2021	1,397	109	13,249	8	14,763
Depreciation					
At 01 January 2021	557	27	770	4	1,358
Charge for the period	146	14	558	1	719
Transfers	—	—	(106)	—	(106)
At 30 June 2021	703	41	1,222	5	1,971
Net book amount					
At 30 June 2021	694	68	12,027	3	12,792

Lease liabilities

	Leasehold Property £'000	Motor Leasehold £'000	Hire Fleet and Motor Vehicles £'000	Equipment £'000	Total £'000
At 01 January 2020	1,137	26	6,361	7	7,531
Additions	—	79	2,647	—	2,726
Interest expense	41	3	345	—	389
Lease payments (including interest)	(307)	(25)	(938)	(3)	(1,273)
At 31 December 2020	871	83	8,415	4	9,373
At 01 January 2021	871	83	8,415	4	9,373
Additions	—	—	2,360	—	2,360
Interest expense	16	1	90	—	107
Lease payments (including interest)	(162)	(9)	(859)	(1)	(1,031)
At 30 June 2021	725	75	10,006	3	10,809

Reconciliation of current and non-current lease liabilities

	Year ended 31 December 2020	Six months ended 30 June 2021 (unaudited) £'000
Current	2,100	2,287
Non-current	7,273	8,522
Total	9,373	10,809

10 Trade and other receivable

	Year ended 31 December 2020 £'000	Six months ended 30 June 2021 (unaudited) £'000
Amounts falling due within one year:		
Trade receivables	226	598
Amounts recoverable on contracts	144	378
Prepayments	295	223
	665	1,199

Trade receivables are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are non-interest bearing. The carrying amount of trade and other receivables approximates fair value.

ADF applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The ECL balance has been determined as £Nil based on historical data available to management in addition to forward looking information utilising management knowledge. Based on the analyses performed there is no material impact on the transition to ECL from previous methods of estimating the provision for doubtful accounts.

11 Trade and other payables

	Year ended 31 December 2020 £'000	Six months ended 30 June 2021 (unaudited) £'000
Amounts falling due within one year:		
Trade payables	447	1,055
Other payables	333	30
Taxation and social security	928	1,126
Provisions	—	327
Accrued expenses	222	578
Deferred income	328	347
	2,258	3,463

The Directors consider that the carrying value of trade and other payables approximates to their fair value. Trade payables are non-interest bearing and are normally settled monthly.

Included in other creditors were director loan accounts with a balance as at 30 June 2021 £4,827 (31 December 2020: £28,668), all amounts were non-interest bearing.

Included in provisions is the estimated social security liability payable on options expected to be exercised on IPO. Further detail on this provision is included per Note 13.

12 Borrowings

	Year ended 31 December 2020 £'000	Six months ended 30 June 2021 (unaudited) £'000
Current:		
Bank loans	527	100
Other loans	20	28
	547	128
Non-current		
Bank loans	342	292
Other loans	57	39
	399	331
Total borrowings	946	459

A maturity analysis of the ADF's borrowings is shown below:

	Year ended 31 December 2020 £'000	Six months ended 30 June 2021 (unaudited) £'000
Less than 1 year	547	128
Later than 1 year and less than 5 years	399	331
After 5 years	—	—
	946	459

Included in bank loans is a CBILS loan held with Barclays. The loan was taken out in May 2020 and matures four years after this date. The loan incurs interest of 2.25% above Bank of England base rate, with deferred payment start date as part of the CBILS scheme for the first 12 months. Interest on the loan is payable by the UK government as part of the business interruption payment under the facility.

Included in bank loans is a trade finance facility held with HSBC. The agreement is renewed annually and provides 60-day finance facility. At 30 June 2021 the facility held a limit of £500,000 of which the following amounts had been drawn down and were outstanding £Nil (31 December 2020: £468,887). The facility incurred interest payable at 30 June 2021 of 2.5% per annum.

Included in other loans is a loan from the CAD Services Pension Scheme, whereby the trustees, A Dixon and S Haines, are also directors of ADF. The agreement matures over five years from inception in May 2019. The facility incurred interest payable at 12%.

13 Capital and contingencies

Capital and financial commitments

ADF committed to the lease of Kitsmead, Kitsmead Lane, Longcross KT16 0EF as at 30 June 2021. The expected commencement of this lease is 1 May 2022, with expected rentals of £754,00 per annum for fifteen years, with a break clause after the first ten years.

ADF had committed to a motor vehicle lease as 30 June 2021. The expected commencement of this lease is 13 September 2021, with expected rentals of £6,769 per annum.

ADF held no other additional capital, financial and or other commitments at the end of 30 June 2021.

Social security commitments

ADF operates two equity-settled share-based remuneration schemes for employees, under Enterprise Management Inceptive Share Schemes. Should any of these options be exercised on IPO, ADF may become liable for employer social security taxes. At the date of signing these statements, it was more than likely that M Proctor, a Director of ADF, would exercise 100% of his options. As such the Directors estimate an amount of £327,192 in relation to social security costs payable assuming M Proctor's options are exercised, being a direct cost to ADF. The Directors' estimate is based on the expected value of ADF at the date of signing these statements. This is further detailed in Part III of the Admission Document.

14 Related party transactions

The CAD Services Pension Scheme, a pension scheme whereby the trustees S Haines, and S Dixon are also directors of ADF, owns properties leased by ADF. In total, ADF paid the CAD Services Pension Scheme as at 30 June 2021 £19,000 (30 June 2020: £19,000) in lease payments.

Included in other loans is a loan from the CAD Services Pension Scheme, whereby the trustees, A Dixon and S Haines, are also directors of ADF. The agreement matures over five years from inception in May 2019. The facility incurred interest payable at 12%. Amounts still outstanding at 30 June 2021 was £67,486 (30 June 2020: £86,354).

Included in other creditors were Director loan accounts with a balance as at 30 June 2021 £4,827 (30 June 2020: £1,085). All amounts were non-interest bearing.

15 Post balance sheet events

On 2nd December 2021, ADF implemented the corporate reorganisation set out in Part V of the Admission Document.

PART V

ADDITIONAL INFORMATION

1. Responsibility

The Company, whose registered office appears on page 10 of this document, and the Directors, whose names, addresses and functions appear on page 10 of this document, accept individual and collective responsibility for the information contained in this document and compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Company and the Directors (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. The Company

2.1 The Company was incorporated and registered in England and Wales on 23 November 2021 under the name Facilities by ADF Limited with registered number 13761460 as a private company limited by shares.

2.2 On 8 December 2021, the Company was re-registered as a public limited company under the Act and changed its name to Facilities by ADF Plc.

2.3 The Company is a public limited company and accordingly the liability of its members is limited to the amount paid up or to be paid on their shares. The principal legislation under which the Company operates and which the Placing Shares will be issued is the Companies Act and regulations made thereunder.

2.4 The registered office and principal place of business of the Company is Ground Floor 31 Oldfield Road, Bocam Park, Pencoed, Wales, CF35 5LJ.

2.5 The Company's website at which the information required by Rule 26 of the AIM Rules for Companies can be found at www.facilitiesbyadf.com and its telephone number is +44(0)1656 725560.

2.6 The principal activity of the Company is to act as the holding company for the Group, whose principal activity is the provision of production vehicles in the television and film industry.

2.7 The accounting reference date of the Company is 31 December.

3. Group Reorganisation

3.1 In connection with Admission, the Group undertook the Reorganisation that resulted in the Company becoming the ultimate holding company of the Group. The Reorganisation steps comprised:

(a) the incorporation of the Company with the name Facilities by ADF Limited and issued share capital of one Ordinary Share of £0.01 held by Andrew Dixon;

(b) the sale by the shareholders of CAD of their shares in CAD to the Company in consideration for the issue of 39,999,999 new ordinary shares of £0.01 each in the Company on the basis of 400,000 Ordinary Shares for each ordinary share held in CAD;

(c) the exchange of 16 options in CAD for Options granted in the Company;

(d) the subscription for 2,000,000 Ordinary Shares by John Richards;

(e) the grant of Options in the Company to certain employees; and

(f) the re-registration of the Company as a public limited company and change of the Company's name to Facilities by ADF plc.

3.2 The Reorganisation did not affect the Group's operations which, post Admission, will continue to be carried out through the Company's wholly owned operating subsidiary, ADF.

3.3 At the date of this document, save for the Company and ADF, there are no other companies within the Group.

4. Share Capital of the Company

4.1 The Ordinary Shares are in registered form and are capable of transfer in both certificated form and uncertificated form. The register of members for the Company will be maintained by the Company's registrars, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD.

4.2 On incorporation of the Company, one ordinary share of £0.01 was subscribed by and issued to Andrew Dixon.

4.3 On 2 December 2021, the Company issued 39,999,999 ordinary shares of £0.01 each to the shareholders of ADF pursuant to the Share Exchange Agreement summarised at paragraph 13.6 of this Part V.

4.4 On 3 December 2021, the Company issued 2,000,000 ordinary shares of £0.01 each to John Richards. At the same time as the issue of ordinary shares to Mr Richards, the Company entered into a loan agreement with Mr Richards, which is summarised at paragraph 13.8 of this Part V.

