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

This Document comprises an Admission Document drawn up in compliance with the requirements of the Aquis Stock Exchange Rules and is being issued in connection with the proposed admission of Vulcan Industries plc to the Aquis Stock Exchange Growth Market. This Document does not constitute a prospectus, and the Company is not making, an offer to the public within the meaning of sections 85 and 102B of FSMA. This Document is not an approved prospectus for the purposes of, and as defined in, section 85 of FSMA, has not been prepared in accordance with the Prospectus Rules and its contents have not been approved by the Financial Conduct Authority ("**FCA**") or any other authority which could be a competent authority for the purposes of the Prospectus Regulation. Further, the contents of this Document have not been approved by an authorised person for the purposes of section 21 of FSMA. This Document will not be filed with, or approved by, the FCA or any other government or regulatory authority in the UK.

The Directors of the Company, whose names are set out on page 16 of this Document, have taken all reasonable care to ensure that the facts stated in this Document are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in the Document, whether of fact or of opinion. The Directors accept full responsibility accordingly, collectively and individually for the information contained in this Document including the Company's compliance with the Aquis Stock Exchange Rules. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts and there is no other material information the omission of which is likely to affect the import of such information.

The share capital of the Company is not presently listed or dealt in on any stock exchange. Application has been made for the issued ordinary share capital of the Company to be traded on the Aquis Stock Exchange Growth Market. It is expected that Admission will become effective and that dealings in the Ordinary Shares will commence on the Aquis Stock Exchange Growth Market on 1 June 2020.

VULCAN INDUSTRIES PLC

(incorporated in England and Wales with company number 11640409)

Placing and Subscription of 21,408,331 New Shares and Issue of 5,633,333 Fee Shares to raise £746,500 and Admission to trading on the Aquis Exchange Growth Market

Aquis Stock Exchange Corporate Adviser and Broker

First Sentinel Corporate Finance Limited

The AQSE Growth Market, which is operated by Aquis Stock Exchange Limited (Aquis Stock Exchange), a recognised investment exchange under Part XVIII of the Financial Services and Markets Act 2000 ("**FSMA**"), is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies.

It is not classified as a regulated market under Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments, and AQSE Growth Market securities are not admitted to the official list of the UK Listing Authority. Investment in an unlisted company is speculative and tends to involve a higher degree of risk than an investment in a listed company. The value of investments can go down as well as up and investors may not get back the full amount originally invested. An investment should therefore only be considered by those persons who are prepared to sustain a loss on their investment. A prospective investor should be aware of the risks of investing in AQSE Growth Market securities and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser authorised under FSMA who specialises in advising on the acquisition of shares and other securities.

Vulcan Industries plc is required by the Aquis Stock Exchange to appoint an AQSE Corporate Adviser to apply on its behalf for admission to the AQSE Growth Market and must retain a AQSE Corporate Adviser at all times. The requirements for an AQSE Corporate Adviser are set out in the Corporate Adviser Handbook, and the AQSE Corporate Adviser is required to make a declaration to the Aquis Stock Exchange in the form prescribed by Appendix B to the AQSE Corporate Adviser Handbook.

This admission document has not been approved or reviewed by the Aquis Stock Exchange or the Financial Conduct Authority.

First Sentinel Corporate Finance Limited ("**FSCF**"), which is authorised and regulated by the Financial Conduct Authority, is the Company's Aquis Exchange Corporate Adviser for the purposes of Admission. FSCF has not made its own enquiries except as to matters which have come to its attention and on which it considered it necessary to satisfy itself and accepts no liability whatsoever for the accuracy of any information or opinions contained in this Document, or for the omission of any material information, for which the Directors are solely responsible. FSCF is acting for the Company and no one else in relation to the arrangements proposed in this Document and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice to any other person on the content of this Document.

FSCF is also acting as the Company's Aquis Stock Exchange broker in connection with the proposed Admission. FSCF's responsibilities as the Company's Broker are owed solely to the Company and not to any Director, or to any other person in respect of his decision to acquire Ordinary Shares in reliance on any part of this Document without limiting the statutory rights of any person to whom this Document is issued. No representation or warranty, express or implied, is made by FSCF as to, and no liability whatsoever is accepted by FSCF for, the accuracy of any information or opinions contained in this Document or for the omission of any material information from this Document for which the Company and the Directors are solely responsible. FSCF will not be offering advice to recipients of this Document in respect of any acquisition of Ordinary Shares.

Copies of this Document will be available on the Company's website, www.vulcanplc.com, from Admission.

The whole text of this Document should be read. An investment in the Company involves a high degree of risk and may not be suitable for all recipients of this Document. Prospective investors should consider carefully whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them.

IMPORTANT INFORMATION

Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein. Statements made in this Document are based on the law and practice currently in force in the UK and are subject to change. This document should be read in its entirety. All holders of Ordinary Shares are entitled to the benefit of, and are bound by and are deemed to have notice of, the provisions of the Articles.

The delivery of this Document or any subscriptions or purchases made hereunder and at any time subsequent to the date of this Document shall not, under any circumstances, create an impression that there has been no change in the affairs of the Company since the date of this Document or that the information in this Document is correct.

PROSPECTIVE INVESTORS SHOULD READ THE WHOLE TEXT OF THIS DOCUMENT AND SHOULD BE AWARE THAT AN INVESTMENT IN THE COMPANY IS HIGHLY SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK. PROSPECTIVE INVESTORS ARE ADVISED TO READ, IN PARTICULAR, THE INFORMATION ON THE COMPANY SET OUT IN PART 1 AND THE RISK FACTORS SET OUT IN PART II OF THIS DOCUMENT.

Notice to prospective investors in the EEA

In relation to each Member State of the EEA, no Ordinary Shares have been offered or will be offered pursuant to the Fundraising 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 Prospectus Regulation, except that offers of Ordinary Shares to the public may be made at any time under the following exemptions under the Prospectus Regulation:

(i) offers made solely to qualified investors as defined in the Prospectus Regulation;

(ii) offers to fewer than 150 persons (other than qualified investors as defined in the Prospectus Regulation) per Member State; or

(iii) offers falling within a Member State's discretionary threshold within Article 3 (2) of the Prospectus Regulation or in any other circumstances falling within such Article,

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 Prospectus Directive or any measure implementing the Prospectus Directive in a Member State and each person who initially acquires any Ordinary Shares or to whom any offer is made under the Fundraising will be deemed to have represented, acknowledged and agreed that it is a "**qualified investor**" within the meaning of the law of the Member State implementing Article 2(1)(e) of the Prospectus Directive.

For the purposes of this provision, the expression "**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 Prospectus Directive in that Member State.

Notice to prospective investors in the United Kingdom

This document is being distributed in the United Kingdom where it is directed only at (i) persons having professional experience in matters relating to investments, i.e., investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**FPO**"); (ii) high net-worth companies, unincorporated associations and other bodies within the meaning of Article 49 of the FPO; and (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.

OVERSEAS SHAREHOLDERS

This Document does not constitute an offer to sell, or a solicitation to buy Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, this Document is not for distribution in or into the United States, Canada, Australia, the Republic of South Africa or Japan. The Ordinary Shares have not been nor will be registered under the United States Securities Act of 1933, as amended, nor under the securities legislation of any state of the United States or any province or territory of Canada, Australia, the Republic of South Africa or Japan or in any country, territory or possession where to do so may contravene local securities laws or regulations. Accordingly, the Ordinary Shares may not, subject to certain exceptions, be offered or sold directly or indirectly in or into the United States, Canada, Australia, the Republic of South Africa or Japan or to any national, citizen or resident of the United States, Canada, Australia, the Republic of South Africa or Japan.

The distribution of this Document in certain jurisdictions may be restricted by law. This Document should not be distributed, published, reproduced or otherwise made available in whole or in part, or disclosed by recipients to any other person, in, and in particular, should not be distributed to persons with addresses in, the United States of America, Canada, Australia, the Republic of South Africa or Japan. No action has been taken by the Company or FSCF that would permit a public offer of Ordinary Shares or possession or distribution of this Document where action for that purpose is required. Persons into whose possession this Document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

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

UNDER NO CIRCUMSTANCES SHOULD THIS DOCUMENT BE COMMUNICATED, TRANSMITTED OR OTHERWISE SHARED WITH PERSONS DOMICILED, RESIDENT OR BASED IN THE UNITED STATES OF AMERICA ITS TERRITORIES OR POSSESSIONS OR WHO MAY OTHERWISE BE CONSIDERED AS UNITED STATES PERSONS, INCLUDING REPRESENTATIVES OF UNITED STATES COMPANIES OR NON-UNITED STATES SUBSIDIARIES OF UNITED STATES COMPANIES UNLESS THEY HAVE RECEIVED INDEPENDENT LEGAL ADVICE FROM THEIR OWN ADVISERS THAT THEY ARE ENTITLED TO RECEIVE THIS DOCUMENT.

FORWARD-LOOKING STATEMENTS

This Document includes “forward-looking statements” which include all statements other than statements of historical facts including, without limitation, those regarding the Company’s financial position, business strategy, plans and objectives of management for future operations and any statements preceded by, followed by or that include forward-looking terminology such as the words “targets”, “plan”, “project”, “believes”, “estimates”, “aims”, “intends”, “can”, “may”, “expects”, “forecasts”, “anticipates”, “would”, “should”, “could” or similar expressions or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company’s control that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Company will operate in the future. Among the important factors that could cause the Company’s actual results, performance or achievements to differ materially from those in forward looking statements include factors in the section entitled “Risk Factors” and elsewhere in this Document. These forward-looking statements speak only as at the date of this Document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions in relation to any forward-looking statements contained herein to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based. As a result of these factors, the events described in the forward-looking statements in this Document may not occur. Prospective investors should be aware that these statements are estimates, reflecting only the judgement of the Company’s management and prospective investors should not therefore rely on any forward-looking statements.

By accepting this Document you agree to be bound by the above conditions and limitations.

THIRD PARTY INFORMATION

To the extent that information has been sourced from a third party, this information has been accurately reproduced and, so far as the Directors and the Company are aware and able to ascertain from information published by that third party, no facts have been omitted which may render the reproduced information inaccurate or misleading.

INFORMATION ON THE COMPANY’S WEBSITE

The information on the Company’s website does not form part of the admission document unless that information is incorporated by reference into the admission document.

CONTENTS

DEFINITIONS

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

"AbIrate"	means Aviation and Tech Capital Limited (trading as 'AbIrate') a private limited company incorporated in England and Wales with company number 07940046 whose registered office is at Badgemore House, Gravel Hill, Henley-On-Thames, Oxon RG9 4NR;
"Act"	means the United Kingdom Companies Act 2006 (as amended from time-to-time);
"Admission"	admission of the Enlarged Share Capital of the Company to trading on the Aquis Stock Exchange Growth Market becoming effective in accordance with the Aquis Stock Exchange Rules;
"Aquis Exchange"	Aquis Exchange PLC, a recognised investment exchange under section 290 of FSMA;
"Aquis Stock Exchange Growth Market"	the market for unlisted securities operated by Aquis Exchange;
"Aquis Stock Exchange Rules"	the Aquis Stock Exchange Growth Market Rules for Issuers, which set out the admission requirements and continuing obligations of companies seeking admission to, and whose shares are admitted to trading on, the Aquis Stock Exchange Growth Market;
"Broker"	means any broker appointed by the Company from time to time;
"Business Day"	means a day (other than a Saturday or a Sunday) on which banks are open for business in London;
"certificated" or "in certificated form"	means in relation to a share, warrant or other security, a share, warrant or other security, title to which is recorded in the relevant register of the share, warrant or other security concerned as being held in certificated form (that is, not in CREST);
"Chairman"	means Ian Charles Tordoff, or the Chairman of the Board from time to time, as the context requires;
"City Code"	means the City Code on Takeovers and Mergers;
"Company" or "Issuer" or "Vulcan"	means Vulcan Industries plc, a company incorporated in England and Wales under the Act on 24 October 2018, with number 11640409;
"Connected Persons"	means a Director or any member of a Director's immediate family;
"Consideration Shares"	means the issue by the Company of Shares to E Lowe pursuant to the terms of the Proposed Acquisition;
"Controlling Shareholders"	means together, Zanete Fergusone, Pear Tree Limited and Chestergate Limited;

"Controlling Shareholders Lock-In Agreement"	means the lock-in and orderly market agreement between the Controlling Shareholders, the Company and FSCF as further described in paragraph 14.9 of Part VI of this Document;
"CREST" or "CREST System"	means the paperless settlement system operated by Euroclear enabling securities to be evidenced otherwise than by certificates and transferred otherwise than by written instruments;
"CREST Manual"	means the compendium of documents entitled "CREST Manual" issued by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, the CREST Rules, the CSS Operations Manual and the CREST Glossary of Terms;
"CREST Regulations"	means The Uncertified Securities Regulations 2001 (SI 2001 No. 3755), as amended;
"CREST Requirements"	means the rules and requirements of Euroclear as may be applicable to issuers from time to time, including those specified in the CREST Manual;
"CRESTCo"	means CRESTCo Limited, the operator (as defined in the Uncertificated Regulations) of CREST;
"Danfer"	means Danfer Holdings Limited a private limited company registered and incorporated in England and Wales with company number 10468027;
"Danfer Consideration Shares"	means the 3,000,000 consideration shares of £0.0004 each issued to Danfer by the Company as the consideration under the Time DMG Acquisition Agreement;
"Debt"	means the previously outstanding debt of £1,300,000 due to IVI Metallics from Danfer Holdings Limited;
"Deed of Assignment of Debt"	means the deed of assignment dated 25 February 2019 and made between (1) IVI Metallics and (2) Certified Holdings Ltd in relation to the assignment of the Debt which satisfied the consideration payable by IVI Metallics to Certified Holdings Ltd under the Time Rainham Acquisition Agreement;
"Deed of Rescission"	means the deed of rescission entered into between the Company and Danfer in relation to the Rescission;
"Directors" or "Board" or "Board of Directors"	means the directors of the Company, whose names appear on page 16, or the board of directors from time to time of the Company, as the context requires, and "Director" is to be construed accordingly;
"Directorships"	means positions the Directors hold or have previously held, in addition to the Company, at other organisations, as members of the administrative, management or supervisory bodies of those organisations at any time in the five years prior to the date of this Document;
"Directors' Lock-In Agreement"	means the lock-in and orderly market agreement between the Locked-In Directors the Company and FSCF as further described in paragraph 14.8 of Part VI of this Document;