4.5 The issued share capital of the Company immediately prior to Admission, and as it is expected to be immediately after Admission, all of which will be fully paid up on or before Admission, is as follows:

	Prior to Placing and Admission		Immediately following the Placing and Admission	
Class of shares	**Number of shares**	**Nominal value (£)**	**Number of shares**	**Nominal value (£)**
Ordinary	45,500,000	0.01	75,500,000	0.01

4.6 Immediately prior to Admission, there will be Options outstanding over a total of 5,700,000 Ordinary Shares, details of which are set out in paragraphs 4.7 and 4.10 below.

4.7 Details of the total number of Options (all granted for nil consideration) outstanding on Admission and details of those exercised prior to Admission are as follows:

Option Holder	Date of Grant	Earliest date of exercise	Expiry Period	Maximum number of Options granted and unexercised	Exercise price per share
Lisa Morris	30 March 2016	2 December 2021	30 March 2026	400,000	£0.00883
Lisa Morris	2 December 2021	2 December 2021	2 December 2031	100,000	£0.01
Marsden Proctor[1]	30 March 2016	30 March 2026	30 March 2026	1,200,000	£0.00883
Marsden Proctor[1]	12 March 2020	12 March 2030	2 December 2031	1,600,000	£0.0556975
Marsden Proctor[1]	2 December 2021	2 December 2021	2 December 2031	700,000	£0.01
Neil Evans	12 March 2020	2 December 2021	12 March 2030	2,000,000	£0.0556975
Neil Evans	2 December 2021	2 December 2021	2 December 2031	500,000	£0.01
Wayne Evans	12 March 2020	2 December 2021	12 March 2030	1,200,000	£0.0556975
Wayne Evans	2 December 2021	2 December 2021	2 December 2031	300,000	£0.01

1 *Marsden Proctor's options will be exercised and converted to Ordinary Shares immediately prior to Admission.*

4.8 Certain of the Options described at paragraph 4.7 above are replacement options for those options that were granted by ADF prior to the Share Exchange Agreement. The option holders were invited to accept an exchange of options, in accordance with the terms of the share option plan rules and, where they accepted an exchange of options, were granted replacement options in the Company.

4.9 On 2 December 2021 the Company granted Options over 1,600,000 Ordinary Shares to the option holders, details of which are provided at paragraph 4.7 above.

4.10 On 21 December 2021, the Company granted Cenkos the conditional right to subscribe for 1,200,000 new Ordinary Shares at the Placing Price as any time during the three year period from Admission. Further details of this Agreement are set out in paragraph 13.2 of this Part V.

4.11 On 2 December 2021, the Shareholders passed resolutions on the following terms:

4.11.1 the Directors were generally and unconditionally authorised for the purposes of section 550 of the Act to exercise all the powers of the Company to allot shares and grant rights to subscribe for, or convert any securities into, shares up to an aggregate nominal amount of £420,000 in connection with the Share Exchange Agreement and the issue of shares to John Richards; and

4.11.2 the Directors were given power pursuant to sections 570(1) and 571(1) of the Act to allot equity securities (as defined in section 560 of the Act) of the Company for cash pursuant to the authority granted by paragraph 4.8.1 above as if section 561 of the Act did not apply to any such allotment.

4.12 On 2 December 2021, the Shareholders passed resolutions on the following terms:

4.12.1 subject to and with effect from Admission, in substitution for any equivalent authorities and powers granted to the Directors prior to the passing of this ordinary resolution, the Directors are generally and unconditionally authorised pursuant to section 551 of the Act to exercise all powers of the Company to allot, and grant any right to subscribe for or to convert any security into, shares in the Company (such shares and rights to subscribe for or to convert any security into shares of the Company being "**Relevant Securities**") up to an aggregate nominal amount of £408,000, provided that this authority shall be limited to:

(a) 40,000,000 New Ordinary Shares pursuant to the Placing; and

(b) Relevant Securities other than pursuant to sub-paragraph (a) above, having an aggregate nominal value equal to £8,000,

provided that unless previously revoked, varied or extended, the authority shall expire on the earlier of the conclusion of the next annual general meeting of the Company and the date falling 15 months after the date of passing of this resolution, except that the Company may at any time before such expiry make an offer or agreement which would or might require Relevant Securities to be allotted after such expiry and the Directors may allot Relevant Securities in pursuance of such an offer or agreement as if this authority had not expired;

4.12.2 subject to and with effect from Admission, the Directors are empowered pursuant to section 570(1) of the Act to allot equity securities (as defined in section 560(1) of the Act) of the Company wholly for cash pursuant to the authority of the Directors under section 551 of the Act conferred by paragraph 4.12 above, as if the provisions of section 561 of the Act did not apply to such allotment provided that this power is limited to:

(a) the allotment of equity securities which fall within sub-paragraph (a) of paragraph 4.12 above;

(b) the allotment of equity securities in connection with an offer of, or invitation to apply for, equity securities in favour of ordinary shares in the capital of the Company on a fixed record date, in proportion (as nearly as practicable) to the respective number of ordinary shares in the capital of the Company held by them or in accordance with the rights attached to such shares (but subject to such exclusion or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements or legal, regulatory or practical problems arising under the laws or requirements of any overseas territory or by virtue of shares being represented by depository receipts or the requirements of any regulatory body or stock exchange or any other matter whatsoever); and

(c) the allotment (other than pursuant to the power referred to in sub-paragraphs (a) and (b) (inclusive) above) of equity securities up to an aggregate nominal amount equal to one tenth of the nominal value of the Company's share capital on Admission,

and this power shall expire on the earlier of the date falling 15 months after the date of the passing of this resolution and the conclusion of the next annual general meeting of the Company except that the Company may before the expiry of this power make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if this power had not expired;

4.13 The provisions of section 561 of the Act (to the extent not disapplied pursuant to section 570 of the Act) confer on Shareholders certain rights of pre-emption in respect of the allotment of equity securities (as defined in section 560(1) of the Act) which are, or are to be, paid up in cash and apply to the authorised but unissued equity share capital of the Company. These provisions have been disapplied to the extent referred to in paragraph 4.9.2 above.

4.14 Certain of the Ordinary Shares issued by the Company were issued for non-cash consideration in respect of the Share Exchange Agreement.

4.15 Save as set out in this Part V:

4.15.1 no unissued share or loan capital of the Company is under option or is agreed conditionally or unconditionally to be put under option;

4.15.2 no person has any preferential subscription rights for any share capital of the Company;

4.15.3 there are no shares in the capital of the Company currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in place whereby future dividends are waived or agreed to be waived;

4.15.4 there are no shares of the Company held by or on behalf of itself or any member of the Group;

4.15.5 there are no outstanding convertible securities issued by the Company; and

4.15.6 no share capital or loan capital of the Company is in issue and no such issue is proposed.

4.16 None of the Ordinary Shares have been sold or made available to the public in conjunction with the application for Admission.

4.17 Save as disclosed in this document, no commission, discounts, brokerages or other specific terms have been granted by the Company in connection with the issue or sale of any of its share or loan capital.

4.18 The Ordinary Shares are in registered form and capable of being held in uncertificated form. Application has been made to Euroclear for the Ordinary Shares to be enabled for dealings through CREST as a participating security. No temporary documents of title will be issued. It is expected that definitive share certificates will be posted to those Shareholders who have requested the issue of Ordinary Shares in certificated form by 10 working days after Admission. The International Securities Identification Number (ISIN) for the Ordinary Shares is GB00BNZGNM64.

4.19 The Placing Price of £0.50 per Ordinary Share represents a premium of £0.49 over the nominal value of £0.01 per Ordinary Share and is payable in full on Admission under the terms of the Placing.

4.20 The net asset value of an existing Ordinary Share prior to the issue of the New Ordinary Shares, based on the net assets of the Company as at the date of this document, is £0.10 (the "**Net Asset Value Per Share**").

5. Articles of Association

The Articles, which were adopted conditional on Admission by a special resolution of the Company passed on 2 December 2021, include provisions to the following effect:

5.1 ***Objects***

The Articles contain no restriction on the objects of the Company.

5.2 ***Capital structure***

The share capital of the Company is represented by an unlimited number of Ordinary Shares having the rights described in the Articles.

5.3 ***Voting rights***

Subject to any rights or restrictions attached to any shares, at a physical meeting on a show of hands every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative, not being himself or herself a member entitled to vote, shall have one vote, and on a poll every member shall have one vote for every Ordinary Share of which he or she is the holder. Votes may be given personally or by proxy.

Subject to any rights or restrictions attached to any shares, at a meeting held by electronic means on a poll every member shall have one vote for every Ordinary Share of which he or she is the holder. Votes may be given personally or by proxy.

5.4 ***Dividends***

5.4.1 Subject to the Act and as set out in the Articles, the Company may by ordinary resolution declare dividends, but no dividend shall exceed the amount recommended by the Board. No dividend may be paid otherwise than in accordance with the Act. The Directors may pay such interim dividends as appears to be justified by the position of the Company.

5.4.2 Except as otherwise provided by the rights attached to the shares, all dividends shall be declared and paid according to the amounts paid up on the nominal amount of the shares on which the dividend is paid but (for the purposes of this Article only) no amount paid on a share in advance of calls shall be treated as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid up on the nominal amount of the shares during any portion or portions of the period in respect of which the dividend is paid; but, if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.

5.4.3 Any dividend or other moneys payable in respect of a share may be paid:-

(a) by transfer to a bank or building society account specified by the distribution recipient either in writing or as the Board may otherwise decide;

(b) by sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the Board may otherwise decide;

(c) by sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the Board may otherwise decide;

(d) by means of a relevant system in respect of shares in uncertificated form in such manner as may be consistent with the facilities and requirements of the relevant system or as the Board may otherwise decide; or

(e) by any electronic or other means as the Board may decide, to an account, or in accordance with the details, specified by the distribution recipient either in writing or as the Board may otherwise decide.

5.5 ***Winding up***

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he or she with the like sanction determines, but no member shall be compelled to accept any assets upon which there is a liability.

5.6 ***Redemption***

Subject to the provisions of the Act and the Articles, the Company can issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the shareholder on such terms and in such manner as the Board may determine.

5.7 ***Variation of class rights***

5.7.1 Whenever the share capital of the Company is divided into different classes of shares, the rights attached to any class of shares in issue may (unless otherwise provided by the terms of issue of the shares of that class) from time to time be varied or abrogated, whether or not the Company is being wound up, either with the consent in writing of the holders of three-fourths in nominal value of the issued shares of the class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate meeting of such holders (but not otherwise).

5.7.2 The special rights conferred upon the holders of any shares or class of shares shall, unless otherwise provided by the Articles or the terms of issue of the shares concerned, be deemed to be varied by a reduction of capital paid up on those shares but shall be deemed not to be varied by the creation or issue of further shares ranking *pari passu* with them or subsequent to them. The special rights conferred on the holders of ordinary shares shall be deemed not to be varied by the creation or issue of any further shares ranking in priority to them nor shall any consent or sanction of the holders of Ordinary Shares be required to any variation or abrogation effected by a resolution on which only the holders of Ordinary Shares are entitled to vote.

5.8 ***Issue of shares***

Subject to the provisions of the Act and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine, or in the absence of such determination, or so far as any such resolution does not make specific provision, as the Board may determine.

5.9 ***Form and transfer of shares***

5.9.1 The Board may issue shares as certificated or uncertificated shares, subject to any restrictions on transfers described below:-

(a) a share held in certificated form may be transferred by an instrument of transfer in any usual form or in any other form which the Board may approve, which shall be executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. A share held in uncertificated form may be transferred by means of a relevant system or in any other manner which is permitted by the Act and is from time to time approved by the Board. The transferor shall be deemed to remain the holder of the share until the transferee is entered on the Register as its holder; and

(b) every member (other than a person who is not entitled to a certificate under the Act) is entitled, on becoming a holder of any shares in certificated form and without payment, to a certificate for all shares of each class held by him or her in certificated form. If a share certificate is worn out, defaced, lost, destroyed or stolen it may be renewed without fee but on such terms as to evidence and indemnity as the Board requires. In the case of loss, theft, or destruction, the person to whom the new certificate is issued may be required to pay any exceptional out of pocket expenses incidental to the investigation of evidence of loss, theft or destruction and the preparation of an appropriate form of indemnity. Every share certificate is sent at the risk of the person entitled thereto.

5.9.2 The Board may, in the case of shares held in certificated form, in its absolute discretion refuse to register the transfer of a share which is not fully paid provided that, where any such shares are admitted to the Official List of the Financial Conduct Authority or admitted to trading on AIM, such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis.

(a) The Board may also refuse to register a transfer of shares held in certificated form unless the instrument of transfer is:-

(i) duly stamped or duly certified or otherwise shown to the satisfaction of the Board to be exempt from stamp duty, lodged at the Transfer Office or at such other place as the Board may appoint and (save in the case of a transfer by a person to whom no certificate was issued in respect of the shares in question) accompanied by the certificate for the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do;

(ii) in respect of only one class of share; and

(iii) in favour of not more than four transferees.

5.9.3 If the Board refuses to register a transfer of shares held in certificated form, it shall as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal together with its reasons for the refusal.

5.9.4 No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share or for making any entry in the Register affecting the title to any share.

5.9.5 The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the Board refuses to register shall be returned to the person lodging it when notice of the refusal is given.

5.9.6 For all purposes of the Articles relating to the registration of transfers of shares, the renunciation of the allotment of any shares by the allottee in favour of some other person shall be deemed to be a transfer and the Board shall have the same powers of refusing to give effect to such a renunciation as if it were a transfer.

5.9.7 If a member dies the survivor or survivors where he or she was a joint holder, and his or her personal representatives where he or she was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his or her interest; but nothing contained in the Articles shall release the estate of a deceased member from any liability in respect of any share which had been held (whether solely or jointly) by him or her.

5.10 ***Calls on shares***

Subject to the terms of allotment, the Board may make calls upon the members in respect of any moneys unpaid on their shares (whether in respect of nominal value or premium) and each member shall (subject to at least 14 clear days' notice having been given specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his or her shares. If any sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid. Interest shall be paid at a rate fixed by the terms of allotment of the share or in the notice of the call; or if no rate is fixed, at the appropriate. Directors may at their discretion waive payment of any such interest in whole or in part.

5.11 ***Forfeiture***

5.11.1 If a call remains unpaid after it has become due and payable the Board may give to the person from whom it is due not less than 14 clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued and any costs, charges and expenses incurred by the Company by reason of such non-payment. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.

5.11.2 Subject to the provisions of the Act, a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Board determines either to the person who was before the forfeiture the holder or to any other person and at any time before sale, re-allotment or other disposition the forfeiture may be cancelled on such terms as the Board thinks fit. Where for the purposes of its disposal a forfeited share is to be transferred to any person the Board may authorise some person to execute an instrument of transfer or otherwise effect the transfer of the share to that person.

5.11.3 A person any of whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the Company for cancellation the certificate, if any, for the shares forfeited but shall remain liable to the Company for all moneys which at the date of forfeiture were presently payable by him or her to the Company in respect of those shares with interest at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at the appropriate rate from the date of the forfeiture until payment but the Board may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.

5.11.4 A statutory declaration by a Director or the Secretary that a share has been forfeited or sold to satisfy a lien of the Company on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share.

5.12 ***Directors***

5.12.1 The number of Directors must not be less than 2 but (unless determined by ordinary resolution) is not subject to any maximum.

5.12.2 The Directors may be paid all travelling, hotel and other expenses as they may incur in connection with their attendance at meetings of the Board or of committees of the Board or general meetings or separate meetings of the holders of any class of shares or debentures of the Company or otherwise in connection with the discharge of their duties.

5.12.3 The Board may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any Director, employee or former employee who has held but no longer holds any executive office or employment with the Company or with any body corporate which is or has been a subsidiary undertaking or a predecessor in business of the Company or of any subsidiary undertaking, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him or her, and may (as well before as after he or she ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit. The power conferred by the Act to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries, in connection with the cessation or the transfer to any person of the whole or party of the undertaking of the Company or any subsidiary shall be exercised by the Board.

5.12.4 At each annual general meeting one third of the Directors for the time being (or if their number is not a multiple of three, the number nearest to one third) shall retire from office by rotation. A Director who retires at an annual general meeting shall be eligible for re-election. Any Director may be removed from office by ordinary resolution of the Company. The Directors are not subject to a mandatory retirement age. Notwithstanding the provisions of the Articles of Association, the Group intends to comply with the provisions of the Corporate Governance Code, and all Directors will be subject to annual election by shareholders.

5.13 ***Directors' interests***

5.13.1 A Director who to his knowledge is in any way directly or indirectly interested in a contract or arrangement or proposed contract or arrangement with the Company shall disclose the nature of his interest to the other Directors.

5.13.2 A Director may not vote (or be counted in the quorum) in respect of any resolution of the Directors or committee of the Directors concerning a contract, arrangement, transaction or proposal to which the Company is or is to be a party and in which he or she has an interest which (together with any interest of any person connected with him or her) is, to his knowledge, a material interest (otherwise than by his interest in shares or debentures or other securities of or otherwise in or through the Company). This is subject to certain exceptions including (i) where the contract, arrangements, transaction or proposal concerns general employee privileges or insurance policies for the benefit of Directors or (ii) in circumstances where a Director acts in a personal capacity in the giving of a guarantee, security or indemnity for the benefit of the Company or any of its subsidiary undertakings.

5.13.3 Any Director may act by himself or his firm (or herself or her firm) in a professional capacity for the Company, other than as auditor, and he or his firm (or she and her firm) shall be entitled to remuneration for professional services as if he or she were not a Director.

5.13.4 Subject to the provisions of the Act, and provided that he or she has disclosed to the Board the nature and extent of any interest of his or hers in accordance with the Articles, a Director notwithstanding his office:-

(a) may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is otherwise interested;

(b) may be a director or other officer of, or employed by or party to any transaction or arrangement with, or otherwise interested in any body corporate promoted by the Company or in which the Company is otherwise interested; and

(c) shall not be, by reason of his office, accountable to the Company for any benefits derived from any such office or employment or from any transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit.

5.13.5 An interest of a person connected with a Director shall be treated as an interest of the Director. Section 252 of the Act shall determine whether a person is connected with a Director.

5.14 ***Authorisation of interests***

5.14.1 The Directors may authorise, to the fullest extent permitted by law, any matter proposed to them which would otherwise result in a Director infringing his duty under the Act to avoid a situation in which he or she 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.