"Document" or "this Document"	means this document;
"E Lowe"	means E Lowe Holdings Ltd, a company incorporated in England and Wales under the Act on 11 April 2019, with number 11941589 and subject to the Proposed Acquisition;
"EBITDA"	means operating profit/(loss) before interest, taxation, depreciation, amortisation and impairment loss;
"Edwin Lowe"	means Edwin Lowe Limited, a company incorporated in England and Wales under the Act on 28 December 1915, with number 00142543 and a wholly owned subsidiary of E Lowe;
"EEA"	means the European Economic Area;
"EEA States"	means the member states of the European Union and the European Economic Area, each an "EEA State";
"Employees' Subscription"	the subscription of 6,475,000 Shares by employees of the Company raising in total £129,500, at a share price of £0.02;
"Enlarged Group"	means the Company, the Subsidiaries and (provided the Proposed Acquisition completes) E Lowe;
"Enlarged Share Capital"	means 232,608,332 Shares, being the Existing Shares and the New Shares;
"EU"	means the European Union;
"Euroclear"	means Euroclear UK & Ireland Limited;
"Euro"	means the lawful currency of the European Union;
"Exchange Act"	means the US Securities Exchange Act of 1934, as amended;
"Existing Shares"	means the existing Shares in issue prior to the Fundraising and as at the date of this Document;
"FCA"	means the UK Financial Conduct Authority;
"Fee Shares"	means the Vox Fee Shares, the Octopus Fee Shares and the FS Fee Shares;
"First Ablrate Loan Agreement"	means the loan agreement dated 16 April 2019 made between the Company and Ablrate;
"FS Fee Shares"	means the 1,666,667 ordinary shares of £0.0004 each to be issued and allotted to First Sentinel plc at an issue price of £0.03 each pursuant to the terms of the loan facility dated 22 May 2020 entered into between First Sentinel plc and the Company as further described in paragraph 14.40 of Part VI;
"FSCF"	means First Sentinel Corporate Finance Limited, Aquis Stock Exchange Corporate Adviser and Broker to the Company, which is authorised and regulated by the FCA;

"FSMA"	means the Financial Services and Markets Act 2000 of the UK, as amended;
"Fundraise" or "Fundraising"	together the Placing, Subscription and Fee Shares;
"general meeting"	means a meeting of the Shareholders of the Company;
"Group"	means the Company, its direct and indirect subsidiaries and subsidiary undertakings;
"IFRS"	means International Financial Reporting Standards as adopted by the European Union;
"Independent Directors"	means those Directors of the Board from time to time considered by the Board to be independent for the purposes of the QCA Code (or any other appropriate corporate governance regime complied with by the Company from time to time) together with the chairman of the Board provided that such person was independent on appointment for the purposes of the QCA Code (or any other appropriate corporate governance regime complied with by the Company from time to time);
"Insolvency Act"	means the Insolvency Act 1986 (as amended from time to time);
"Investor"	means a person who confirms his agreement to the Company to subscribe for New Shares under the Placing;
"Issue Price"	means £0.03 per New Share;
"IVI Chattels Mortgage"	means the chattels mortgage dated 16 April 2019 registered against IVI in favour of Ablrate;
"IVI Corporate Guarantee"	means the corporate guarantee dated 16 April 2019 made between IVI and Ablrate;
"IVI Debenture"	means the debenture dated 16 August 2017 registered against IVI in favour of Redd;
"IVI Euro Factoring Agreement"	means the factoring agreement dated 16 August 2017 between IVI and Redd relating to euro account book debts;
"IVI Lease"	means the lease dated 14 February 2014 made between (1) Amrik Singh Mahal, Surjeet Kaur Mahal, Inderit Singh Mahal and Amarjit Singh Mahal (as Landlord) and (2) IVI (as Tenant) as further describer in paragraph 14.41 of Part VI of this Document;
"IVI Metallics" or "IVI"	means IVI Metallics Limited a private limited company incorporated in England and Wales with company number 04744940 which is a wholly owned subsidiary of the Company;
"IVI Metallics Acquisition Agreement"	means the share purchase agreement dated 6 February 2019 made between (1) the Company and (2) Zanete Fergusone relating to the sale and purchase of the entire issued share capital of IVI Metallics;

"IVI Property"	means the ground floor factory, part ground floor offices and adjoining yard area of the property known as and located at St. Saviours Road, Leicester, LE5 4HF3 with HM Land Registry Title Number: LT266782;
"IVI Recourse Factoring Agreement"	means together the IVI Sterling Factoring Agreement and the IVI Euro Factoring Agreement;
"IVI Sterling Factoring Agreement"	means the factoring agreement dated 16 August 2017 between IVI and Redd relating to sterling account book debts;
"Lock-In Agreement"	means the lock-in agreement between the Locked-In Shareholders, the Company and FSCF as further described in paragraph 14.10 of Part VI of this Document;
"Locked-In Directors"	means the Directors;
"Locked-In Shareholders"	means Justin Piers Drumond, Briege Martin, First Sentinel Plc, Daniel Gilbert and Channel Car Traders Limited;
"M&G" or "M&G Olympic"	means M&G Olympic Products Limited a private limited company incorporated in England and Wales with company number 03589140 which is a wholly owned subsidiary of the Company;
"M&G Acquisition Agreement"	means the share purchase agreement dated 16 April 2019 made between (1) the Company and (2) David Plummer, Dennis Frank Buck, Mark Winckle and Anthony Parkin relating to the sale and purchase of the entire issued share capital of M&G;
"M&G Chattels Mortgage"	means the chattels mortgage dated 16 April 2019 registered against M&G in favour of Ablrate;
"M&G Corporate Guarantee"	means the corporate guarantee dated 16 April 2019 entered into between M&G and Ablrate;
"M&G Debenture"	means the debenture dated 16 April 2019 registered against M&G in favour of Ablrate;
"M&G Lease"	means the lease dated 30 April 2018 and made between (1) M&G Olympic (as Tenant) and (2) Randall Street Properties Ltd (as Landlord) as further described at paragraph 14.43 at Part VI of this Document;
"M&G Property"	means Albury Works 84, 86 and 90 Randall Street, Sheffield S2 4SJ with HM Land Registry Title Number SYK64043 and is known as 88 Randall Street, Sheffield S2 4SJ;
"Manta BRC"	means Manta BRC Limited (in administration) a private limited company incorporated in England and Wales with company number 01429198;
"Market Abuse Regulation"	means Regulation (EU) No 596 2014 of the European Parliament and of the Council of 16 April 2014 on market abuse;

"Memorandum of Association" or "Memorandum"	means the memorandum of association of the Company in force from time to time;
"Net Proceeds"	means the funds received on closing of the Fundraising less any expenses paid or payable in connection with Admission;
"New Shares"	means new Shares issued pursuant to the terms of the Fundraising on the terms and subject to the conditions in this Document;
"Octopus Fee Shares"	means the 3,166,667 ordinary shares of £0.0004 each to be issued and allotted to Octopus Consultancy at an issue price of £0.03 each pursuant to the terms of the Octopus Waiver Letter;
"Octopus Waiver Letter"	means the letter dated 19 May 2020 addressed from Octopus Consultancy to the Company as further described in paragraph 14.17 of Part VI of this Document;
"Official List"	means the official list maintained by the UK Listing Authority;
"Orca Building Products"	means Orca Building Products Limited (in Administration) a private limited company incorporated in England and Wales with company number 06384662;
"Orca Doors"	means Orca Doors Limited a private limited company incorporated in England and Wales with company number 08181933 which is a wholly owned subsidiary of the Company;
"Orca Doors Acquisition Agreement"	means the share purchase agreement dated 29 April 2019 made between (1) the Company and (2) James McCourt relating to the sale and purchase of the entire issued share capital of Orca Doors;
"Orca Doors Chattels Mortgage"	means the chattels mortgage dated 16 April 2019 registered against Orca Doors in favour of Ablrate;
"Orca Doors Corporate Guarantee"	means the corporate guarantee dated 16 April 2019 entered into between Orca Doors and Ablrate;
"Orca Doors Debenture"	means the debenture dated 16 April 2019 registered against Orca Doors in favour of Ablrate;
"Orca Doors Lease"	means the lease dated 6 February 2019 made between (1) Manta BRC (as Landlord) and (2) Orca Doors (as Tenant) as further described at paragraph 14.42 of Part VI of this Document;
"Orca Doors Property"	means the ground floor factory, part ground floor offices and adjoining yard area of the property known as and located at 9 Limber Road, Kirmington, DN39 6YB;
"Petition"	means the winding-up petition issued by HM Revenue & Customs against Time DMG on 11 July 2019;
"Placing"	means the proposed placing of the New Shares at the Issue Price and on the terms and subject to the conditions set out in this Document;

"Placing Letters"	the placing letters from the Company, with FSCF's assistance, to potential Investors inviting irrevocable conditional applications for subscription for New Shares pursuant to the Placing;
"Pounds Sterling" or "£"	means British pounds sterling, the lawful currency of the UK;
"Proposed Acquisition"	means the proposed acquisition of E Lowe as pursuant to the heads of terms as summarised at paragraph 14.18 of Part VI;
"Prospectus Regulation"	means prospectus regulation (EU) 2017/1129 and includes any relevant implementing measures in each EEA State that has implemented the regulation;
"**Prospectus Regulation Rules" or "PRR"**	means the prospectus regulation rules of the FCA made pursuant to Part VI of FSMA, as amended from time to time;
"QCA Code"	the Corporate Governance Code for Small and Mid-size Quoted Companies published by the QCA in 2018;
"**Redd**"	means Redd Factors Limited a private limited company registered in England and Wales with company number 03415638 whose registered office is at Shalford Dairy, Wasing Estate, Aldermaston, Berkshire RG7 4NB;
"Registrar"	means Neville Registrars Limited, of Neville House, Steelpark Road, Halesowen B62 8HD or any other registrar appointed by the Company from time to time;
"Registrar Agreement"	means the registrar agreement dated 14 May 2020 between the Company and the Registrar, details of which are set out in Part VI of this Document;
"Regulations"	means the Proceeds of Crime Act 2002, the Terrorism Act 2000 and the Money Laundering Regulations 2003, or applicable legislation in any other jurisdiction in connection with money laundering and/or terrorist financing;
"Regulatory Information Service"	means a regulatory information service authorised by the UK Listing Authority to receive, process and disseminate regulatory information in respect of listed companies;
"Relationship Agreement"	means the relationship agreement between the Controlling Shareholders, the Company, and FSCF as further described in paragraph 14.11 of Part VI of this Document;
"Second Ablrate Loan Agreement"	means the loan agreement dated 4 July 2019 made between the Company and Ablrate;
"Securities Act"	means the US Securities Act of 1933, as amended;
"Senior Management"	means the senior management of the Company whose names appear in paragraph 10 of Part I of this Document;
"Shares"	means the ordinary shares each of £0.0004 par value in the capital of the Company including, if the context requires, the New Shares;

“Shareholders”	means the holders of the Shares and/or New Shares, as the context requires;
“SLA”	means the service level agreement dated 16 January 2020 made between the Company and Vox Markets Limited as further described in paragraph 14.1 of Part VI of this Document;
“Subscription”	the direct subscription by sophisticated and high net worth investors and the Employees’ Subscription;
“Sterling”	means the lawful currency of the United Kingdom;
“Subsidiaries”	means the direct and indirect subsidiaries and subsidiary undertakings of the Company (including for the avoidance of doubt, IVI Metallics, M&G, Orca Doors and Time Rainham);
“Time DMG”	means Time DMG Steelworkers Limited (in Administration) a private limited company incorporated in England and Wales with company number 10224622;
“Time DMG Acquisition Agreement”	means the share purchase agreement dated 4 July 2019 entered into between the Company and Danfer pursuant to which the Company purchased the entire issued share capital of Time DMG;
“Time DMG Shares”	means the entire issued share capital of Time DMG;
“Time Engineers”	means Time Engineers Limited (in Administration) a private limited company incorporated in England and Wales with company number 00460070;
“Time Rainham”	means Time Rainham Limited a private limited company incorporated in England and Wales with company number 10675220 which is a wholly owned subsidiary of IVI Metallics;
“Time Rainham Acquisition Agreement”	means the share purchase agreement dated 25 February 2019 made between (1) IVI Metallics and (2) Certified Holdings Ltd relating to the sale and purchase of the entire issued share capital of Time Rainham;
“Time Rainham Corporate Guarantee”	means the corporate guarantee dated 16 April 2019 entered into between Time Rainham and Ablrate;
“Time Rainham Debenture”	means the debenture dated 18 January 2019 registered against Time Rainham in favour of Redd;
“Time Rainham Factoring Agreement”	means the Factoring Agreement dated 8 January 2019 between Time Rainham and Redd;
“UK Listing Authority”	means the FCA in its capacity as the competent authority for listing in the UK pursuant to Part VI of FSMA;
“uncertified” or “uncertified form”	means, in relation to a share or other security, a share or other security, title to which is recorded in the relevant register of the share or other security concerned as being held in uncertificated form (that is, in CREST) and title to which may be transferred by using CREST;

"United Kingdom" or "UK"	means the United Kingdom of Great Britain and Northern Ireland;
"United States" or "US"	has the meaning given to the term "United States" in Regulation S;
"US Dollar"	means the lawful currency of the United States;
"VAT"	means (i) within the EU, any tax imposed by any Member State in conformity with the Directive of the Council of the European Union on the common system of value added tax (2006/112/EC), and (ii) outside the EU, any tax corresponding to, or substantially similar to, the common system of value added tax referred to in paragraph (i) of this definition;
"Vox Fee Shares"	means the 800,000 ordinary shares of £0.0004 each to be issued and allotted to Vox Markets Limited at an issue price of £0.03 each pursuant to the terms of the SLA;
"Vulcan Debenture"	means the debenture dated 16 April 2019 registered against the Company in favour of Ablrate;
"Warrants"	a right to subscribe for Shares granted by the Company on terms of a warrant; and
"Working Capital Period"	means the 12 month period from the date of this Document.

References to a "**company**" in this Document shall be construed so as to include any company, corporation or other body corporate, wherever and however incorporated or established.

SHARE CAPITAL AND ADMISSION STATISTICS

Shares in issue at the date of this Document	205,566,667
Total number of New Shares	27,041,665
Number of Warrants outstanding immediately following Admission	2,000,000
Enlarged Share Capital	232,608,332
Fee Shares	5,633,333
New Shares issued in connection with the Placing and Subscription	21,408,331
Percentage of Enlarged Share Capital represented by New Shares	11.63%
Issue Price	£0.03
Gross proceeds of the Fundraising	£746,500
Net Proceeds of the Fundraising	£507,833
Aquis Stock Exchange Growth Market symbol (TIDM)	VULC
Expected market capitalisation of the Company on Admission	£6,978,250
ISIN	GB00BKMDX634
SEDOL	BKMDX63
LEI	213800DVP6NKMCZ9SL47

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this Document	27 May 2020
Admission to trading on the Aquis Stock Exchange Growth Market becoming effective and commencement of dealings in the Enlarged Share Capital	8.00 a.m. on 1 June 2020
CREST members' accounts credited in (where applicable)	1 June 2020
Despatch of definitive share certificates for Shares (where applicable)	Within 10 Business Days of Admission

All references to time in this Document are to London, UK time unless otherwise stated and each of the times and dates are indicative only and may be subject to change.

DIRECTORS, AGENTS AND ADVISERS

Directors	Ian Charles Tordoff (*Non-Executive Chairman*) Kieran Vaughan (*Non-Executive Director*) John Hunter Maxwell (*Chief Executive Officer*) Neil William Harold Clayton (*Group Finance Director*)
Company Secretary	MSP Corporate Services Limited 27/28 Eastcastle Street London W1W 8DH
Registered Office	8th Floor The Broadgate Tower 20 Primrose Street London EC2A 2EW
Website	www.vulcanplc.com
Legal advisers to the Company	Hill Dickinson LLP The Broadgate Tower 20 Primrose Street London, EC2A 2EW
Placing Agent and, from Admission, Broker and Aquis Corporate Adviser to the Company	First Sentinel Corporate Finance Limited 72 Charlotte Street London, W1T 4QQ
Auditors to the Company and Reporting Accountants	PKF Littlejohn LLP 15 Westferry Circus Canary Wharf London, E14 4HD
Registrars	Neville Registrars Limited Neville House Steelpark Road Halesowen, B62 8HD

PART I

INFORMATION ON THE GROUP AND STRATEGY

1 Introduction

The Company was incorporated as a public limited liability company under the laws of England and Wales on 24 October 2018 with the name Vulcan Industries plc and with registered number 11640409. On Admission, the Company will be authorised to issue one class of share (being the Shares).

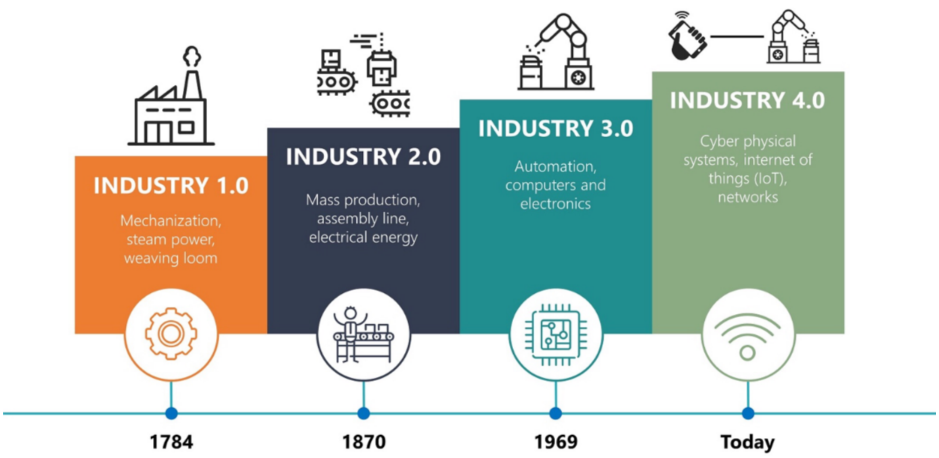
Vulcan has been incorporated to build a group of UK companies providing products and services to the engineering, manufacturing and engineering sectors, particularly focussed on metal fabrication and precision engineering, which have underlying profitability and growth potential and can benefit from being part of a larger group focussed on similar or complementary sectors to the target.

The Company has completed four acquisitions at the date of this Document with a further acquisition subject to heads of agreement. The Company, therefore, currently acts, either directly or indirectly, as the ultimate holding company for three wholly owned subsidiaries and one indirect wholly owned subsidiary, together the Group. The Company is seeking to make further acquisitions following Admission consistent with this strategy. The Group structure is shown in paragraph 5 below.

Application has been made for the Ordinary Shares to be admitted to trading on the Aquis Stock Exchange Growth Market. It is expected that Admission will become effective and that trading in the Ordinary Shares will commence on 1 June 2020.

2 Opportunity

The Company believes that the British engineering sector is poised for substantial growth in what is now being referred to by commentators[1] as 'Industry 4.0' (industrial revolution 4) and which is poised to drive transformation across global manufacturing. Innovative technologies such as intelligent robotics, advanced materials, 3D-printing, IOT (internet of things) and artificial intelligence, combined with new approaches to data management, enabling manufacturers and their supply chain to save time, boost productivity, reduce waste and costs, and respond more effectively to customer demand.



[1] See for example the report by KPMG entitled *"Beyond the hype – Separating ambition from reality in Industry 4.0"* (https://tinyurl.com/y2jrastz)

There are four design principles in Industry 4.0. These principles support companies in identifying and implementing Industry 4.0 scenarios.

1. *Interconnection*: The ability of machines, devices, sensors, and people to connect and communicate with each other via the Internet of Things or the Internet of People.

2. *Information transparency*: The transparency afforded by Industry 4.0 technology provides operators with vast amounts of useful information needed to make appropriate decisions. Inter-connectivity allows operators to collect immense amounts of data and information from all points in the manufacturing process, thus aiding functionality and identifying key areas that can benefit from innovation and *improvement*.

3. *Technical assistance*: Firstly, the ability of assistance systems to support humans by aggregating and visualising information comprehensively for making informed decisions and solving urgent problems on short notice. *Secondly*, the ability of cyber physical systems to physically support humans by conducting a range of tasks that are unpleasant, too exhausting, or unsafe for their human co-workers.

4. *Decentralised decisions:* The ability of cyber physical systems to make decisions on their own and to perform their tasks as autonomously as possible. Only in the case of exceptions, interferences, or conflicting goals, are tasks delegated to a higher level.

Against this backdrop, the Directors believe that there exist sufficient opportunities to acquire UK-based businesses which are poised to benefit from this transformation of their marketplace, particularly within more historic and traditional sectors such as metal fabrication and precision engineering. Such opportunities may be best, or indeed only, realised by being part of a larger group.

3 Acquisition and integration strategy of the Group

Acquisitions

Vulcan's approach to acquisitions is not unique but is borne out of the opportunity outlined above.

Vulcan seeks to acquire and consolidate traditional but historically profitable engineering, manufacturing and industrial SMEs for value and to enhance this value in part through group synergies, but primarily by unlocking growth which is not being achieved as a standalone private company. The Group will also try to optimise productivity through the introduction of new technologies and processes in line with Industry 4.0.

The Directors are confident of their expectation to complete a number of value-enhancing acquisitions which will generate significant synergies and further growth in the coming months.

Acquisitions are expected to exhibit a number of the following characteristics:

- Ability to acquire businesses for real value at an EBITDA valuation lower than that of the combined Group value and provide an immediate positive impact to Group earnings;
- Structured to provide maximum cash value (cash, debt and deferred consideration or settlement in shares);
- Proven profitable asset-backed businesses possessing the following characteristics:
    - Established long term predictable revenues;
    - Significant levels of repeat business from blue chip clients;
    - A range of customers with no reliance on any one individual customer or market;
    - Significant opportunities for increased productivity and savings from group synergies;
- A need for succession planning and/or exit planning; and
- Provide synergistic or supply benefits to existing Group companies.

The Board is cognisant of the ongoing uncertainty regarding Brexit and the developing impact of Covid-19. The Board will, while this uncertainty remains, continue to weigh up these risks and their potential effects on acquisitions when reviewing potential targets.

Vulcan acquired two businesses which were in administration and it believes that, subject to any acquisition showing some or all of the characteristics noted above, there will be further opportunities to acquire businesses in similar circumstances in the future.

Integration

The Company's approach to integration is straightforward:

The Company has developed, through the experience of its Directors and Senior Management, a network of professionals and agents that are able to deliver a continuous deal flow of acquisition targets that exhibit the criteria and characteristics which support its long-term strategy to create an industrial conglomerate within the next few years.

On acquisition, Vulcan mobilises its Senior Management team to integrate an acquisition into the Group by supporting the existing management with any of the following:

- Supporting sales strategies to un-lock growth opportunities
- Rationalising processes or implementing new ones to enhance productivity
- Initiating Group product cross-selling
- Implementing Group-wide accounting and reporting processes
- Centralising certain services, such as HR and insurance, thereby achieving immediate cost savings

4 Group History

Mrs Zanete Fergusone, a UK resident originally owned or controlled three of the Group's companies, being IVI, Time Rainham and Orca Doors. Through the acquisition agreements as set out below and more fully detailed in paragraphs from 14.12 to 14.20 of Part VI of this Document, she sold these business to the Company. As a result, on Admission, Zanete Fergusone and two trusts set up on behalf of her children, Chestergate Limited and Pear Tree Limited, will together hold approximately 47.72% of the Enlarged Share Capital. Zanete Fergusone (or companies owned or controlled by her) was the vendor of each of IVI, Time Rainham and Orca Doors and her shareholding in the Company has arisen by way of share subscriptions in the Company and shares issued as consideration for the acquisition by the Company of IVI and Orca Doors, as further detailed below. The consideration for the acquisition of Time Rainham by IVI rather than the Company was satisfied by the capitalisation of amounts owed by Time Rainham to IVI.

The companies acquired by the Company from Zanete Fergusone were established as follows:

(a) the issued share capital of IVI was acquired by Zanete Fergusone in November 2016 for net asset value of £895,000;

(b) Orca Doors was acquired by Zanete Fegusone in February 2019 as part of the acquisition of certain of the business and assets of Manta BRC and Orca Building Products Limited (in administration) for £45,000; and

(c) Time Rainham was incorporated by Zanete Fergusone on 16 March 2017, such company did not trade until it acquired certain of the business of assets of Time Engineers Limited (in administration) on 21 December 2018 for consideration of £51,000. Zanete Fergusone had previously acquired Time Engineers Limited in October 2016, acquiring the shares at par value.

Neither Zanete Fergusone nor her children's trusts have, or will have from Admission, any involvement in the management of any company within the Group.

Zanete Fergusone acquired her interest in the Company as follows:

i) On 6 February 2019, Zanete Fergusone was issued 500,025 shares at £3.00 per share (subsequently subdivided into 12,500,625 Ordinary Shares) as consideration for the acquisition of the entire issued share capital of IVI Metallics Limited. The issued share capital of IVI Metallics was acquired by Zanete Fergusone in November 2016 for net asset value of £895,000;

ii) On 29 April 2019, Zanete Fergusone was issued a further 3,000,000 Ordinary Shares at £0.10 for the acquisition of the entire issued share capital of Orca Doors Limited. Orca Doors was acquired by Zanete Fegusone in February 2019 as part of the acquisition of certain of the business and assets of Manta BRC Limited (in administration) and Orca Building Products Limited (in administration) for £45,000; and

iii) Furthermore, she has subscribed for a total of 699,975 Ordinary Shares as part of subscriptions for cash by the Company in 2019.

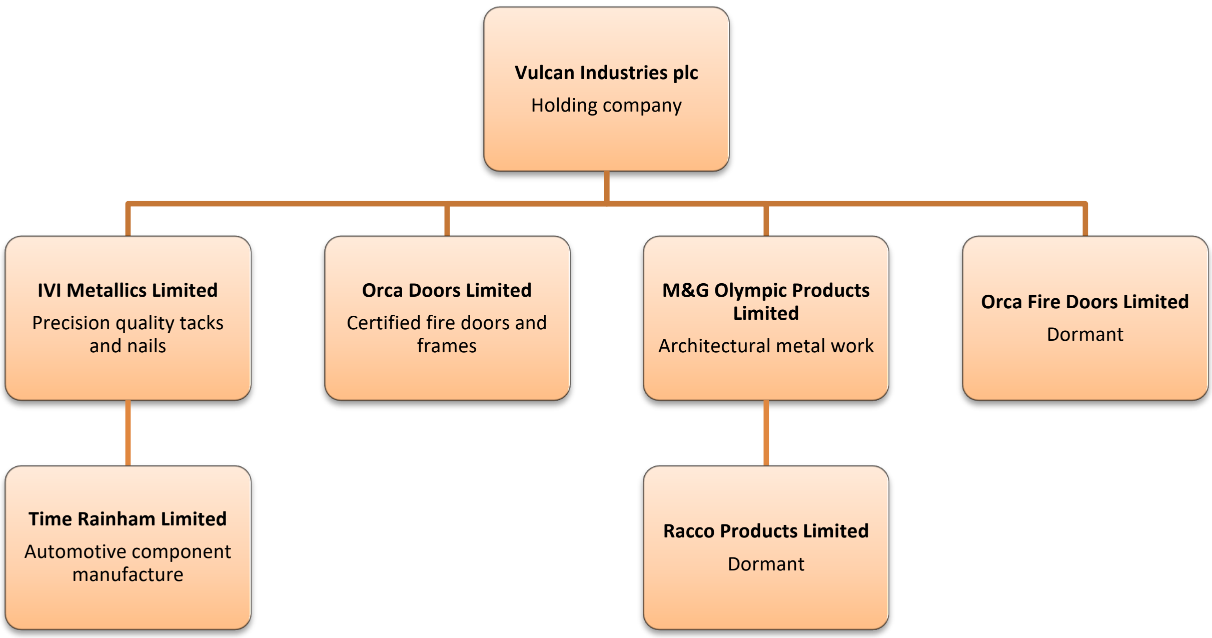
As a result, Zanete's total shareholding is 21,000,000 Ordinary Shares.

Justin Drummond, one of the co-founders of the Company, transferred a total of 90,000,000 Ordinary Shares on a 50:50 basis to each of Pear Tree Limited and Chestergate Limited, which are owned by the trustee of the Osprey Trust and the Danfer Trust established by Zanete Fergusone. The beneficiaries of the trusts are her two children.

Zanete Fergusone controls the voting rights over the 21,000,000 Ordinary Shares that she holds directly however she has no interest in the aggregate 90,000,000 Ordinary Shares held by Pear Tree Limited and Chestergate Limited and therefore she has no ability to influence the decisions of the respective trusts.

5 Group Structure

A structure chart of the Company and the Subsidiaries is set out below:



Each subsidiary shown above is wholly owned within the Group.

In the event that the Proposed Acquisition is completed, E Lowe will become a wholly owned subsidiary of Vulcan and Edwin Lowe will remain as a wholly owned subsidiary of E Lowe.