5.14.2 Authorisation of a matter is effective only if: (i) the matter has been proposed to the Directors at a meeting of the Directors or for the authorisation of the Directors by resolution in writing and in accordance with the Board's normal procedures or in such other manner as the Board may approve; (ii) any requirement as to quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question and any other interested Director; and (iii) the matter has been agreed to without the Director in question and any other interested Director voting or would have been agreed to if their votes had not been counted.

5.15 ***Indemnification of Directors***

Subject to, and to the fullest extent permitted by, law, every Director and every director of any associated company, former Director, alternate Director secretary or other officer of the Company (other than an auditor) may (at the discretion of the Board) be fully indemnified out of the assets of the Company against all or any part of any costs, charges, losses, damages and liabilities incurred by him or her in relation to anything done, omitted or alleged to have been done by him or her in the actual or purported execution or discharge of his duties or exercise of his powers in relation to the Company or in connection with the Company's activities as trustee of any occupational pension scheme, subject to the exclusions set out in the Articles.

5.16 ***Borrowing powers***

The Directors may exercise all the powers of the Company to borrow money and to give guarantees, hypothecate, mortgage, charge or pledge the assets, property and undertaking of the Company or any part thereof and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

5.17 ***Annual General Meetings and General Meetings***

5.17.1 An annual general meeting shall be held at such time and place as the Board may determine.

5.17.2 The Board may call general meetings and, on the requisition of members pursuant to the provisions of the Act, shall forthwith convene a general meeting. If there are not sufficient Directors capable of acting to call a general meeting, any Director may call a general meeting. If there is no Director able to act, any two members may call a general meeting for the purpose of appointing Directors.

5.17.3 No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. A quorum is two members present in person or by proxy and entitled to vote upon the business to be transacted at the meeting.

5.17.4 An annual general meeting shall be called by at least 21 days' clear notice in writing. A meeting of the Company other than an annual general meeting shall be called by not less than 14 days' clear notice. The notice shall specify the place, the day and the time of the meeting and, in the case of special business, the general nature of that business. A notice calling an annual general meeting shall specify the meeting as such and a notice for the passing of a special resolution shall specify the intention to propose the resolution as a special resolution and the terms of the resolution. Every member entitled to attend and vote is entitled to appoint one or more proxies to attend, vote and speak instead of him or her and that a proxy need not be a member.

5.17.5 The accidental omission to give notice of a meeting, or to send an instrument of proxy or invitation to appoint a proxy as provided by the Articles, to any person entitled to receive notice, or the non-receipt of notice of a meeting or instrument of proxy or invitation to appoint a proxy by such a person, shall not invalidate the proceedings at that meeting.

5.17.6 Every notice of meeting shall state with reasonable prominence that a member entitled to attend and vote is entitled to appoint one or more proxies to attend, vote and speak instead of him or her and that a proxy need not be a member.

5.18 ***Power to sell shares***

5.18.1 The Company shall be entitled to sell at the best price reasonably obtainable any shares of a member or the shares to which a person is entitled by virtue of transmission on death or bankruptcy or otherwise by operation of law if and provided that:-

(a) for a period of 12 years, no cash dividend payable in respect of the shares has been claimed, no cheque or warrant sent by the Company through the post in a pre-paid envelope addressed to the member or to the person entitled to the shares at his address on the Register or (if different) the last known address given by the member or the person so entitled to which cheques and warrants are to be sent has been paid, each attempt to make a payment in respect of the shares by means of bank transfer or other method for the payment of dividends or other moneys in respect of shares has failed and no communication has been received by the Company from the member or the person so entitled (in his capacity as member or person entitled);

(b) in such period of 12 years at least three dividends (whether interim or final) have become payable on the shares;

(c) the Company has at the expiration of the said 12 years by advertisement in both a national newspaper and in a newspaper circulating in the area in which the address referred to in the Articles is located given notice of its intention to sell such shares; and

(d) during the period of three months following the publication of the said advertisements the Company has received no communication in respect of such share from such member or person entitled.

5.18.2 If at any time during or after the said period of 12 years further shares have been issued in right of those held at the commencement of that period or of any issued in right during that period and, since the date of issue, the requirements in the Articles have been satisfied in respect of such further shares, the Company may also sell the further shares.

5.18.3 To give effect to a sale pursuant to the Articles the Board may authorise some person to execute an instrument of transfer or otherwise effect the transfer of the shares to be sold. If the shares concerned are in uncertificated form, in accordance with the Regulations, the Company may issue a written notification to the Operator requiring conversion of the shares into certificated form. The purchaser shall not be bound to see to the application of the purchase moneys and the title of the transferee to the shares shall not be affected by any irregularity in or invalidity of the proceedings relating to the sale. The net proceeds of sale shall belong to the Company which shall be obliged to account to the former member or other person previously entitled to the shares for an amount equal to the net proceeds, which shall be a debt of the Company, and shall enter the name of such former member or other person in the books of the Company as a creditor for such amount. No trust shall be created and no interest shall be payable in respect of the debt, and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company, if any) for the benefit of the Company as the Board may from time to time determine.

6. Takeover Code, Mandatory Bids, Squeeze-Out and Sell-Out Rules

6.1 *Takeover Code*

6.1.1 The Takeover Code is issued and administered by the Takeover Panel. At the date of this document the Company, as a public limited company, is subject to the Takeover Code and therefore its Shareholders will be entitled to the protections afforded by the Takeover Code.

6.2 *Mandatory takeover bids*

6.2.1 Under Rule 9 of the Takeover Code, if an acquisition of interests in Ordinary Shares were to cause the acquirer and/or persons acting in concert with it to be interested in Ordinary Shares carrying, in aggregate, 30 per cent. or more of the voting rights in the Company, the acquirer and/or (depending on the circumstances) persons acting in concert with it would be required (except with the consent of the Takeover Panel) to make a cash offer for all of the equity share capital of the Company not already owned by the acquirer and persons acting in concert with it at a price not less than the highest price paid for an interest in a share by the acquirer or persons acting in concert with it during the previous 12 months. A similar obligation to make such a mandatory cash offer would also arise on the acquisition of interests in Ordinary Shares by a person who, alone or together with persons acting in concert with, is interested in Ordinary Shares carrying at least 30 per cent. but not more than 50 per cent. of the voting rights in the Company if the effect of such acquisition were to increase the percentage of the aggregate voting rights held by the acquirer and the persons acting in concert with it.

6.2.2 The Takeover Code defines persons "acting in concert" to comprise "persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control of a company or to frustrate an offer for a company". The Takeover Code defines "control" to mean "an interest, or interests, in shares carrying in aggregate 30 per cent. or more of the voting rights of a company, irrespective of whether such interest or interest give *de facto* control."

6.3 *Concert Party position and Rule 9 implications*

6.3.1 Under paragraph (9) of the definition of "Acting in concert" in the Takeover Code, it is presumed (unless the contrary can be established) that a concert party arises in relation to shareholders in a private company who sell their shares in that company in consideration for the issue of new shares in a company to which the Takeover Code applies, or who, following the re-registration of that company as a public company in connection with an initial public offering or otherwise, become shareholders in a company to which the Takeover Code applies.

In consultation with the Takeover Panel it has been agreed that Andrew Dixon, Sian Dixon, Stephen Haines and Julie Fletcher (the "**Concert Party**") should be regarded, as the founder shareholders of ADF and their close family members, as acting in concert for the purposes of the Takeover Code.

Immediately following Admission, members of the Concert Party will be interested in approximately 46.8 per cent. of the voting rights of the Company. Since members of the Concert Party will hold an interest in Ordinary Shares carrying not less than 30 per cent. of the voting rights of the Company but will not hold Ordinary Shares carrying more than 50 per cent. of the voting rights of the Company, apart from pursuant to the arrangements described in this paragraph 6, the Concert Party members will not be able to acquire any further interests in Ordinary Shares which increases their percentage of Ordinary Shares carrying voting rights of the Company without incurring an obligation to make a general offer to Shareholders under Rule 9 of the City Code.

6.3.2 The table below shows the number of Existing Ordinary Shares held by members of the Concert Party immediately prior to Admission and on Admission, as well as the indicative percentage holdings of the Enlarged Share Capital and voting rights in the Company of each member of the Concert Party.

	Prior to Admission		**On Admission**	
	No. of Existing Ordinary Shares held	**% of Existing Ordinary Shares**	**No. of Ordinary Shares**	**% of Ordinary Shares**
Andrew Dixon	12,000,000	26.4%	10,593,600	14.0%
Sian Dixon	8,000,000	17.6%	7,062,400	9.4%
Stephen Haines	12,000,000	26.4%	10,593,600	14.0%
Julie Fletcher	8,000,000	17.6%	7,062,400	9.4%
Total	**40,000,000**	**88.0%**	**35,312,000**	**46.8%**

6.4 ***Compulsory acquisition – squeeze out***

Under the Act, if a person who has made a general offer to acquire Ordinary Shares were to acquire 90 per cent. of the Ordinary Shares which are the subject of such offer within four months of making its offer, it could then compulsorily acquire the remaining 10 per cent. It would do so by sending a notice to outstanding Shareholders telling them that it will compulsorily acquire their Ordinary Shares and then, six weeks later, it would execute a transfer of the outstanding Ordinary 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 Ordinary Shares are compulsorily acquired under the Act must, in general, be the same as the consideration that was available under the takeover offer.