6 The principal business activities of the Subsidiaries

IVI Metallics Limited

Principal activity	Manufacture of precision quality tacks and nails, (including threaded, hardened and plated products) both for the footwear, and other industries requiring the highest quality standards. Products are manufactured to exacting tolerances under the 'IVI' and 'Moenus' brands. Products are made according to customer specifications for a diverse range of applications for hand use and machine-fed systems. Products include paintbrush assembly pins, panel pins, cable clip pins, pins used in shoe making, masonry nails and furniture nails. An industry leader in the UK for supplying specialist components to the shoe making / repair trade, roofing, fascia industry and the building sectors.
Date established	1899
Date of acquisition by the Company	31 January 2019
Location	Leicester
Markets	Worldwide
Principal customers	Charles E Green Interfloor Limited Forticrete Limited Texon International Group Limited
Competitors	Detack, Brazil Metallurgica Lombardi, Italy
Employees	25
Website	www.ivimetallics.co.uk

Orca Doors Limited

Principal activity	Manufacturer of high-quality doors and frames for the healthcare and education markets. It combines state of the art manufacturing alongside traditional joinery skills, to produce doors of paint grade, veneered, laminated faced or PVC encapsulated, to the desired fire rating and certification. Other products also manufactured include healthcare IPS units, cubicles, bespoke reception desks, internal screens, and a wide range of wall protection materials and PVC fabricated products.
Date established	The Company acquired certain of the business and assets of Manta BRC Limited and Orca Building Products Limited, which were both put into administration on 6 February 2019.
Date of acquisition by the Company	20 February 2019
Location	Kirmington, near Ulceby, Lincolnshire

Markets	UK
Principal customers	Various NHS Trusts
Competitors	Pendle Doors Safelincs Youngs Doors
Employees	11
Website	www.orcadoors.net

Time Rainham Limited

Principal activity	Time Rainham is an ISO 9001:2015 accredited company that has been manufacturing components for first tier commercial OEMs for over 70 years. It manufactures a vast range of components including selector forks, levers, valve housings, manifolds and blocks as well as complex gearbox transmission cases. Its high-quality products are used in a variety of industries.
Date established by IVI	Original business was established in the 1940's. Time Rainham acquired certain of the business and assets of Time Engineers Limited on 21 December 2018
Date of acquisition	6 February 2019
Location	Rainham, Essex
Markets	UK and Europe
Principal customers	J.C.Bamford Excavators Ltd, Eatons Automotive Systems
Competitors	Lancereal STM
Employees	9
Website	www.time.uk.com

M&G Olympic Products Limited

Principal activity

M&G Olympic is a UK leader in the design, manufacture, and installation of custom-built architectural metalwork. Products include staircases, balustrades and handrails. M&G is an EXC2 certified design manufacturer, operating from a two-factory site with a skilled and knowledgeable workforce. It uses its solid relationships with other manufacturers of architectural products to provide customers with complete turnkey solutions.

Specialist areas include:

- Staircases, Balustrades, Handrails, Balconies, & Canopies
- Swimming Pool Fittings
- Sanitary & Hospital Equipment
- Catering & Purpose-made Fabrications
- Stainless Steel Street Furniture and more

Date established	1998
Date of acquisition by the Company	16 April 2019
Location	Sheffield
Markets	UK
Principal customers	Willmott Dixon Galliford Try Morgan Sindall Grouo plc Waites SDC
Competitors	Delta Balustrading BA Systems Wilcox Fabrications Steeline
Employees	44
Website	www.mgolympic.co.uk

The principal business activities of the Proposed Acquisition

Edwin Lowe,Limited

Principal activity	Edwin Lowe is a specialist UK manufacturer of pressed steel bearing housings for steel conveyor rollers, used in bulk handling conveyor systems. The company has also designed and manufactured a new series of components which introduce new technology to the industry, which has significantly improved current roller manufacturing techniques.
Date established	1915
Date of acquisition by the Company	To be completed post Admission
Location	Perry Barr, Birmingham
Markets	Worldwide
Principal customers	Douglas Manufacturing Co (USA) Harpscreen (NI)
Competitors	No direct competitors in the UK
Employees	5
Website	www.edwinlowe.com

7 Current Trading

The Group's trading performance, specifically sales performance over the period from July to December 2019, was significantly lower than the Board's expectations. This has particularly been felt at Orca Doors and M&G. Orca Doors has been impacted by a general embargo on spending in its two key markets, namely the health service and local government, resulting from the ongoing uncertainty over Brexit. M&G has been restricted in its ability to deliver large project works due to a lack of working capital caused by Vulcan's planned Admission being delayed longer than anticipated (which has resulted in increased costs). Accordingly, Vulcan has had to recognise the increased costs of the Admission process within its profit and loss account as professional costs.

The Company is required to publish its audited Accounts for the period ended 31 March 2020 by 30 September 2020. As yet, the Directors are not able to indicate the likely results, but these are likely to be below expectations. This will be due to a combination of the matters referred to above, the delay in the Directors original anticipation of achieving Admission with the accompanying capital raising and certain Admission costs incurred and/or accrued in the reporting period.

Following the resolution of Brexit and Admission, the material factors impacting the Group's performance in 2019 will have been generally resolved. Trading in January and February 2020 was below the Director's expectations although February showed some progress. The eventual effects of COVID-19 on markets and trading generally cannot at this stage be predicted. In response to COVID -19 lockdown requirements, where productive home working is not possible, the Group's operations have been closed and employees furloughed. Application has been made for Government assistance under the JRS and CBIL schemes. Management are working to refine operating procedures to ensure the health and safty of our employees. There is continued demand for our products and when it is safe and economic to recommence manufacturing activity the businesses will reopen in line with Government recommendations. The outlook for the year to 31 March 2021 will to some extent be contingent on how the economy responds to the relaxation of existing measures and whether COVID-19 does in fact have a material effect on commerce within the UK. However, given the current level of the Company's order book and the nature of the Company's customers which includes health and education bodies, the Board remains optimistic as to the Group's performance although the timing of the anticipated realisation of improved sales and the results for 2020/21 cannot be certain until there is greater clarity over the end of the non-essential employee furlough period.

8 Use of proceeds

The following is a breakdown showing the gross proceeds of the Fundraising, the net proceeds (after deducting the Admission costs) and an estimate of how the Company intends to use the net proceeds from the Fundraising:

Gross proceeds	**£746,500**
Admission costs	(£238,667)
Net proceeds	**£507,833**

The Company has already established a foundation for its strategy and it believes that the net proceeds from the Fundraising will allow the Company, in addition to general working capital purposes, to continue to pursue its acquisition strategy. Acquisitions have thus far been funded by the issue of equity in an unlisted company and through short-term (two-year) debt. The Fundraising and Admission will, in combination, enable the Group to use its own cash resources, the net proceeds of the Fundraising and free operational cash flow, to pursue its strategy. The Company may also, when funding its future acquisitions, use debt finance such as factoring when appropriate to do so. The Directors believe that following Admission, and as the Group continues to evolve pursuant to its strategy, the cost of accessing such debt finance is likely to become more cost effective.

The Company will seek to raise further equity funding in due course.

9 Reasons for Admission to the Aquis Stock Exchange Growth Market

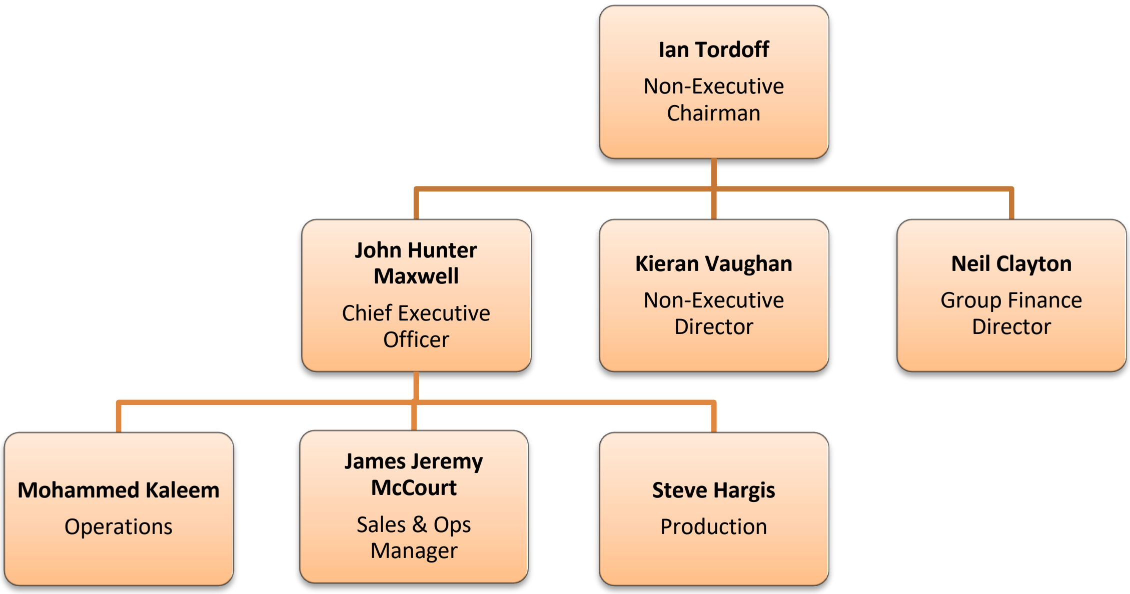
The Directors believe that Admission will assist in positioning the Group for its next stage of development. In addition, the Directors believe that Admission will:

- provide the Company with further access to capital to grow the Group;

- allow the Company to issue equity as consideration for future acquisitions;
- enhance the public profile of the Group with existing and potential customers;
- add to the Group's credibility, particularly in negotiating and completing future transactions;
- assist in promoting the Group's brand; and
- attract and retain high calibre staff and commitment by enabling the introduction of an employee share option scheme in due course.

10 The Board of Directors and Senior Management

The structure of the Board and the Senior Management team is shown below.



The Directors believe the Board, together with Senior Management, is comprised of a knowledgeable and experienced group of professionals with relevant experience and capability to deliver the Company's strategy.

Ian Tordoff (Non-Executive Chairman) and Kieran Vaughan (Non-Executive Director) are currently the "independent" members of the Board (using the definition set out in the QCA Code).

Directors

Profiles of the Directors of the Company on Admission are set out below:

Ian Tordoff, aged 58 – Non-Executive Chairman

Prior to founding Vulcan, Ian's experience in directing large operations included: leading an EY team in restructuring functions in Ford of Europe as part of a turnaround strategy addressing $2bn per quarter losses before moving to a loss-making European ISP helping to take it to break-even in 18 months. He has created and led specialist teams in the execution of $6bn+ health-sector projects, delivering substantial service developments in the UK and the Middle East. Ian has held non-executive and advisory roles in the NHS, dermal testing and digital-health businesses. Currently he is a Director of a listed wellness business and holds advisory roles with IT, Logistics and Health businesses in the UK & Asia.

John Hunter Maxwell, aged 74 – Director and Chief Executive Officer

John is a member of The Institute of Chartered Accountants of Scotland. He is on the Board of Directors at London Finance & Investment Group Plc.

John was previously employed as an Independent Non-Executive Director by RSA Insurance Group Plc, Non-Executive Director by Provident Financial Plc, Chairman by DX Services Plc, Non-Executive Director by HomeServe Plc, Non-Executive Director by Parity plc, Executive Director by Prudential Plc, CEO of BPB Industries Plc, CEO of Provincial Group Plc, Chairman at Prolific Plc, Director General at The Automobile Association Limited and a Governor at Royal Ballet School

Neil Clayton, aged 57 – Group Finance Director

Neil is a member of The Institute of Chartered Accountants of England and Wales. He is on the board of Agriterra Limited (AIM) and Block Commodities Limited (AQSE Growth Market) and Global Web Pay Limited.

As well as providing CFO consulting to offshore AIM listed groups with business activities in agricultural, health and natural resources in Africa, he also brings to the Board specialised capital restructuring experience from his role as Group Finance Director of Earthport Plc. Previously Neil held senior financial positions at First Technology plc, the international automotive safety and sensing manufacturing group.

Kieran Vaughan, aged 50 – Non-Executive Director

Kieran was appointed Queen's Counsel in 2012 and is a highly successful practitioner who is constantly in high demand and much sought after to defend in the most serious and complex of cases. A leading practitioner who practices in, fraud and financial /commercial crime. He has also advised and continues to advise in relation to criminal, quasi-criminal matters and international commercial arbitration. Over the years he has successfully represented defendants in many of the country's highest profile fraud, murder and terrorist trials. In addition, he regularly appears in the Court of Appeal. Kieran has been described in the legal directories as having "an exceptional legal mind."

Senior Management

The Senior Management team below are fully engaged in the process of identifying and reviewing acquisition targets and after acquisition are deployed as may be required to integrate the acquired business into the Group and to un-lock the growth opportunities within it.

The roles noted below are their current roles within the Senior Management team and/or the operating company for which they currently have responsibility.

James Jeremy McCourt, aged 54 – Sales and Operations Manager

A graduate of University of Ulster Jeremy has won Regional awards for Business Exporter of the year as well as executing the single largest waste programme for the Health Trust of NI. Jeremy also directed the winning bids for significant waste water and drainage contracts regionally. Jeremy closely manages a number of the group companies with particular focus on business development and sales promotion.

Mohammed Kaleem, aged 37 – Operations and General Manager, IVI Metallics Limited

Mohammed is an accomplished senior manager, who oversees the current business and integration of new acquisitions on a day-to-day basis. Mohammed has considerable experience in developing and leading management teams in the B2B sector with Landmark Group and the Metro Group, with clients included Tesco, Burger King and Aldi. He has established a record for building and maintaining successful strategic relationships with a range of stakeholders.

Steve Hargis, aged 59 – Production and General Manager, Time Rainham Limited

Steve has over 40 years' experience in engineering and management, starting as an apprentice for Plessey in 1976. He is currently the production manager for Vulcan Industries and has worked at or with businesses now within the Group since 1990. Steve's understanding of operations and finance makes his contribution to the Operations Team is invaluable.

11 Corporate Governance

The Directors recognise the importance of sound corporate governance and, following Admission, have undertaken to take account of the requirements of the QCA Code to the extent that they consider it appropriate having regard to the Company's size, board structure, stage of development and resources.

The QCA Code recommend that the board of directors should include a balance of executive and non-executive directors, such that no individual or small company of individuals can dominate the board's decision taking. In the case of a smaller company, such as the Company, the QCA Code recommends that the board should include at least two non-executive directors who are independent.

The Company will hold regular board meetings and the Directors will be responsible for formulating, reviewing and approving the Company's strategy, budget and major items of capital expenditure. In order to implement its business strategy, as at the date of this Document, the Company has adopted the corporate governance structure set out below:

Audit Committee

The Board has established an Audit Committee with formally delegated duties and responsibilities. The Audit Committee is chaired by Ian Tordoff and its other member are Kieran Vaughan and John Maxwell. The Audit Committee will meet at least two times a year and will be responsible for ensuring the financial performance of the Company is properly reported on and monitored, including reviews of the annual and interim accounts, results announcements, internal control systems and procedures and accounting policies, as well as keeping under review the categorisation, monitoring and overall effectiveness of the Company's risk assessment and internal control processes.

Remuneration Committee

The remuneration committee, which comprises Ian Tordoff and Kieran Vaughan, is responsible for the review and recommendation of the scale and structure of remuneration for senior management, including any bonus arrangements or the award of share options with due regard to the interests of the Shareholders and the performance of the Group. The Remuneration Committee is chaired by Kieran Vaughan.

Aquis Rule Compliance Committee

The Aquis Rule Compliance Committee, which will comprise Ian Tordoff, Kieran Vaughan and Neil Clayton, will meet not less than four times a year. The Aquis Rule Compliance Committee is chaired by Kieran Vaughan.

The Company does not have a nomination committee as the Board does not consider it appropriate to establish such a committee at this stage of the Company's development. Decisions which would usually be taken by the nomination committee will be taken by the Board as a whole.

Share Dealing Code

The Company has adopted the Share Dealing Code for dealings in its securities by Directors and certain employees which is appropriate for a company whose shares are traded on the Aquis Stock Exchange Growth Market. This will constitute the Company's share dealing policy for the purpose of compliance with the Market Abuse Regulation and the relevant part of the Aquis Stock Exchange Rules.

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

12 Takeover Code

The Company is a public company incorporated in England and Wales and its Ordinary Shares will be admitted to trading on Aquis Stock Exchange. Accordingly, the Takeover Code applies to the Company and operates principally to ensure that the Shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders of the same class are afforded equivalent treatment. The Takeover Code also provides an orderly framework within which takeovers are conducted and the Takeover Panel has now been placed on a statutory footing.

Under the Takeover Code, if an acquisition of interests in shares were to increase the aggregate holding of the acquirer and its concert parties to interests in shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer and, depending on circumstances, its concert parties would be required (except with the consent of the Takeover Panel) to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for interests in shares by the acquirer or its concert parties during the previous 12 months. This requirement would also be triggered when, except with the consent of the Takeover Panel, any person (together with persons acting in concert with him) who is interested in shares which carry not less than 30 per cent. of the voting rights of the Company but does not hold shares carrying more than 50 per cent. of such voting rights, and such person (or person acting in concert with him) acquires any other interest in shares which increases the percentage of shares carrying voting rights in which he is interested.

Squeeze-out

Under the Act, if an offeror were to make an offer to acquire all of the shares in the Company not already owned by it and were to acquire 90 per cent. of the shares to which such offer related it could then compulsorily acquire the remaining 10 per cent. The offeror would do so by sending a notice to outstanding members telling them that it will compulsorily acquire their shares and then, six weeks later, it would deliver a transfer of the outstanding shares in its favour to the Company which would execute the transfers on behalf of the relevant members, and pay the consideration to the Company which would hold the consideration on trust for outstanding members. The consideration offered to the members whose shares are compulsorily acquired under this procedure must, in general, be the same as the consideration that was available under the original offer unless a member can show that the offer value is unfair.

Sell-out

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

13 Taxation

Information regarding UK taxation in relation to the Ordinary Shares is set out in paragraph 19 of Part VI of this Document. These details are, however, intended only as a general guide to the current tax position under UK taxation law, which may be subject to change in the future. If you are in any doubt as to your tax position you should consult your own independent financial adviser immediately.

14 Dividend policy

The Company is primarily seeking to achieve capital growth for its Shareholders. It is the Board's intention during the current phase of the Company's development to retain future distributable profits from the business, to the extent any are generated.

For the foreseeable future, the Company will seek to use free operational cash flow to continue to expand the Group through acquisition. However, the Board may start to consider paying dividends from operating net cashflow once the Company's operations are sufficiently mature and depending upon the generation of sustainable profits. The Board can give no assurance that it will pay any dividends in the future, nor, if a dividend is paid, what the amount of such dividend will be. The Company will only pay dividends to the extent that to do so is in accordance with all applicable laws.

15 Lock-In Agreements and Orderly Market Arrangements

At Admission, certain shareholders will be subject to lock-in arrangements who will hold, or be interested in, directly and indirectly, an aggregate of 164,516,667 Ordinary Shares.

The Controlling Shareholders and the Locked-in Directors, whose Shares represent together 50.90% of the Enlarged Share Capital, have undertaken not to dispose of any interest in the Ordinary Shares which they may have on Adm ission (or subsequently acquire) for the period of one year following Admission, save for in certain limited circumstances. In addition, the Controlling Shareholders and the Locked-in Directors have further agreed that for an additional 6-month period and 12-month period, respectively, following the first anniversary of Admission they shall only dispose of any interest in Ordinary Shares through FSCF in accordance with certain orderly market principles.

The Locked-in Shareholders (whose Shares represent approximately 19.83% of the Enlarged Share Capital) have undertaken not to dispose of any interest in the Ordinary Shares which they may have on Admission (or subsequently acquire) for the period of 120 days following Admission, save for in certain limited circumstances.

Details of these lock-in and orderly market arrangements are set out in paragraph 14.8, 14.9 and 14.10 of Part VI of this Document.

16 Details of the Fundraising

Placees have agreed to subscribe for the New Shares at a Issue Price of 3 pence per New Share. The Placing comprises in aggregate 13,333,332 New Shares and will therefore raise approximately £400,000 (before expenses). The Company has also raised approximately £217,000.00 (before expenses) subscribed directly by sophisticated and high net worth investors, and advisers in lieu of cash fees. In addition, the Company offered all of the employees of the Group the opportunity to subscribe for New Shares, pursuant to the Board's view as set out in paragraph 19 of this Part I. The Company raised a further £129,500 in connection with the Employees' Subscription.

The New Shares will represent approximately 11.63 per cent., of the Company's Enlarged Issued Ordinary Share Capital following Admission. The irrevocable commitments to subscribe for the New Shares are subject only to Admission by 1 June 2020 (or such later date as the Company may notify Investors), but in any event not later than 30 June 2020, and may not be withdrawn other than on a failure of the Company to achieve Admission by the prescribed long-stop date, If Admission does not proceed, neither the Placing or the Subscription will proceed and all monies received by the Company will be returned to the relevant applicants. The New Shares will rank *pari passu* in all respects with the Existing Shares, including the right to receive all dividends and other distributions declared, paid or made after the date of issue, and will be placed free of any expenses and stamp duty. In the case of investors receiving New Shares in uncertificated form, it is expected that the appropriate CREST accounts will be credited with effect from 1 June 2020. In the case of investors receiving New Shares in certificated form, it is expected that certificates will be despatched by post, within 10 days of the date of Admission.

17 Admission, Settlement, Trading and Crest

Application has been made to the Aquis Exchange for the Enlarged Ordinary Share Capital to be admitted to trading on the Aquis Stock Exchange Growth Market. It is expected that Admission will become effective and dealings in the Enlarged Ordinary Share Capital will commence at 8.00 a.m. on 1 June 2020. No application has been or will be made for any warrants or options to be admitted to trading.

The Articles of Association are consistent with the transfer of Ordinary Shares in dematerialised form in CREST under the CREST Regulations. Application has been made for the Ordinary Shares to be admitted to CREST on Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if relevant Shareholders so wish.

CREST is a voluntary system and Shareholders who wish to receive and retain certificates in respect of their Ordinary Shares will be able to do so.

18 Share Options and Warrants

In accordance with the terms of their appointments as Aquis Stock Exchange Corporate Adviser and as Broker respectively to the Company and FSCF have been granted the right to subscribe for 2,000,000 new Ordinary Shares at the Issue Price exercisable at any time between the date of Admission and the third anniversary of the date of Admission. Exercise of such right is not subject to the satisfaction of any performance or other conditions. Further details of the warrants issued to FSCF are set out in paragraph 14.4 of Part VI of this Document.

19 Share incentive arrangements

The Directors believe that the Company's success is highly dependent on the quality and loyalty of its management and employees. The Directors consider that to assist in the recruitment, retention and motivation of high quality staff, the Company must have an effective remuneration strategy and that an important part of this strategy is the ability to award equity incentives and, in particular, share options and share awards.

Following Admission, the Company will undertake a review of its incentive arrangements and intends to establish an appropriate incentive scheme for Directors, senior management and employees of the Group as the Remuneration Committee considers appropriate. The Directors consider that an appropriate size for such a scheme would allow the Company to issue equity incentives which represent up to a total of 10% of the issued share capital of the Company at the time of the award.

20 Relationship Agreement

The Company, along with FSCF, have entered into the Relationship Agreement providing for regulation of certain matters in respect of the relationship between the Company and the Controlling Shareholders, which will, following Admission, have an interest of approximately 47.72 per cent. of the Enlarged Share Capital. Further details of this agreement are set out in paragraph 14.11 of Part VI of this Document.

21 Further Information and Risk Factors

You should read the whole of this Document which provides additional information on the Company and not rely on summaries or individual parts only. Your attention is drawn to the further information in this Document and particularly to the risk factors set out in Part II of this Document. Potential investors should carefully consider the risks described in Part II before making a decision to invest or acquire shares in the Company.

PART II

RISK FACTORS

In addition to all other information set out in this Document, the following specific factors should be considered carefully in evaluating whether to make an investment in the Company. If you are in any doubt about the action you should take, you should consult a professional adviser authorised under FSMA who specialises in advising on the acquisition of shares and other securities prior to making any investment.

If any of the following risks were to materialise, the Company's business, financial conditions, results or future operations could be materially adversely affected. 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. In that case, the market price of the Ordinary Shares could decline and all or part of an investment in the Ordinary Shares could be lost.

The list below is not exhaustive, nor is it an explanation of all the risk factors involved in investing in the Company and nor are the risks set out in any order of priority.

RISKS RELATING TO THE GROUP

The Company will, on Admission, have a substantial related group of shareholders with an aggregate equity interest of approximately 47.72% in the Company's Ordinary Shares

On Admission, the Controlling Shareholders will hold 111,000,000 Ordinary Shares representing approximately 47.72% of the Company's Enlarged Share Capital. None of the Controlling Shareholders will hold a directorship on the Board or have the specific right to nominate a Director and therefore there is limited scope to exert significant influence over the Company, its strategy, directors and operations through the Board. Nevertheless, the Controlling Shareholders might be able to pass ordinary resolutions of the Company with their aggregate shareholding. Accordingly, the Company and the Controlling Shareholders have entered into the Relationship Agreement governing the behaviour of the Controlling Shareholders as the majority shareholder in the Company.

Whilst the Controlling Shareholders are subject to the terms of a 12 month lock-in from Admission and a further six month orderly market arrangement pursuant to the terms of the Controlling Shareholders Lock-in and Orderly Market Agreement, there remains a risk that following the 12 month lock-in period, the Controlling Shareholders may undertake significant share sales which could have a negative impact on the Group's share price.

Lack of a Group History

The Company was incorporated in October 2018 and has subsequently acquired the Subsidiaries over a period of four months from January 2019. As such, the Group has only existed in its current format since April 2019. Whilst these individual businesses have trading histories of varying lengths they have not been under the collective management of the Group for a significant period of time. Accordingly, an investment in the Company is inherently riskier than an investment in a group which has been established for many years.

Debt issued by the Group

As at 25 May 2020, the Group had over and above normal debt used by the Group to fund its operations such as factoring and hire purchase, debt of £1.825m owed by the Company in the form of secured debt provided by Ablrate, a crowd-funding platform. Under the original loan agreements, this is due for repayment in two tranches (£1.2m in April 2021 and £0.625m in July 2021) and interest is payable on each tranche which is payable monthly. On 2 April 2020, Ablrate and the Company mutually agreed that, and subject to interest payments being paid in the interim, the capital repayments under the terms of the First Ablrate Loan Agreement and the Second Ablrate Loan Agreement (see paragraphs 14.21 and 14.22 in Part VI of this Document) are deferred until such time as they can be repaid by the

Company and this will be reviewed on a quarterly basis. Whilst the Company is confident that it will be able to service the debt during the Working Capital Period, there remains a risk that a material downturn in the Group's financial performance could mean that the Group is unable to meet the debt repayments which for clarification fall due beyond the Working Capital Period. Should this be the case, the Group would need to renegotiate the repayment terms or seek alternative equity funding to allow it to be repaid which, in turn, could dilute shareholders. Should the Group be unable to refinance or issue equity to satisfy the secured debt when it falls due, the Group may be forced to reduce or delay its investments or capital expenditure, sell assets or operations. In extremis, the lenders could seek to enforce their security, which may lead to a material diminution in the value of the Group's assets or potentially the insolvency of the Group or parts of it.

Dependence on its Directors and Senior Management and the Group's ability to attract, recruit and retain key personnel

Although the Directors and Senior Management (as further specified in Part I in this Document) have entered into service agreements or letters of appointment with the Company, the loss of the services of such individuals may have an adverse material effect on the business, operations, revenues, customer relationships and/or prospects of the Company. The Group's strategy for growth and ultimate success is particularly dependent upon the continued active participation of the Company's Executive Directors, as well as other key personnel and consultants. Loss of the services of one or more of these individuals could have a material adverse effect upon the Group's business, financial condition, customer relationships or results of operations. Further, the Group's success and achievement of its growth plans depend on the Group's ability to recruit, hire, train and retain other highly qualified technical and managerial personnel.

Competition for qualified employees and consultants among companies in the engineering and manufacturing sectors and on a regional basis is very high. The loss of any of such persons, or an inability to attract, retain and motivate any additional highly skilled employees and consultants required for the initiation and expansion of the Group's activities, could have a material adverse effect on the Group's business, financial condition or results of operations. Many of the other companies that the Group competes against for qualified personnel have greater financial and other resources, different risk profiles and a longer history in the industry than the Group does. If the Group is unable to continue to attract and retain high quality personnel, the rate and success at which we can develop and commercialise products and services will be limited.

Currency risk

IVI's sales are to customers in overseas territories, predominantly in the EU (40%) and the US (30%) and hence are invoiced in Euros and US Dollars. Accordingly, the Group's results could be impacted by any significant appreciation in Sterling against the Euro /US Dollar.

Technological innovation

Given the Group's focus on manufacturing and production activities, there is a risk that the development of increasingly advanced machinery costing less to operate, producing higher quality products and replacing the demand for products created by the Group, could negatively impact on the Group's revenues. The Group will try to mitigate this risk by ensuring that its machinery and operating methods continue to allow it to produce competitively priced products.

Computer or information system breakdown

As a group with significant manufacturing and production operations, computer and/or information system breakdowns, such as design systems at M&G which are critical to that business, as well as cyber security attacks could disrupt the Group's systems and operations which could affect its ability to service its customers leading to reduced revenue from sales and/or reputational damage, which could have a material adverse effect on the Group's financial results as well as your investment.

The Group's growth strategy

As part of their on-going growth strategy, the Directors are intent on acquiring a number of companies and/or businesses in the engineering sector in order to expand the Group's existing business. Acquisitions of this nature can have both positive and negative consequences and, although the Group has made a number of successful acquisitions to date, there is risk involved with any acquisition.

The Group may not be able to identify or acquire suitable acquisition targets on acceptable terms. Moreover, if in the future, the Group seeks to acquire an acquisition target that is of a significant size, it may need to finance such an acquisition through either additional debt or equity financing or a combination of additional debt and equity financing.As the intention of the Directors is to expand the Group's existing offering, the Group cannot be certain that its business strategy will be successful. Any failure to expand and improve operational, financial and management and quality control systems in line with the Group's growth could have a material adverse effect on the Group's business, financial condition and results of operations. The actual performance of the Group following Admission may differ materially from the expectations of both the Directors and the Shareholders.

The Group may be unsuccessful in fulfilling its acquisition strategy

Competitors may also follow similar acquisition strategies. Existing competitors and/or new entrants, including financial investors interested in entering the engineering industry, may have greater financial resources available for investments or may have the capacity to accept less favourable terms than the Group, which may prevent the Group from acquiring target businesses and reduce the number of potential acquisition targets. The Group's ability to acquire new businesses may also be restricted under applicable competition or antitrust laws. If the Group is not able to pursue its acquisitions strategy, this could have a material adverse effect on the Group's business and growth prospects.