6.5 ***Compulsory acquisition – sell out***

6.5.1 The Act also gives minority Shareholders in the Company a right to be bought out in certain circumstances by an offeror who has made a general offer as described in the above paragraph. If, at any time before the end of the period within which the general offer could be accepted, the offeror held or had agreed to acquire not less than 90 per cent. of the Ordinary Shares, any holder of Ordinary Shares to which the general offer relates who has not accepted the general offer can require the offeror to acquire his Ordinary Shares. The offeror would be required to give any Shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of 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 its rights, the offeror is bound to acquire those Ordinary Shares on the terms of the offer or on such other terms as may be agreed.

6.5.2 As at the date of this document, the Company is not in receipt of, nor subject to, a takeover offer (as defined in section 974 of the Act).

7. Disclosure of Interests in the Company

7.1 *Directors' and other interests*

7.1.1 The interests of each of the Directors in the ordinary share capital of the Company (all of which are beneficial) which have been or will be required to be notified to the Company pursuant to section 5 of the Disclosure Guidance and Transparency Rules or which will be required to be maintained under the provisions of section 808 of the Companies Act, or which are interests of a person connected with any of the Directors (within the meaning of section 252 of the Companies Act), which interests would be required to be disclosed pursuant to the Disclosure Guidance and Transparency Rules, and the existence of which is known to the Directors or could with reasonable diligence be ascertained by them as at 20 December 2021 (being the last date practicable prior to the publication of this document) and as at Admission are as set out below:

Name	Number of Existing Ordinary Shares immediately prior to Admission	% of Existing Ordinary Shares immediately prior to Admission	Number of Ordinary Shares on Admission	% of the Enlarged Share Capital on Admission	Number of Options on Admission
John Richards	2,000,000	4.4%	2,400,000	3.2%	—
Marsden Proctor	3,500,000	7.7%	1,400,000	1.9%	—
Neil Evans	—	—	—	—	2,500,000
Kathryn James	—	—	—	—	—
Vinodha Wijeratne	—	—	—	—	—

7.1.2 As described at paragraph 10.4 of this Part V, and subject to Admission, the following Options over new Ordinary Shares will be awarded to the Executive Directors of the Company pursuant to the LTIP:

Director	Share Option Plan	Date of Grant	Option Shares	Exercise Price (£)
Marsden Proctor	LTIP	Day of Admission	500,000	0.01
Neil Evans	LTIP	Day of Admission	390,000	0.01

7.1.3 The Directors listed in the table in paragraph 7.1.2 were granted options under ADF's share scheme; these options have now been exchanged for new Options pursuant to the Option Rollover Agreement referred to in paragraph 13.7 of this Part V.

7.1.4 Save as disclosed in this paragraph 7 none of the Directors nor any member of their families, nor any person connected with them within the meaning of section 252 of the Act, has any interest in the issued share capital of the Company or ADF.

7.1.5 Save as disclosed in this paragraph 7, no Director has an option over or warrant to subscribe for any Ordinary Shares in the Company.

7.1.6 Save as disclosed in this document, there are no agreements, arrangements, or understandings (including compensation agreements) between any of the Directors, recent Directors, Shareholders, or recent shareholders of the Company connected with or dependent upon Admission or the Placing.

8. Significant Shareholders

8.1 The Company is aware of the following persons who immediately prior to Admission and on Admission, will have interests in voting rights over 3 per cent. or more of the issued share capital of the Company:

	Immediately prior to Admission		Immediately following the Placing and Admission	
Shareholder	**Number of Ordinary Shares**	**% of Existing Ordinary Shares**	**Number of Ordinary Shares**	**% of Enlarged Share Capital**
Andrew Dixon	12,000,000	26.4%	10,593,600	14.0%
Sian Dixon	8,000,000	17.6%	7,062,400	9.4%
Stephen Haines	12,000,000	26.4%	10,593,600	14.0%
Julie Fletcher	8,000,000	17.6%	7,062,400	9.4%
Marsden Proctor	3,500,000	7.7%	1,400,000	1.9%
John Richards	2,000,000	4.4%	2,400,000	3.2%
Business Growth Fund	—	0.0%	12,000,000	15.9%
Ennismore Fund Management Limited	—	0.0%	5,000,000	6.6%
Canaccord Genuity Group	—	0.0%	5,000,000	6.6%

8.2 Save as disclosed above, the Directors are not aware of any person or persons who, directly or indirectly, have an interest in the Company which represents 3 per cent. or more of its issued share capital or voting rights who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.

8.3 Neither the Directors nor any Significant Shareholders have different voting rights to other holders of the share capital of the Company.

8.4 Save as disclosed in this document, there are no arrangements known to the Company, the operation of which may at a subsequent date result in a change in control of the Company.

8.5 The Company's share capital consists of one class of ordinary share with equal voting rights (subject to the Articles). No Significant Shareholder of the Company has any different voting rights from the other Shareholders.

8.6 ***Arrangements with Directors***

8.6.1 Save as disclosed in this document, no Director is or has been interested in any transactions which are or were unusual in their nature or conditions or significant to the business of the Company or the Group during the current or immediately preceding financial year or which were affected during any earlier financial year and remain in any respect outstanding or unperformed.

8.6.2 Save as disclosed in this document, there are no outstanding loans or guarantees provided by the Company or the Group or to or for the benefit of any of the Directors.

8.6.3 There are no actual or potential conflicts of interest between any Director's duties to the Company and any private interests and/or other duties they may have.

8.6.4 No Director nor any member of his immediate family nor any person connected with him or her (within the meaning of section 252 of the Act) has a Related Financial Product (as defined in the AIM Rules for Companies) referenced to Ordinary Shares.

8.7 ***Additional information on the Directors***

8.7.1 The Directors of the Company and their respective functions are set out in Part II of this document.

8.7.2 Details of any directorship that is or was in the last five years held by each of the Directors, and any partnership of which each of the Directors is or was in the last five years a member, in addition to their directorship of the Company, are set out below:-

Name	Current Directorships and Partnerships	Past Directorships and Partnerships
Marsden James Proctor	CAD Services Limited	—
Neil Evans	CAD Services Limited	Bluestone Resorts Group Ltd Bluestone Resorts Ltd Bluestone Resorts Holdings Ltd Bluestone Resorts Wales Ltd
John Richards	CAD Services Limited Brickability Group plc Brickability Enterprises Investments Limited J R & M Investments Limited Birmingham Moseley Rugby Limited Sylvanus House Ltd New Street Worcester Limited Sylvanus House Limited Britannia Lofts Limited	Ibstock Brick Limited Kevington Building Products Limited Manchester Brick and Precast Ltd Ibstock Bricks (1996) Limited
Warusahennedige Vinodha Soysa Wijeratne	VSW Consulting Ltd	Mint Llantrisant plc The Royal Mint Limited RM Assets Limited
Kathryn James	—	National Exhibition Centre Limited (The) Association of Event Venues Limited Events Industry Alliance Ltd

8.7.3 Kathryn James was appointed as a director of GL Events NEC Limited on 3 July 2007. On 21 October 2010 an application was made for the business to be voluntarily dissolved, which it subsequently was on 15 February 2011.

8.7.4 Save as disclosed in this document, none of the Directors:

(a) is currently a director of a company or a partner in a partnership or has been a director of a company or a partner in a partnership within the five years immediately preceding the date of this document;

(b) has any unspent convictions in relation to indictable offences;

(c) has been declared bankrupt or has entered into an individual voluntary arrangement;

(d) was a director of any company at the time of or within the 12 months preceding any receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors with which such company was concerned;

(e) was a partner in a partnership at the time of or within the 12 months preceding any compulsory liquidation, administration or voluntary arrangement of that partnership;

(f) has had any asset which has been subject to a receivership or was a partner in a partnership at the time of or within the 12 months preceding any asset of the partnership being subject to a receivership; or

(g) has been the subject of any public criticism by any statutory or regulatory authority (including any recognised professional body) nor has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

8.7.5 Details of the length of service of each Director with the Group to date are set out below:

Name	**Commencement date**
Marsden Proctor	4 August 2015
Neil Evans	30 October 2019
John Richards	27 September 2021
Kathryn James	20 December 2021
Vinodha Wijeratne	20 December 2021

9. Directors' Service Agreements and Terms of Appointment

9.1 The Directors have entered into service contracts or letters of appointment which are summarised below. Set out below are details of the terms and conditions governing the engagement by the Company of the Executive Directors:

9.2 ***Executive Directors***

9.2.1 *Marsden Proctor*

On 20 December 2021, Mr. Proctor entered into a new service agreement with the Company pursuant to which his appointment as Chief Executive Officer was confirmed. The agreement can be terminated by either party giving to the other not less than 12 months' notice in writing. The Company may, in its sole and absolute discretion, terminate the agreement at any time and with immediate effect by notifying Mr. Proctor that it is doing so and making a payment in lieu of notice. The agreement contains provisions for summary termination, *inter alia*, in the event that he breaches any material term of the agreement. The basic salary payable to Mr. Proctor is £250,000 per annum. This is to be reviewed from time to time without any obligation to increase the same. The service agreement contains restrictive covenants for a period of 12 months' following the termination of his employment. Furthermore, Mr. Proctor is eligible to receive a bonus of up to £250,000 per annum subject to conditions set by the Remuneration Committee. Any bonuses will be paid subject to all applicable deductions and withholdings which are required to be made by law. The bonus will not form part of Marsden Proctor's contractual remuneration and will not be pensionable. Furthermore, it has been agreed that the Company will pay a discretionary bonus to Marsden Proctor in the amount of £250,000. The bonus will be paid in full immediately prior to, and conditionally upon, Admission and will be paid subject to all applicable deductions and withholdings which are required to be made by law. The bonus will not form part of Marsden Proctor's contractual remuneration and will not be pensionable.