The Group may be unable to manage its growth or implement its expansion strategy

The Group may not be able to expand the Group's product and service offerings, the Company's markets, or implement the other features of the Group's business strategy at the rate or to the extent presently planned. The Group's projected growth will place a significant strain on the Group's administrative, operational and financial resources. If the Group is unable to successfully manage the Group's future growth, establish and continue to upgrade the Group's operating and financial control systems, recruit and hire necessary personnel or effectively manage unexpected expansion difficulties, the Company's financial condition and results of operations could be materially and adversely affected.

Product defects

The success of the Group's products and services depends largely upon the positive image that consumers have of those products and services. A lack of consistency in the quality of products or defects in the Group's products, whether occurring accidentally or through deliberate third-party action, could harm the integrity of, or consumer support for, those products and services. Any defects in products similar to the Group's products or in the same categories as the Group's products howsoever arising could, by association, harm the integrity of, or consumer support for, the Group's products and services, and could adversely affect sales.

Defects in raw materials purchased from third parties and used in the production of the Group's products or defects in the production processes could lead to low quality products as well as injury to consumers of the Group's products and could result in reduced sales of the affected brand or all of our brands.

Supply risks

There are a number of risks associated with the supply of raw materials (in particular steel which is used extensively in the Group's components and products), including:

- dependence on the raw materials being sourced from third party suppliers, including the ability to access the raw materials, the reliance on third party suppliers and distributors and the competitive prices charged;

- competition for the supply of raw materials as the Group relies on the supply of the raw materials from contracted suppliers. Other existing traders compete with the Group to purchase raw materials from those suppliers. Competition would be intensified if a new or existing international trader increases the price they are prepared to pay for the supply of the commodities. In this event the Group's costs would increase if it had to offer higher prices to retain suppliers, or the supply of the raw materials to the Group would be jeopardised if their manufacturers or suppliers chose to supply competing international traders instead of the Group, detrimentally affecting the Group's performance; and

- market or supply factors generally amplified by COVID-19, such as commodity price fluctuations, transportation, difficulties, supply bottlenecks, natural disasters, war, terrorism or political unrest, which could increase the cost of raw materials used by the Group and, as such, could have an adverse impact on the Group's financial performance.

Transport risk

The Group relies on third party freight companies to transport its products from the suppliers to customers. Due to the nature of sea freight and the small number of sea freight companies which provide this service, the price of transporting commodities via sea freight may change. Whilst the specific costs of transportation are charged to each customer, increases in these costs may reduce demand from these customers due to the increased cost of the commodities.

Competition

The industry in which the Group operates is a highly competitive one. This competition could adversely affect your investment and competitive pressures could have a material adverse effect on the Group's business. The principal competitive factors in this industry include product range, pricing, product quality, distribution capabilities and responsiveness to changing consumer preferences and demand, with varying emphasis on these factors depending on the market and the product.

The Group faces competition from local and international producers. Other market participants have sought to increase their sales and distribution capabilities by, for example, introducing new products to compete with the Group's products. The Group's revenue and market share could suffer if these new competing products perform well, or if competing products are offered at prices that are lower than the prices of the Group's products.

Political, economic and sovereign risks

As the Group wishes to expand its operations into jurisdictions outside of the United Kingdom, the Group will be subject to those risks associated with operating in those foreign jurisdictions. Such risks can include economic, social or political instability or change, hyperinflation or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, licensing, export duties, repatriation of income or return of capital, consumer health and safety, labour relations as well as government regulations that require the employment of local residents or contractors or require other benefits to be provided to local residents.

Any deterioration in political or economic conditions in the countries in which the Group wishes to commence future operations, including hostilities or terrorist activity, may adversely affect the Group's ability to expand into those territories in order to make the business more profitable. Additionally, there is a risk that these governments may change their policies regarding foreign investment (either directly or indirectly through operation), which may also impact on the Group's ability to expand.

RISKS RELATING SPECIFICALLY TO THE GROUP'S OPERATING SUBSIDARIES

Reliance on public sector customers by Orca Doors

Orca Doors' target markets include sales to public sector bodies and entities. In the event of central or local government spending cuts or reprioritisation of budgets, Orca Doors' anticipated revenue may not reach targets (anticipated levels) which could have a material adverse effect on Orca Doors' business, financial condition and results of operations and therefore have an effect on the Group's reported results.

Rescission of the Company's acquisition of Time DMG

On 4 July 2019, the Company entered into the Time DMG Acquisition Agreement with Danfer pursuant to which the Company agreed to purchase the entire issued share capital of Time DMG from Danfer with the purchase price to be satisfied by the Company issuing and allotting the Danfer Consideration Shares. Following the issue by HMRC of the Petition for outstanding tax payments of approximately £600,000, the parties to the Time DMG Acquisition Agreement entered into the Deed of Rescission. The Deed of Rescission had the effect of unwinding the purchase of Time DMG and restoring the parties to the position they were in before entering into the Time DMG Acquisition Agreement. Before the Deed of Rescission was entered into, the Company had already issued 3,000,000 new Ordinary Shares (being the Danfer Consideration Shares representing 1.29% of the Enlarged Share Capital) to Danfer on completion of the Time DMG Acquisition Agreement. Accordingly, the Deed of Rescission provided that Danfer would gift the Danfer Consideration Shares to the Company for nil consideration pursuant to section 659(2)(c) of the Act.

Because the Company transferred the Time DMG Shares back to Danfer after the Petition was issued, such a transfer may be subject to the provisions of section 127 of the Insolvency Act. Section 127 provides that after the commencement of the winding-up of a company, any dispositions of a company's property, including any transfer of the company's shares or alterations of the members' status, is void unless the court orders otherwise. Under section 129(2) of the Insolvency Act, a compulsory winding up is deemed to commence on the presentation of the winding-up petition. Accordingly, the transfer by the Company of the Time DMG Shares back to Danfer pursuant to the Deed of Rescission would potentially be caught by section 127. There is very limited case law relating to the interpretation of section 127 and it is difficult to ascertain how a Court would apply the section in these circumstances. As at the date of this Document, Time DMG is in administration (which had been initiated by one of its secured lenders) and the winding up petition from HMRC has been suspended.

Notwithstanding that the Petition has been suspended, there is a possibility that Time DMG could enter into a creditors' voluntary liquidation or be dissolved (without going into a compulsory liquidation) and the provisions of section 127 of the Insolvency Act may still apply. If that were the case, the transfer of the Time DMG Shares back to Danfer would technically be void unless a Court ordered otherwise.

In the event that the Deed of Rescission and the transfer of the Time DMG Shares back to Danfer was declared void, then the Company would own the Time DMG Shares and It may be required to re-issue the Danfer Consideration Shares to Danfer. The Directors do not expect that the Company would suffer any significant direct financial exposure in respect of Time DMG but the re-issue of the Danfer Consideration Shares to Danfer would result in diluting the existing holdings of the Shareholders at the time of re-issue, however, the amount of the dilution would only be a small percentage of the entire issued share capital of the Company.

Purchase of certain businesses and assets out of Administration

Time Rainham and Orca Doors acquired their respective business and assets out of administration. As is common with disposals by administrators, the relevant sale agreements excluded all representations and warranties in respect of the business and the assets that were sold to Time Rainham and Orca Doors. Accordingly, neither Time Rainham nor Orca Doors would have any recourse against the administrators if a third party were to claim title to the assets which were acquired under a sale agreement.

Furthermore, given Time Rainham and Orca Doors are also only manufacturing certain of the products historically produced by these businesses, these should be considered of a greater risk to investors than established, profitable businesses. Such risks stem from uncertainty over customer loyalty, product mix and staff retention in businesses that have been through administration. Whilst the Group is confident it can effectively operate all group companies and grow turnover, this cannot be guaranteed.

Key customers

The historic and future sales performance of Time Rainham and IVI Metallics has been and is dependent on the relationship with a small number of customers. In the case of Time Rainham, 80% of its sales in the most recent financial period were derived from its top 5 customers. In the case of IVI Metallics, 90% of its sales of nail products in the most recent financial period were derived from its top 10 customers. Were any of these customers to no longer purchase products from either of these companies and the surplus capacity not taken up by other customers (existing or new) then this could have a material adverse impact on each company's financial performance and a resultant impact on the Group's financial performance.

Lack of documentation relating to the lease of the commercial premises occupied by M&G Olympic

M&G Olympic's manufacturing facility is a leased commercial premises at 109-111 Randall Street, Sheffield S2 4SJ ("**M&G Property**"). The Company has been unable to locate a copy of the lease relating to the M&G Property ("**M&G Lease**") which it continues to occupy and pay rent on. Accordingly, the Company has been unable to ascertain certain terms of the M&G Lease, in particular in relation to its duration and termination provisions. Land Registry searches against the relevant title have returned the superior freehold and superior long leasehold titles but not the lease under which M&G Olympic occupies the M&G Property. This may be because the M&G Lease is for a term of less than 7 years and therefore there is no obligation to register it at the Land Registry.

The Company does, however, have a copy of the lease relating to the adjacent car park (which is summarised in paragraph 14.43 of Part VI of this Document) which expires on 29 April 2023 and therefore it is possible (although the Company cannot be sure) that the terms of the M&G Lease are aligned with the terms of the lease for the car park.

The risk of operational disruption and associated financial implications caused, for example, by the M&G Lease being brought to an end prematurely and having to put in place alternative arrangements is inherent in any lease arrangement. However, without knowing the precise terms of the M&G Lease, there may be additional disruption or impact on M&G Olympic's financial performance if the M&G Lease was brought to an end unexpectedly and the company was unable to secure alternative premises (which the Directors consider would be unlikely). The Company is continuing to make every effort to locate a copy of the M&G Lease or to otherwise ascertain what its principal terms are so that it can plan its occupation strategy accordingly. The Company expects to be successful in this regard.

Brexit and its potential impact on IVI and the Group more generally

The United Kingdom held a referendum on 23 June 2016 in which a majority of voters voted to exit the European Union ("**Brexit**") and, on 29 March 2017, formally notified the European Council of its intention to leave the EU under Article 50 of the Lisbon Treaty. Parliament ratified the withdrawal agreement, which was agreed by the British Government and the EU on 21 October 2019, and the UK left the EU at 11 p.m. GMT on 31 January 2020. This began a transition period under the withdrawl agreement that is set to end on 31 December 2020, during which the UK and EU will negotiate and agree the terms of their future relationship.

If agreement is not reached on the terms of the future relationship, the UK will exit the transition period without a deal on trade with the EU (a "no deal Brexit") and all applicable EU law and other agreements would ceas to apply to the established interactions between the UK and the rest of the EU. This could adversely affect UK, European and worldwide economic and market conditions and could have an impact on the Group's business, financial condition and results of operations.

There still remain significant uncertainties in relation to the terms and time frame within which Brexit will be effected, and the Directors cannot anticipate at this stage what the impact will be on the fiscal, monetary and regulatory landscape in the UK, including inter alia, the UK's tax system, the conduct of cross-border business, export and import tariffs, and the foreign exchange markets, including volatility in the value of Sterling. Any increase in the import tariffs applied to raw materials used by the Group or any increase in export tariffs applied to products sold by the Group could have an adverse impact on its operating margins, and hence financial performance. There is also uncertainty in relation to how, when and to what extent these developments will impact on levels of investor activity and confidence which may hinder the Group's ability to raise further capital. As approximately 40% of IVI's sales are made to customers in EU countries, it is the Subsidiary that may be most directly affected by any negative impact of Brexit. However, the Group as a whole may also be exposed to the effects of Brexit.

Accordingly, the effects of Brexit described above (and others that the Directors cannot anticipate at this stage), taken singularly or in the aggregate, could have a material adverse effect on the Group's business, financial condition and results of operations.

Coronavirus health emergency

The coronavirus health emergency could have a material adverse effect on the Group's sales and supply chain. The recent outbreak and rapid acceleration of COVID-19 (commonly referred to as coronavirus) and consequential government enforced lockdowns in major economies has negatively impacted market sentiment and economic conditions globally which could continue for an unknown period of time. Whilst the Group's sales are substantially to UK businesses and public sector bodies, including the NHS, there remains a risk that the Group's customers could delay investment decisions or defer payment for work already undertaken or that the Group's own operations could be interrupted thereby preventing the Group from being able to fulfil its orders. These issues could materially impact on the Group's sales. In addition, if the coronavirus outbreak continues and results in a prolonged period of lockdowns and and other similar restrictions, the Group could experience supply disruptions. If these were to occur, the Group may not be able to develop alternate sourcing quickly. Any disruption of the Group's production schedule caused by an unexpected shortage of systems, components, raw materials or parts even for a relatively short period of time could cause the Group to delay or cancel production schedules, which could cause a loss of revenues, which could materially adversely affect the Group's business, cash flows, financial condition and results of operations. In addition, any of the Group's businesses could, like any other business, experience other forms of disruption as a direct or indirect result, such as staff effectively being unable to turn up to work at the company's premises or the physical movement of goods becoming impossible, and in an extreme case may simply be unable to continue to operate for an indeterminate period of time. However, as at the date of this Document, the Group has over £5 million of orders to complete.

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

Whilst it is the opinion of the Directors that the Group's working capital is sufficient for its present requirements, that is for at least the 12 months from the date of this Document, the Group's ability to deliver its business strategy beyond that period is dependent, in part, on its ability to generate sufficient revenues from the supply of its products. Further funding may be required by the Group to develop its business model and commercial activities. There is no guarantee that the Group will be able to raise the additional required funding on a timely basis, on favourable terms or that such further funding will be sufficient to enable the Group to implement its planned commercial strategy. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. For the avoidance of doubt, nothing in this risk factor constitutes a qualification of the working capital statement contained in paragraph 11 of Part VI (*Additional Information*).

RISKS RELATING TO THE COMPANY'S SHARES AND TRADING ON THE AQUIS STOCK EXCHANGE GROWTH MARKET INVESTMENT IN UNLISTED SECURITIES

Suitability

An investment in the Ordinary Shares may not be suitable for all recipients of this Document. Investors are accordingly advised to consult an appropriate person authorised under FSMA, or its equivalent in another jurisdiction, before making their decision.

Share price volatility and liquidity

Prior to the Admission, there was no public market for the Shares. There can be no assurance that an active market for (and hence strong liquidity in the trading of) the Ordinary Shares will develop upon Admission, or if developed, that such market will be sustained. Furthermore generally the share price of quoted emerging companies can be highly volatile and shareholdings illiquid. The price at which the Ordinary Shares are quoted and the price which investors may realise for their Ordinary Shares will be influenced by a large number of factors, some specific to the Company and its operations and some which may affect quoted companies generally. These factors could include the performance of the Company, large purchases or sales of the Ordinary Shares, legislative changes and general economic, political or regulatory conditions.

Market risks

Notwithstanding the fact that an application has been made for the Ordinary Shares to be traded on the Aquis Stock Exchange Growth Market, this should not be taken as implying that there will be a "liquid" market in the Ordinary Shares. Continued admission to the Aquis Stock Exchange Growth Market is entirely at the discretion of the Aquis Exchange.

Any changes to the regulatory environment, in particular the Aquis Stock Exchange Rules could, for example, affect the ability of the Company to maintain a trading facility on the Aquis Stock Exchange Growth Market.

The Company has not paid dividends in the past and does not expect to pay dividends in the foreseeable future, so any return on investment may be limited to the value of its Shares

The Company has never paid cash dividends on its Shares and do not anticipate paying cash dividends in the foreseeable future. The payment of dividends on its Shares will depend on earnings, financial condition and other business and economic factors affecting it at such time that management may consider relevant. If we do not pay dividends, the Company's Shares may be less valuable because a return on your investment will only occur if its stock price appreciates. Consequently, investors must rely on sales of their Shares after price appreciation, which may never occur, as the only way to realise any gains on their investment. Investors seeking cash dividends should not purchase our Shares.

Access to further capital

The Company may require additional funds to respond to business challenges or to enhance existing products and services. Accordingly, the Company may need to engage in equity or debt financings to secure additional funds. If the Company raises additional funds through further issues of equity or convertible debt securities, the then existing Shareholders could suffer significant dilution, and any new equity securities could have rights, preferences and privileges superior to those of the then current Shareholders. Any debt financing secured by the Company in the future could involve restrictive covenants relating to its capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities. In addition, the Company may not be able to obtain additional financing on terms favourable to it, if at all. If the Company is unable to obtain adequate financing or financing on terms satisfactory to it, when the Company requires it, the Company's ability to continue to support its business growth and to respond to business challenges could be significantly limited or could affect its financial viability.

RISKS RELATING TO THE NATURE OF THE AQUIS STOCK EXCHANGE GROWTH MARKET

Investment in shares traded on the Aquis Stock Exchange carries a higher degree of risk than an investment in shares listed on the Official List and can provide less liquidity than investments in companies whose shares are listed on the Official List. 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 as the market in the Ordinary Shares may have limited liquidity. Admission should not be taken as implying that there will be a liquid market for the Ordinary Shares. If an active trading market is not developed or maintained, the liquidity and trading price of the Ordinary Shares could be adversely affected. Even if an active trading market develops, the market price for the Ordinary Shares may fall and/or trade at a discount and therefore is no guarantee that the market price will reflect the underlying net asset value of the Ordinary Shares. The Aquis Stock Exchange has the right to suspend trading in a company's securities. A suspension could result in Shareholders realising less on a disposal than their initial investment.

No application has been or will be made for the Ordinary Shares to be admitted to the Official List or to be listed on any other exchange.

RISKS RELATING TO TAXATION

Changes in taxation legislation or practice may adversely affect the Company and the tax treatment for Shareholders investing in the Company

Any change in the Company's tax status or in taxation legislation could affect the Company's ability to provide returns to Shareholders. Statements in this Document concerning the taxation of investors in Ordinary Shares are based on current tax law and practice which are subject to change. The taxation of an investment in the Company depends on the individual circumstances of investors. Investors should consider carefully whether an investment in the Company is suitable for them in light of the potential risk factors, their personal circumstances and the financial resources available to them and should obtain their own professional advice where they consider necessary.

The investment opportunity offered in this Document may not be suitable for all recipients of this Document. Investors are therefore strongly recommended to consult a professional adviser authorised under FSMA, who specialises in investments of this nature, before making their decision to invest.

PART III

OPERATING AND FINANCIAL REVIEW OF THE GROUP

The overview of financial results below provides information which the Directors consider is relevant to an assessment and understanding of the Group's financial position and results of operations. This section contains financial information that has been extracted or derived, without material adjustment, from each of the Group company's audited financial information.

The following section should be read in conjunction with the other financial information in this document.

This discussion may contain forward-looking statements, which, although based on assumptions that the Directors consider reasonable, are subject to risks and uncertainties which could cause actual events or conditions to differ materially from those expressed or implied by the forward-looking statements, and should be read in conjunction with the factors discussed in the "Risk Factors" section of this Document.

Vulcan Industries plc

Vulcan was incorporated on 24 October 2018 and its first accounting reference period will be to 31 March 2020. The audited results from incorporation to 30 June 2019 are summarised below and set out in full in Part V of this Document.

The Company was set up to take advantage of a perceived under-valuation of UK manufacturing businesses with the strategy to make acquisitions which might display some or all of the following characteristics:

- Ability to acquire businesses at an EBITDA valuation lower than that of the combined Group value and provide an immediate positive impact to Group earnings
- Structured to provide maximum cash value (cash, debt and deferred consideration or settlement in shares)
- Proven profitable asset-backed businesses possessing the following characteristics:
    - Established long term predictable revenues
    - Significant levels of repeat business from blue chip clients
    - A range of customers with no reliance on any one individual customer or market
    - Significant opportunities for increased productivity and savings from group synergies
- A need for succession planning and/or exit planning
- Provide synergistic or supply benefits to existing Group companies

The two key drivers that the Company refers to when considering the financial viability of an acquisition and impact on the Group's performance are the EBITDA generated by the acquisition and the net cash flow impact on the Group, considering the net operating cash flow generated by the business less, where debt is utilised, monthly costs and repayment profile i.e. the Company will look favourably on an acquisition where the operating cash flow can both service and repay debt finance used in funding. The Group also uses factoring in a number of its subsidiaries and may seek to extend such facilities to its acquisitions. However, whilst it may be possible to use factoring to meet some of the cost of an acquisition, this would be detrimental to the Group were this to only provide a short term positive cash flow impact, which quickly reverse and would not be used in such circumstances.

The Directors believe that seeking a listing for the Company's shares would also be beneficial to the Group's strategy but that, at the time of any listing, achievability of the Company's acquisitive strategy would be best demonstrated by having completed a number of acquisitions.

Given this, the activity undertaken by the Company can be categorised as:

1. Acquisitions: search, review and completion of acquisitions: to-date the Company has completed directly the acquisitions of IVI Metallics, Orca Doors and M&G Olympic and indirectly, through IVI Metallics, time Rainham;

2. Executive team: recruitment and retention of suitably experienced professionals to support the acquisition process but also to manage and integrate acquired company's into the Group; and
3. Listing: preparation and implementation of listing on the Aquis Exchange to raise capital to support future acquisition activity.

Statement of income

The following table summarises Vulcan's Statement of Income for the period from incorporation to 30 June 2019

	Notes	**Period from incorporation to 30 June 2019 £'000**
Administrative expenses	5	**(329)**
Other operating income		**-**
Operating profit		**(329)**
Finance costs	7	**(116)**
Loss before tax		**(445)**
Tax	8	**-**
Loss after tax		**(445)**
Other Comprenhensive income		**-**
		(445)
Total comprehensive income Earnings per share (pence)	18	**(0.3)**

The Company itself has not generated any income in the period but its intention, as the Group develops, is to build a central services team supporting the Group companies and also to centralise services used within the Group, such as, finance, human resources and health and safety. The Company is also intending to centralise the procurement of certain expenditure, such as insurance and utilities and, where appropriate, the procurement of common raw materials across the Group. This will benefit not just the existing subsidiaries but also create a platform to un-lock group synergy benefits from future acquisitions.

The Company has thus far built a team of two executive directors, John Hunter Maxwell and Neil Clayton, two non-executive directors, Ian Tordoff and Kieran Vaughan and senior managers, Mohammed Kaleem, Steve Hargis and James Jeremy McCourt who were all part of management teams acquired in the period. Please note that the composition of the Board and the Senior Management has since changed and the current position is set out in paragraph 10 of Part I of this Document. The Company has also utilised the services of two other consultants during the period but these are not joining the Company as permanent employees on Admission but will continue to provide consultancy services to the Group. The total costs for the Board and consultants recognised in the period reported were £103,000 but given that people joined at different times during the period, the annualised cost would be approximately £200,000.

So far, the Group has completed four acquisitions during the period (three by the Company and one by IVI Metallics) and others are under consideration. The Company has incurred approximately £118,000 of costs in relation to all acquisitions reviewed or completed in the period. The Directors believe that, whilst costs for an abandoned acquisition should be minimised, such costs are inherent to the Company's strategy. Furthermore, in order to deliver its acquisition strategy, the Company has and will continue to use various introducing agents to find and introduce opportunities. The Company believes that it is right to pay up to 10% of the acquisition cost as an introductory commission. In the period the Company incurred £95,000 of commission, being 10% of the gross acquisition cost for M&G Olympic and which is being settled by the issue of 3,166,667 new ordinary shares of £0.0004 each at an issue price of £0.03 pence each on Admission. No commission was paid on the acquisitions of IVI, Orca Doors or Time Rainham.

The Company financed the acquisition of M&G Olympic through a debt facility provided by Ablrate, a peer to peer lending platform. The Company raised £1.2 million in April 2019 from Ablrate and this amount was due for repayment as a one-off bullet repayment in April 2021 The Company paid arrangement fees of £80,000 and interest of £26,000 pcm. Whilst this type of facility is more expensive than a conventional bank loan, given the short trading history of the Company, it was the only debt style facility that the Company was able to procure. The Company is seeking to re-finance this facility at the earliest opportunity. In terms of the Directors' assessment of any impact of the repayment dates of the loan facilities described in paragraphs 14.21 and 14.22 of Part VI on the Company's working capital requirements for the 12 months from the date of this Document, on 2 April 2020, Ablrate and the Company mutually agreed that, and subject to interest payments being paid in the interim, the capital repayments under the terms of those loan agreements are deferred until such time as they can be repaid by the Company and this will be reviewed on a quarterly basis. The Directors expect to remain in compliance with all other provisions of the agreements and therefore have assumed that no repayments will be made during the period. Accordingly, the Directors do not expect that the Company's working capital position over the next 12 months will be affected.

The taxation charge for the period represents a tax credit of on the loss for the period calculated at 19%, which the Company expects to recover against future profits generated.

Statement of Financial Position

The following table summarises Vulcan's Statement of Financial Position as at 30 June 2019:

	Notes	**30 June 2019 £'000**
Non-current assets		
Investments in Subsidiaries	**9**	2,750
		2,750
Current assets		
Trade and other receivables	**10**	97
Cash and cash equivalents	**11**	12
		109
Total assets		**2,859**
Equity		
Share capital	**14**	73
Share premium	**14**	1,794
Retained earnings	**15**	(445)
Total equity		**1,422**
Current liabilities		
Trade and other payables	**12**	237
		237
Non-current liabilities		
Borrowings	**13**	1,200
		1,200
Total liabilities		**1,437**

Total liabilities and equity	**2,859**

Investments

The Company has directly completed three acquisitions in the period, with consideration totalling £2,750,000. These comprise:

IVI Metallics

This was the first acquisition completed by the Company on 31 January 2019. The consideration of £1,500,075 was satisfied by the issue of 500,025 new ordinary shares at £3 per share. When appraising this acquisition target, the Company believed that it met the majority of its acquisition criteria set out above. In particular the value paid represented a multiple on EBITDA of approximately 3.8x considering the financial results for the year ended 31 October 2018, consistent with the Company's target criteria and would be cash flow positive for the Group, thereby no cash consideration or acquisition debt.

Orca Doors

This was the second acquisition completed by the Company and the effective date was 20 February 2019. The consideration of £300,000 was satisfied by the issue of 3,000,000 new ordinary shares at 10p per share. Orca Doors, as is explained in more detail below, commenced trading on 6 February 2019 and consequently the Company was unable to apply any EBITDA multiple to its valuation analysis. Furthermore, the business had been bought out of administration and so there was no track record for Vulcan to place reliance on. However, the Company considered the potential financial performance of the business and the short term cash flow requirements of up to £250,000 to achieve break-even cash flow when deciding to make this acquisition.

M&G Olympic

This was the third acquisition completed by the Company, but fourth by the Group on 14 April 2019. The total consideration of £950,000 was satisfied by £820,000 in cash and £130,000 as deferred consideration. The deferred consideration will become payable on the receipt by M&G Olympic of certain debtors of the business on a pound for pound basis. As at the date of this Document, no amounts had been received in respect of these debtors, but as and when they are received there will be no cash flow impact on the Group.

When appraising this acquisition target, as with IVI Metallics, the Company believed that it met the majority of its investment criteria set out above. In particular the value paid represented a multiple on EBITDA of approximately 3.1x, consistent with the Company's target criteria and would be cash flow positive for the Group, even when considering the cash flow required to service the acquisition debt, explained further below.

Trade and other receivables

The trade and other receivables of £190,000 includes deferred taxation as noted above of £85,000 share capital unpaid of £38,000, being the unpaid element of the issue of shares on incorporation of the Company and net intercompany funding of £40,000. In respect of intercompany funding, the Company seeks to consolidate all funding afforded between group companies as a single debt with Vulcan rather than each group company having a balance with each other. Notwithstanding this, the Company manages each company's cash flow requirements on a daily basis, based on monthly forecasting, to ensure that each company has sufficient cash flow to meet its trading requirements.

Share capital and share premium

The Company was incorporated on 24 October 2018 and issued 5,000,000 ordinary shares of 10p each at 10p per share. These shares were paid up as to 25% of the issue price in cash on issue and the balance of £37,500, was paid up on 11 December 2019. The initial subscription was used to pay initial incorporation and advisory fees.

During the period the Company has issued further ordinary shares to complete two acquisitions and to raise working capital as is explained below.

On 31 January, the company issued 500,025 ordinary shares at £3 per share for the acquisition of IVI Metallics, a total consideration of £1,500,075, of which £5,000 was credited to share capital and the balance of £1,495,075 was credited to share premium.

On 26 February 2019, the Company issued 1,499,975 ordinary shares at 10 per share in cash to raise £15,000, the shares being issued at par.

On 26 February 2019, the Company sub-divided the 70,000,000 ordinary shares of 10p each in issue into 175,000,00 shares of 0.04p each.

On 29 April 2019, the company issued 3,000,000 ordinary shares at 10p per share for the acquisition of Orca Doors, a total consideration of £300,000 of which £1,000 was credited to share capital and the balance of £299,000 was credited to share premium. The effective date for this acquisition was 20 February 2019.

Prior to the end of the period, the Company issued a further 5,000,000 ordinary shares at 0.04p per share in cash to raise £20,000, the shares being issued at par.

Trade and other payables

The trade and other payables of £245,000, includes deferred consideration of £130,000 and commission payable of £95,000 relating to the acquisition of M&G Olympic as noted above. The commission payable will be settled on Admission by the issue of the Octopus Fee Shares.

Borrowings

Consistent with the key driver as to cash flow described above, the acquisition of M&G Olympic was financed by the drawdown of a loan of £1,200,000 on 14 April 2019 from Ablrate, a peer to peer lending platform. This is the only borrowing or gearing taken on by the Company during the period. The loan is repayable in a one-off instalment in April 2021, with interest being paid on a monthly basis. The loan is secured on the assets of the Company and supported by a guarantee from M&G Olympic. It is expected that the fees, interest and capital repayment will be funded through the cash flow generated by M&G Olympic.