9.2.2 *Neil Evans*

On 20 December 2021, Mr. Evans entered into a new service agreement with the Company pursuant to which his appointment as Chief Financial Officer was confirmed. The agreement can be terminated by either party giving to the other not less than 6 months' notice in writing. The Company may, in its sole and absolute discretion, terminate the agreement at any time and with immediate effect by notifying Mr. Evans that it is doing so and making a payment in lieu of notice. The agreement contains provisions for summary termination, *inter alia*, in the event that he breaches any material term of the agreement. The basic salary payable to Mr. Evans is £195,000 per annum. This is to be reviewed from time to time without any obligation to increase the same. The service agreement contains a non-compete clause for a period of 6 months' and other restrictive covenants for a period of 12 months' following the termination of his employment. Furthermore, Mr. Evans is eligible to receive a bonus of up to £195,000 per annum subject to conditions set by the Remuneration Committee. Any bonuses paid will be subject to all applicable deductions and withholdings which are required to be made by law. The bonus will not form part of Neil Evans' contractual remuneration and will not be pensionable.

9.3 ***Non-Executive Directors***

9.3.1 *John Richards*

Pursuant to a non-executive letter of appointment with the Company dated 20 December 2021, John Richards will be appointed by the Company as a non-executive Director and Chairman with effect from Admission. The appointment is for an initial term of three years, subject to shareholder review and re-election and is terminable earlier by either side giving three months' notice at any time. The fee payable to Mr Richards will be £60,000 per annum before tax, payable monthly in arrears.

9.3.2 *Kathryn James*

Pursuant to a non-executive letter of appointment with the Company dated 20 December 2021, Kathryn James will be appointed by the Company as a non-executive Director with effect from Admission. The appointment is for an initial term of three years, subject to shareholder review and re-election and is terminable earlier by either side giving three months' notice at any time. The fee payable to Ms James will be £37,500 per annum before tax, payable monthly in arrears.

9.3.3 *Vinodha Wijeratne*

Pursuant to a non-executive letter of appointment with the Company dated 20 December 2021, Vinodha Wijeratne will be appointed by the Company as a non-executive Director with effect from Admission. The appointment is for an initial term of three years, subject to shareholder review and re-election and is terminable earlier by either side giving three months' notice at any time. The fee payable to Mr Wijeratne will be £37,500 per annum before tax, payable monthly in arrears.

10. Share Option Plans

10.1 The Company has adopted the LTIP for the purposes of recruiting, incentivising and retaining key employees.

10.2 Awards may be made under the LTIP to employees and executive directors at the discretion of the Remuneration Committee. Options may be granted as qualifying Enterprise Management Incentive ("EMI") share options to employees who meet the requirements of the Schedule 5 to the Income Tax (Earnings and Pensions) Act 2003. The board of directors ("Board") will administer the LTIP. All decisions relating to awards will be taken by the Remuneration Committee.

10.3 The following types of award ("Awards") can be made under the LTIP:

10.3.1 Enterprise Management Incentive ("EMI") options;

10.3.2 Non tax-advantaged options; and

10.3.3 Conditional share awards;

10.4 Subject to Admission it is intended that the first incentive awards under the LTIP ("IPO Incentive Awards") will be granted to Marsden Proctor and Neil Evans as EMI options (or, to the extent that the individual has exceeded their personal capacity for EMI options, as non-tax advantaged options) with an exercise equal to the nominal value per share. Options will be granted over such number of shares as is equal to 100% of the awardee's base salary, based on the Placing Price.

10.5 The IPO Incentive Awards will vest in whole or in part shortly after the announcement of the Company's audited financial results for the financial year ended 31 December 2024 subject to measurement of performance which will be assessed:

10.5.1 as to 50% of the IPO Incentive Award, by reference to an increase in adjusted EBITDA over the three financial years ended 31 December 2024 of at least 6% per annum (with full vesting where there is an increase of 10% per annum); and

10.5.2 for the remaining 50% of the IPO Incentive Award a performance target requiring an increase in Total Shareholder Return over the three years from the date of grant of at least 6% per annum (with full vesting at 10% per annum).

10.6 On vesting, the IPO Incentive Awards will be capable of exercise at any time until the tenth anniversary of Admission, subject to a requirement for any new Ordinary Shares acquired as a result of exercise of an IPO Incentive Award are required to be held by the awardee for a period of 2 years from exercise (save for any Ordinary Shares required to be disposed of to meet exercise related taxation).

10.6 Awards are not transferable (except on death) and are not pensionable.

10.7 Awards may be satisfied by newly issued ordinary shares, shares purchased in the market by an employee benefit trust or by the transfer of ordinary shares held in treasury.

10.8 Awards granted as EMI options or non-tax advantaged options can be granted with an exercise price which is equal to or less than the market value of the underlying shares at the date of grant. An Award which is satisfied by newly issued shares cannot be issued for less than the nominal value of a share.

10.9 Awards may be granted at any time after the adoption date except that no awards may be granted whilst the Company is in a closed period and/or subject to any other dealing restrictions. Awards may not be made after the tenth anniversary of the date of adoption of the LTIP.

10.10 No payment will be required for the grant of an award.

10.11 Generally, Awards granted under the LTIP may be subject to the achievement of performance conditions set by the Committee at the date of grant, which will be linked to performance over a period of least three years ("the **Performance Period**"). The Remuneration Committee will review and, where appropriate, set the relevant performance conditions prior to the start of the Performance Period. The Board may vary a performance condition, provided that any varied performance condition shall be a fairer measure of performance than the original performance condition and shall be no more difficult to satisfy that the original performance condition. The LTIP does not permit the automatic waiver of a performance condition.

10.12 The total number of shares issued or issuable under the LTIP and any other employees' share scheme operated by the group may not exceed 10% of the Company's ordinary share capital in any 10 year period. This limit does not include any awards made under the LTIP (or any other plan) prior to Admission. Shares transferred out of treasury to satisfy awards are treated as newly issued shares for the purposes of these limits. Shares issued to satisfy Options or other awards made before the Admission Date do not count against these limits. Further this limit does not include awards which have lapsed or which are satisfied by shares purchased in the market.

10.13 EMI options may only be granted where the aggregate value of shares in the Company that may be acquired under subsisting EMI options does not exceed £3 million and the Company and the individual both satisfy the relevant conditions at the date of grant.

10.14 The total value of ordinary shares over which awards can be made under the LTIP to any individual participant in any financial year may not normally exceed 200% of their base salary at the date of award (where awards are in the form of discounted share options or conditional awards of shares). However in exceptional circumstances awards may be made over ordinary shares worth up to 300% of the participant's base salary.

10.15 Exceptionally, where options are granted with an exercise price which is not less than the market value of the shares on the date of grant, awards will not normally exceed 300% of their base salary at the date of award (with awards up to 400% of base salary permitted in exceptional circumstances).

10.16 EMI options may only to be granted to participants over ordinary shares with a maximum value of £250,000 calculated by reference to the market value of the underlying shares at the date of grant (in aggregate with any existing EMI options held by that individual).

10.17 Awards will normally vest (and in the case of options become exercisable) on the later of:

10.17.1 the date the Board determines that the performance conditions have been achieved; and

10.17.2 the third anniversary of the date of grant of the award

10.18 Awards may be granted on the basis that some or all of the shares in respect of which the award vests will be held for a further period post-vesting. Executive directors may not sell or otherwise dispose of shares acquired under awards for two years post vesting. However award holders may sell sufficient shares to cover any tax liability arising in respect of the vesting or exercise of the award and/or the exercise price of an option.

10.19 No dividend equivalents will be paid.

10.20 The Remuneration Committee has the power to cancel or reduce any unvested awards or to clawback the value of any awards that have vested and/or exercised. In summary the Board will exercise this power where it considers appropriate in cases of

10.20.1 Misconduct or material error by the participant

10.20.2 the participant has failed to meet the appropriate standards of fitness and propriety;

10.20.3 the participant participated in or been responsible for conduct which resulted in significant loss for the Company or any other group company;

10.20.4 the Company, relevant business unit or group has suffered a material downturn in its financial performance; or

10.20.5 the Company, relevant business unit or group has suffered a material failure of risk management

10.21 If a participant ceases employment prior to vesting the award will ordinarily lapse entirely. In the event that a participant ceases to be a group employee as a "Good Leaver", the award will be retained and will vest on the normal vesting date (or on any earlier event giving rise to vesting), unless the Committee in its discretion determines that the award shall vest early.

10.22 Where the award vests early the amount of the award that vest will be determined by the Committee taking into account the proportion of the vesting period that has elapsed on cessation of employment and the extent to which the performance conditions had been satisfied.

10.23 If applicable, the Committee may, in its discretion, determine that a Good Leaver's award will not be subject to a holding period (or will be subject to a shorter holding period).

10.24 The good leaver circumstances are:

10.24.1 Injury, ill-health or disability;

10.24.2 redundancy;

10.24.3 retirement;

10.24.4 any other reason determined by the Board.

10.25 Awards will vest early and shall not be subject to any holding period on:

10.25.1 the death of a participant;

10.25.2 a participant's employing company ceasing to be a group company; or

10.25.3 a participant's employment being transferred, as part of a business transfer, to a person who is neither a group company nor under the control of a group company.

10.26 Options must be exercised by the award holder's personal representatives within 12 months after the date of death.

10.27 If a change of control occurs, the Remuneration Committee will determine the proportion of the award that will vest taking into account the performance period and the extent to which performance conditions have been satisfied at the date of the change of control. No holding period will apply. Alternatively, if the acquiring company consents, awards may be exchanged for awards over shares in the acquiring entity.

10.28 In the event of a capitalisation issue, rights issue or open offer, sub-division or consolidation of shares or reduction of capital or other variation of share capital, the Remuneration Committee will make such adjustments as it considers appropriate to outstanding awards and, in the case of options, the exercise price.

10.29 The Board may, at any time, amend the LTIP in any respect. However, no amendment can be made which would cause subsisting options to lose their EMI tax advantaged status and/or adversely affect the rights of an existing participant without the consent of that participant or the consent of the participants who hold a majority, by number of Shares subject to awards, of awards affected by the amendment.

10.30 Amendments to which would result in the LTIP ceasing to be a tax-advantaged Schedule 5 EMI Plan shall not be permitted unless the Committee has specifically determined that it is intended that the LTIP ceases to be a tax-advantaged Schedule 5 EMI Plan.

10.31 The Committee can adopt one or more sub-plans to the LTIP to allow for the grant of awards to participants overseas on the same terms as the LTIP but modified to take account of local tax, exchange control or securities laws in the overseas countries. Shares made available under such sub-plans will count against the limits on individual and overall participation in the LTIP.

11. Employees

11.1 At the date of this document, ADF employs 172 employees.

11.2 The following table shows a number of permanent employees working for ADF as of 31 December 2018, 31 December 2019 and 31 December 2020:

Year	Number of employees
31 December 2018	127
31 December 2019	134
31 December 2020	141

11.3 The following table shows the number of permanent employees working for ADF in each activity as of 30 June 2021:

Position	Number of employees
Director	9
Production Support	56
Drivers	44
Technical workshop	39
Central	24

11.4 It is anticipated that following Admission ADF will retain its current employee levels and will look to increase the level of employees in line with the anticipated growth of ADF.

12. Principal establishments

12.1 The Company's registered office, head office, principal place of business and principal establishment is at Second floor, Ground Floor, 31 Oldfield Road, Bocam Park, Pencoed, CF35 5LJ.

12.2 The Company also has the following facilities:

12.2.1 A factory and specialist workshop located at 11/13 Aneurin Bevan Avenue, Brynmenyn Industrial Estate, Bridgend, CF32 9SZ

12.2.2 A main operational centre and storage sites located at Building 58A, Forest Studios Bordon, Bordon, GU35 0FJ.

13. Material contracts

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

13.2 ***Placing Agreement***

Under the agreement dated 21 December 2021 and made between the Company, the Directors, the Selling Shareholders and Cenkos (the "**Placing Agreement**"), Cenkos has agreed conditionally, *inter alia*, on Admission becoming effective not later than on 31 January 2022, as agent for the Company and the Selling Shareholders, to use its reasonable endeavours to procure subscribers and purchasers for the Placing Shares at the Placing Price.

Under the Placing Agreement the Company and the Directors have given Cenkos certain representations, warranties and undertakings regarding, *inter alia*, the accuracy of the information contained in this document and the Group's business and assets and the Selling Shareholders have given certain representations and warranties in relation to the Sale Shares. In addition, the Company and the Selling Shareholders have given Cenkos certain indemnities. The Placing Agreement may be terminated prior to Admission by Cenkos in certain limited circumstances, including where in the opinion of Cenkos any of the representations, warranties and undertakings are not true and accurate or have become misleading, or where a force majeure event or a material adverse change in the Group's business, financial condition or prospects has arisen.

Under the Placing Agreement and subject to it becoming unconditional, the Company has agreed to pay to Cenkos:

(a) a corporate finance fee;

(b) a placing commission on the total aggregate gross proceeds of the Placing.

In addition, the Company has granted Cenkos an option to subscribe at the Placing Price for such number of new Ordinary Shares as shall represent 1.5 per cent. of the issued share capital of the Company at Admission, exercisable at any time during the three year period from Admission.

The Company will pay certain other costs and expenses (including all applicable VAT) of, or incidental to, the Placing including all fees and expenses payable in connection with Admission, expenses of the Registrars, printing and advertising expenses, postage and all other legal, accounting and other professional fees and expenses.

13.3 ***Nominated Adviser and Broker Agreement***

Under the engagement letter dated 28 October 2021 and terms and conditions annexed thereto and made between the Company and Cenkos (the "**Nomad and Broker Agreement**"), the Company has, conditional on Admission, appointed Cenkos to act as nominated adviser and broker to the Company for the purposes of the AIM Rules for Companies.

The Nomad and Broker Agreement contains certain indemnities and undertakings given by the Company.

The Nomad and Broker Agreement continues until the earlier of (i) the Company paying Cenkos all the fees payable pursuant to clause 2 of the Nomad and Broker Agreement, (ii) the expiry of one month's prior written notice given by either party to the other, or (iii) Cenkos giving the Company written notice pursuant to clause 3.3 of the Nomad and Broker Agreement.

13.4 ***Lock-In Agreements***

The Company and Cenkos have entered into lock-in agreements with each of the Locked-in Shareholders, pursuant to which each of them has agreed not to dispose of any of his or her interests in Ordinary Shares for a period of 18 months from the date of Admission and thereafter, for the following 6 months, only to deal in their Ordinary Shares through Cenkos with a view to maintaining an orderly market. The Lock-in Agreement contain customary exceptions to the restrictions on disposal of Ordinary Shares, including, *inter alia*, a transfer pursuant to the acceptance of a takeover and a transfer to a family member.

13.5 ***Relationship Agreement***

On 21 December 2021 the Company and Cenkos has entered into a relationship agreement with Andrew Dixon, Sian Dixon, Stephen Haines and Julie Fletcher (together, the "**Controlling Shareholders**") (the "**Relationship Agreement**") conditional upon Admission pursuant to which the Controlling Shareholders agreed, amongst other things, that (unless a majority of independent Directors otherwise agree):

(a) the Group shall be managed for the benefit of shareholders as a whole and shall be capable at all times of carrying on its business independently of the Controlling Shareholders;

(b) all transactions, agreements and arrangements between any member of the Group and the Controlling Shareholders shall be on an arm's length basis and on normal commercial terms;

(c) at least 2 Directors who are considered to be independent shall at all times be appointed to the Board;

(d) any dispute between any of the Controlling Shareholders and the Company shall be dealt with by a committee comprising only independent Directors;

(e) the remuneration committee, nomination committee and audit committee established by the Board from time to time and any other board committee shall, where practicable, be comprised of a majority of independent Directors; and

(f) the Controlling Shareholders will not acquire, offer to acquire or otherwise become interested in any shares in the Company where to do so would give rise to an obligation to make a general offer for the Company under Rule 9 of the Takeover Code.

The Relationship Agreement is effective for so long as the Controlling Shareholders and their connected persons hold in aggregate shares in the capital of the Company representing 20 per cent. or more of the Company's entire issued Ordinary Share capital.

13.6 ***Share Exchange Agreement***

On 2 December 2021, the Company, ADF and the Controlling Shareholders entered into a share for share exchange agreement pursuant to which the shareholders of ADF sold their shares in ADF to the Company in consideration for the issue of 39,999,999 new Ordinary Shares.

13.7 ***Option Rollover Agreement***

On 2 December 2021, Lisa Morris, Neil Evans, Wayne Evans and Marsden Proctor each entered into separate option rollover agreements with ADF and the Company. Pursuant to the option rollover agreements, Lisa Morris, Neil Evans, Wayne Evans and Marsden Proctor each agreed to surrender their existing options over E ordinary shares of £1.00 each in the capital of ADF in consideration for the grant to each of them by the Company of replacement options over such number of Ordinary Shares as have an equivalent value to the E ordinary shares in ADF over which their original options had been granted. Further details of the replacement options are set out in paragraph 4.7 of Part V of this document.

13.8 ***Facilities by ADF Limited Loan Agreement***

On 3 December 2021 a loan agreement was entered into between the Company and John Richards. A loan has been provided by the Company to Mr Richards in the aggregate amount of £350,000 for the purpose of paying up the subscription price and related liabilities for 2,000,000 ordinary shares of £0.01 each in the capital of the Company at a subscription price of £0.01 per share. The loan is unsecured and interest free and is repayable on the sale of any of the shares held by Mr Richards in the Company and otherwise on the earlier of his stepping down as a director of the Company and the fifth anniversary of Admission.

13.9 ***Shell Fuel Card Agreement***

On 23 November 2018, ADF entered into a fuel card agreement with Shell UK Oil Products Limited ("**Shell**"), as amended on 22 October 2020 and 8 December 2021, pursuant to which ADF has agreed to act as a re-seller of euroShell fuel cards in the UK on behalf of Shell with effect from 1 November 2018 until 31 December 2022.

13.10 ***Barclays facilities***

13.10.1 The Company has entered into a £400,000 coronavirus business interruption loan dated 15 May 2020 between the Company as borrower and Barclays Bank PLC ("**Barclays**") as lender at a floating rate basis (interest rate to never be below 2.25% per annum) for the purpose of refinancing an existing an on-demand facility made available to the Company;

13.10.2 the Company has entered into a £500,000 (or equivalent in US Dollars and Euro) trade cycle loan facility dated 5 October 2020 between the Company as borrower and Barclays as lender at a reference rate basis (interest rate to never be below 2.5% per annum) for the purpose of financing the Company's working capital needs;

13.10.3 the Company has entered into a £250,000 overdraft dated 20 June 2018 at 2.5% p.a. over the "Bank of England Rate" (as defined therein and the Bank of England Base Rate to never be below zero) for working capital purposes between the Company as borrower and Barclays as lender; and

13.10.4 the Company has granted a debenture dated 2 July 2018 in favour of Barclays to secure all monies due or to become due from the Company to Barclays.

14. Related party transactions

Save as disclosed in paragraphs 9.1 and 13.8 of this Part V, section B (note 27) and section C (note 14) of Part IV of this document, there have been no related party transactions of the kind set out in the Standards adopted according to the UK version of Regulation (EC) No 1606/2002 as it forms part of domestic law pursuant to the European Union (Withdrawal) Act 2018, that the Company has entered into since 30 June 2021

15. Litigation

No member of the Group is or has been involved in any governmental, legal or arbitration proceedings which may have, or have had during the last 12 months preceding the date of this document, a significant effect on the Company's financial position or profitability of the Company and/or the Group nor, so far as the Company is aware, are any such proceedings pending or threatened.

16. Working Capital

The Directors are of the opinion, having made due and careful enquiry and taking into account the net proceeds of the Placing, that the Group will from the time of Admission have sufficient working capital for its present requirement, that is for at least 12 months from the date of Admission.

17. Taxation

Taxation in the United Kingdom

The following information is based on UK tax law and HM Revenue and Customs ("**HMRC**") practice currently in force in the UK. Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time. The information that follows is for guidance purposes only. Any person who is in any doubt about his or her position should contact their professional advisor immediately.

17.1 ***Tax treatment of UK investors***

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

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

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

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

17.2 ***Dividends***

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

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

Dividend income received by UK tax resident individuals will have a £2,000 per annum dividend tax allowance. Dividend receipts in excess of £2,000 per annum will be taxed at 7.5% for basic rate taxpayers, 32.5% for higher rate taxpayers and 38.1% for additional rate taxpayers. An additional Health & Social Levy of 1.25 per cent. has also been announced that will apply on dividend payments from April 2022.

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

17.3 ***Disposals of Ordinary Shares***

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

The rate of capital gains tax on disposal of Ordinary Shares by basic rate taxpayers is 10% and for upper rate and additional rate taxpayers is 20%.

Subject to certain exemptions, the corporation tax rate applicable to a Shareholder's corporate taxable profits is currently 19%. In the Budget on 3 March 2021, it was announced that the rate would increase to 25% after 1 April 2023.

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

17.4 ***"Transactions in securities"***

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

Stamp Duty and Stamp Duty Reserve Tax

The statements below are intended as a general guide to the current position. They do not apply to certain intermediaries who are not liable to stamp duty or stamp duty reserve tax or (except where stated otherwise) to persons connected with depositary arrangements or clearance services who may be liable at a higher rate.

No stamp duty or stamp duty reserve tax will generally be payable on the issue of Ordinary Shares.

Neither UK stamp duty nor stamp duty reserve tax should arise on transfers of Ordinary Shares on AIM (including instruments transferring Ordinary Shares and agreements to transfer Ordinary Shares) based on the following assumptions:

- the Ordinary Shares are admitted to trading on AIM, but are not listed on any market (with the term *"listed"* being construed in accordance with section 99A of the Finance Act 1986), and this has been certified to Euroclear; and
- AIM continues to be accepted as a "recognised growth market" as construed in accordance with section 99A of the Finance Act 1986).

In the event that either of the above assumptions does not apply, stamp duty or stamp duty reserve tax may apply to transfers of Ordinary Shares in certain circumstances.

Any transfer of Ordinary Shares for consideration prior to admission to trading on AIM is likely to be subject to stamp duty or stamp duty reserve tax.

The above comments are intended as a guide to the general stamp duty and stamp duty reserve tax position and may not relate to persons such as charities, market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services to whom special rules apply.

THIS SUMMARY OF UK TAXATION ISSUES CAN ONLY PROVIDE A GENERAL OVERVIEW OF THESE AREAS AND IT IS NOT A DESCRIPTION OF ALL THE TAX CONSIDERATIONS THAT MAY BE RELEVANT TO A DECISION TO INVEST IN THE COMPANY. THE SUMMARY OF CERTAIN UK TAX ISSUES IS BASED ON THE LAWS AND REGULATIONS IN FORCE AS OF THE DATE OF THIS DOCUMENT AND MAY BE SUBJECT TO ANY CHANGES IN UK LAWS OCCURRING AFTER SUCH DATE. LEGAL ADVICE SHOULD BE TAKEN WITH REGARD TO INDIVIDUAL CIRCUMSTANCES. ANY PERSON WHO IS IN ANY DOUBT AS TO HIS TAX POSITION OR WHERE HE IS RESIDENT, OR OTHERWISE SUBJECT TO TAXATION, IN A JURISDICTION OTHER THAN THE UK, SHOULD CONSULT HIS PROFESSIONAL ADVISER.

18. Significant Change

18.1 There has been no significant change in the financial position or financial performance of the Company since incorporation on 23 November 2021.

18.2 There has been no significant change in the financial position or financial performance of the Group since 30 June 2021, being the date to which the Historical Financial Information in Part IV of this document has been prepared.

19. General

19.1 The net proceeds of the Placing and Admission are expected to be approximately £13.0 million net of expenses of the Placing which are estimated at approximately £2.0 million, excluding VAT, and are payable by the Company.

19.2 Cenkos is registered in England and Wales under number 05210733 and its registered office is at 6.7.8 Tokenhouse Yard, London, EC2R 7AS. Cenkos is authorised and regulated in the United Kingdom by the FCA. Cenkos has given and not withdrawn its written consent to the issue of this document with the inclusion of the references to its name in the form and context in which they are included.

19.3 Crowe, a member of the Institute of Chartered Accountants in England and Wales, is registered in England and Wales under number OC307043 and its registered office is at 55 Ludgate Hill, London, EC4m 7JW. Crowe has given and not withdrawn its written consent to the inclusion in this document of its reports set out in Section A of Part IV and Section A of Part V in the form and context in which they appear and has authorised the contents of its reports for the purpose of Schedule Two of the AIM Rules for Companies.

19.4 The auditors for the period covered by the historical financial information in Part IV of this document were BPU Ltd of Radnor House, Greenwood Close, Cardiff Gate Business Park, Cardiff CF23 8AA, a member of the Institute of Chartered Accountants in England and Wales.

19.5 The Company has entered into contractual arrangements with:

19.5.1 ONE Advisory Limited pursuant to which it will receive a fee of approximately £42,000 after Admission in respect of certain accounting workstreams, company secretarial workstreams and internal project management required as part of the admission process;

19.5.2 KPMG LLP pursuant to which it will receive a fee of approximately £161,500 after Admission in respect of work undertaken in respect of advice in relation to taxation and existing and future share incentive schemes.

19.6 Save as disclosed in this document, including paragraph 19.5 above, no person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has received, directly or indirectly, within the 12 months preceding the date of this document or entered into contractual arrangements to receive, directly or indirectly, from the Company on or after Admission:

(a) fees totalling £10,000 or more;

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

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

19.7 Information in this document which has been sourced from third parties has been accurately reproduced and so far as the Company is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

19.8 The Directors are not aware of any other information that they should reasonably consider as necessary for the investors to form a full understanding of (i) the assets and liabilities, financial position, profits and losses and prospects of the Company and the securities for which Admission is being sought, (ii) the rights attached to those securities and (iii) any other matter contained in this document

19.9 Save as disclosed in this document, the Directors are unaware of any exceptional factors which have influenced the Company's activities.

19.10 Save as disclosed in this document, the Directors are unaware of any environmental issues that may affect the Group's utilisation of its tangible fixed assets.

19.11 Save as disclosed in this document, the Directors are unaware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for the current financial year.

19.12 Save as disclosed in this document, there are no investments in progress and there are no future investments on which the Directors have already made firm commitments which are significant to the Group.

19.13 Save as disclosed in this document, there are no patents or other intellectual property rights, licences or contracts that are of fundamental importance to the Company's business.

20. Availability of this document

Copies of this document will be available on the Company's website www.facilitiesbyadf.com.

Dated 21 December 2021