After the end of the period, on 4 July 2019, the Company drew down a further loan of £625,000 to enable it to fund an acquisition which was subsequently rescinded. The loan remains with the Company and is repayable in a one-off instalment in July 2021, with interest being paid on a monthly basis.

On 2 April 2020, Ablrate and the Company mutually agreed that, and subject to interest payments being paid in the interim, the capital repayments under the terms of these loan agreements (see paragraphs 14.21 and 14.22 in Part VI of this Document) are deferred until such time as they can be repaid by the Company and this will be reviewed on a quarterly basis.

Statement of Cash Flow

The following table summarises Vulcan's Statement of Cash Flow for the period from incorporation to 30 June 2019:

	Period from incorporation to 30 June 2019 £'000
Cash flows from operating activities	
Profit/(loss) before taxation	(445)
Adjusted for:	
Finance costs	116
Operating cash flows before movements in working capital	**(329)**
Increase in trade and other receivables	(97)
Decrease in trade and other payables	242
Net cash generated from/(used in) operations	**(184)**
Income taxes paid	
Interest paid	(116)
Net cash generated used in operating activities	**(300)**
Cash flows from investing activities	
Purchase of investments	(940)
Net cash used in investing activities	**(940)**
Cash flows from financing activities	
Shares issued	52
Loans received in the year	1,200
Net cash inflow from financing activities	**1,252**
Net increase in cash and cash equivalents	12
Cash and cash equivalents at beginning of period	
Cash and cash equivalents at end of period	**12**

Whilst the cash flow for the period, as set out above is not necessarily representative of a full year's trading, it does indicate how the Company has been funding both its acquisitions and operational costs in the period. In summary, the Company has issued new ordinary shares to raise £1,867,000 and raised debt finance, as detailed above, to raise a total funds of £3,067,000. Of this amount, £1,800,000 was used to fund the acquisitions of IVI Metallics and Orca Doors (through the issue of equity as consideration), £820,000 was used to fund the initial consideration of the acquisition of M&G Olympic in cash and the balance of £445,000 was used to fund the net cash used in operating activities.

In future financial periods, the Company will seek to minimise the net cash used in operating activities by charging its group companies for the services provided to each centrally, albeit that, for costs incurred in acquisition activity these will remain with Vulcan. The Company will use the net proceeds from the Fundraising to support the working capital requirements of the Group, but also to make further acquisitions. It is not the Company's intention to use similar debt to that used in the period for future acquisitions but will endeavour to issue the Company's listed equity as part of the consideration payable.

Risk factors

The risk factors relating to the Group are set out in Part II of this Document. The risk factors relating to Vulcan, which may impact on its ability to meet its operating and financial objectives are summarised below.

Vulcan has been established to build, by way of acquisition and through organic growth, a group of UK-based engineering businesses. The particular risks pertaining to this strategy as they relate to Vulcan as a corporate entity as opposed to the Group as a whole manifest in having a suitably experienced management team to identify and complete acquisitions, to integrate these into the Group and to support each business post acquisition. Vulcan will seek to expand and improve operational, financial and management and quality control systems for its acquisitions and, as such, will need to further invest in its central resources to control this process. Whilst Vulcan believes that it has formulated an appropriate plan for developing its central team, to the extent that Vulcan does not have sufficient resource available to it, then Vulcan may need to increase its cost base through the use of external consultants with concomitant cost or the ability to integrate and support an acquired company may impact on the financial performance of the acquired company.

Inherent to this risk is the need for Vulcan to recruit, hire, train and retain highly qualified technical and managerial personnel. Competition for qualified employees and consultants among companies in the engineering and manufacturing sectors and on a regional basis is very high. To the extent that Vulcan is not able to meet these challenges then again this could impact on the operational and financial performance of Vulcan and its acquired companies.

The Company has used, to facilitate its acquisition strategy, £1.8m of secured debt provided by Ablrate, a crowd-funding platform. This was originally due for repayment in two tranches (£1.2m in April 2021 and £0.6m in July 2021) and interest is payable monthly on each tranche. On 2 April 2020, Ablrate and the Company mutually agreed that, and subject to interest payments being paid in the interim, the capital repayments under the terms of the First Ablrate Loan Agreement and the Second Ablrate Loan Agreement (see paragraphs 14.21 and 14.22 of Part VI of the Document) are deferred until such time as they can be repaid by the Company and this will be reviewed on a quarterly basis. Whilst the Company is confident that it will be able to service the debt during the Working Capital, there remains a risk that a material downturn in the Group's financial performance could mean that the principal becomes due for repayment and Group is unable to meet these repayments. Should this be the case, Vulcan may need to renegotiate the repayment terms or seek alternative funding, including dilutive equity funding. In the event that Vulcan was unable to secure additional funding, it may be forced to reduce or delay its investments or capital expenditure, sell assets or operations each of which may lead to a material diminution in the value of the Group's assets or potentially the insolvency of the Group or parts of it.

IVI Metallics Limited

IVI Metallics was acquired by Vulcan on 31 January 2019.

IVI Metallics manufactures precision quality tacks and nails, (including threaded, hardened and plated products) both for the footwear, and other industries requiring the highest quality standards. Its products are manufactured to exacting tolerances under the IVI and Moenus brands. Products are made according to customer specifications for a diverse range of applications for hand use and machine-fed systems. IVI Metallics products include paintbrush assembly pins, panel pins, cable clip pins, masonry nails, furniture nails to name a few. IVI Metallics is the industry leader for supplying specialist components to the shoe making/repair trade, roofing, fascia industry and the building sectors, along with many more industries.

The financial results of the company are summarised below and set out in full in Part V Section B of this document.

Statement of income

The following table summarises IVI's Statement of Income for the two years ended 31 October 2018 (audited) and the 8 months ended 30 June 2019 (unaudited).

	30 June 2019 £'000	**31 October 2018 £'000**	**31 October 2017 £'000**
Continuing operations			
Revenue	**1,288**	**3,561**	**2,306**
Cost of sales	(780)	(2,358)	(1,369)
Gross profit	**508**	**1,203**	**937**
Administrative expenses	(472)	(866)	(837)
Operating profit	36	**337**	**100**
Finance costs	(51)	(71)	(22)
Profit/(loss) before tax	**(15)**	266	78
Tax	-	-	-
Net Profit/(loss)	**(15)**	**266**	**78**
Total comprehensive income	**(15)**	**266**	**78**
Plant and machinery revaluation	-	-	26
Total comprehensive income for the year	**(15)**	**266**	**104**

Revenue and gross margin

For each of the periods 2017 to 2019, the primary product sold by IVI was its nails product. This product is sold by weight and not by units, given the size of the individual finished item. The revenue generated from this product comprised 97% of revenue generated in 2017, 63% in 2018 and 100% in 2019. IVI aims to achieve a gross profit margin of 40%, including direct labour, for this product and sells under the IVI and Moenus brands. IVI does not have a significant competitor in the UK but faces competition from Brazil and Italy. IVI's three main markets are the UK (30%), Europe (40%) and the US (30%) and this has remained relatively consistent across the period. IVI has long term relationships with its key customers and orders are produced at its 35,000 sq. ft. leased factory in Leicester, subject to forward call-off arrangements. IVI has also sought to increase the volume of sales from one-off contracts, albeit that this is still embryonic in strategy.

Sales of this product have been relatively stable over the period, with growth rates of 4.2% (2017) and 1.2% (2018), which reflects the maturity and stability of the market and customer base of IVI. Annualising the sales for the 8 month period ended 30 June 2019, would suggest a decrease in annual sales of c. 14.3%. This can be explained as follows:

1. uncertainty regarding Brexit has had some impact on European sales performance; and
2. the average sales per month for the period from July to October each year is generally higher than the overall annual monthly sales average: the seasonal downturn in sales experienced during August, particularly in European markets, is overcompensated by increased sales in September and October.

IVI's nails business is concentrated across 10 customers, further confirming the maturity of IVI's markets but also confirming the longevity of its customer relationships, these customers accounting for over 90% of sales of nail products over the period reported.

Towards the end of 2017 and for the majority of 2018, the company expanded its product range to include bulk production of lower-margin screws, which it sold predominantly to the UK market. The gross margin for these products was approximately 25%. This product was discontinued for economic reasons before the end of the financial year 2018. These sales were generally larger volume sales to a small number of customers at lower margin than that generated by IVI's nail products.

Outside of direct labour, the principal component of cost of sales is raw material purchases of metal, which it sources from the UK. IVI buys in bulk reels of various metals, as required for each nail type. Order lead times for these raw materials are generally up to 60 days, but the company does look to bulk buy where it might anticipate disadvantageous price changes or to meet one-off customer demands. For certain products, where additional coating is required, the company sub-contracts the coating process and this accounts on average for approximately 15% of cost of sales. All finishing, quality control and distribution is undertaken by IVI, all individual nails are individually checked, alleviating any problems with quality in an order prior to distribution to customers, enabling IVI to reject individual nails: nails are sold by weight and so IVI maintains its position of a high-quality product through this process.

The gross margin achieved was 2017: 40.6%, 2018: 33.8%, reflecting the margin mix across the nails and screws products in this period, and 2019: 39.5%, the other years being consistent with the target margin for nails of 40%. All product pricing is subject to a standard set of prices rather than being calculated on a cost plus basis. These prices are subject to continuous review to take account of any raw material price changes.

Administrative expenses

The principal expenditure of the company outside of productive labour is non-productive labour, covering sales, management, finance and engineering, which accounts for approximately 60% of administrative expenses and premises costs, accounting for 30%. Including productive staff, the company employs 35 people in Leicester, at a 35,000 sq. ft. leased factory.

The level of administrative expenses in 2017 increased by 17%, when the company expanded its workforce in part to gear up for its new screws product but also in anticipation of higher levels of sales of nails. Whilst neither initiative proved ultimately successful, the company has taken action to redress its cost base as evidenced by an annualised decrease in administrative costs for 2019 of 18.2%.

Finance costs

In order to fund its operation, IVI Metallics has utilised a factoring facility provided by Redd Factors through-out the period, the use of which in the 2018 and 2019 has increased, the costs increasing from £22,000 in 2017 to £71,000 in 2018. The screw products sold in 2018 were generally larger volume orders and subject to slower payment profiles then IVI's other products. As such, the utilisation of factoring facilities increased and the cost of utilisation was higher resulting from an extended payment profile. Vulcan has considered the use of this facility by IVI and, for the foreseeable future at least, believes it to be a sensible way to provide working capital to IVI i.e. as the facility was already in place at acquisition, the continued utilisation is factored into the company's cash flow planning.

Statement of Financial Position

The following table summarises IVI's Statement of Financial Position as at 31 October 2017 and 2018 (audited) and as at 30 June 2019 (unaudited).

	30 June 2019 £'0000	**31 October 2018 £'000**	**31 October 2017 £'000**
Non-current assets			
Property, plant and equipment	252	140	208
Investments in Subsidiaries	1,300	-	-
	1,552	**140**	**208**
Current assets			
Inventories and work in progress	260	219	484
Trade and other receivables	955	2,141	1,370
Cash and cash equivalents	4	3	9
	1,219	**3,363**	**1,863**
Total assets	**2,771**	**2,503**	**2,071**
Equity			
Share capital	20	20	20
Capital redemption reserve	176	176	176
Retained earnings	1,008	1,023	757
Total equity	**1,204**	**1,219**	**953**
Current liabilities			
Trade and other payables	1,414	1,251	1,029
Tax payable	-	1	33
Borrowings	152	31	54
	1,566	**1,283**	**1,116**
Non-current liabilities			
Deferred tax liabilities	**1**	1	1
Total liabilities	**1,567**	**1,284**	**1,117**
Total liabilities and equity	**2,771**	**2,503**	**2,071**

Property, plant and equipment and borrowings

During the periods 2017 to 2018, the movement in property, plant and equipment reflects a limited investment during this period offset by depreciation charges for the period. IVI's plant and machinery used in the manufacturing process has a historic cost of £350,000 and a net book value £90,000. This equipment generally has a life expectancy of over 20 years and the company has a dedicated engineering team to manage maintenance and repairs, so the need to invest in replacement machinery is minimised. There are newer, more efficient machines available that would rationalise the production process and Vulcan will review the merits of plant replacement following Admission.

During 2019, IVI replaced a number of motor vehicle assets, principally delivery vans and management vehicles at a cost of £145,000, a number of which are also used by other Group companies. These have been financed through hire purchase arrangements, over a period of generally 3 years, hence the increase in borrowings also noted for this period.

Investments

On 6 February 2019, IVI acquired the entire issued share capital of Time Rainham Limited for £1,300,000. This was the third acquisition completed by the Group and the consideration was financed through the capitalisation of loans and balances owed to IVI by Time Rainham and its predecessor company, Time Engineers Limited.

Time Rainham, as is explained in more detail below, only commenced trading on 12 December 2018 and consequently Vulcan was unable to apply any reliable EBITDA multiple to its valuation analysis. Furthermore, the business had been bought out of administration and so there was no track record for Vulcan to place reliance on. However, Vulcan considered the potential financial performance of the business and its ability to achieve break-even cash flow when deciding to make this acquisition. Furthermore, the skill set that Time Rainham offers and, its capacity to increase production both for new customers and within the group as it expands, without a concomitant increase in fixed costs were deemed to be extremely beneficial to the Group going forward.

Inventories and work in progress

The level of inventory carried by the company at the end of each period, equated to approximately 129 days of sales at the end of 2017, 34 days at the end of 2018 and 81 days at the end of 2019. The increase in inventory carried at the end of 2017 and decrease at the end of 2018, reflects the investment in inventory to launch the screws product in 2017 and discontinuance of this product in 2018. Adjusting the latter ratio to compare purely to the nails business, the ratio is 58 days of sales, which is consistent with expectations of around 60 days. The ratio has slightly increased at the end of June, but remains within expectation range, as the company nears its busier period of the year, namely September and October.

Trade and other receivables

The company has experienced a number of significant positive and negative trends in trade and other receivables in the periods presented.

The level of trade debtors as expressed as a ratio of sales was 52 days at the end of 2017. In 2018 the level of trade debtors increased by £508,000 and the sales ratio increased to 80 days, reflecting an increase in the payment profile of a number of larger customers in the period i.e. period taken to pay, thereby pressuring IVI's cash flow. Whilst IVI has worked to decrease exposure in 2019, resulting in a decrease of £395,000 in trade debtors, the sales ratio has only fallen 77 days. Whilst the company utilises a factoring facility to assist in the timely collection of receivables, the high than acceptable level of debtors as measured by the sales ratio, has limited the use of the factoring facility and led to higher costs for this facility.

IVI has previously operated alongside a number of other related businesses, namely Time Engineers Limited (in administration), the business and assets of which were acquired by Time Rainham on 12 December 2018. Other debtors includes funding to support these related businesses and increased to £1,223,000 by 2018, but fell back to £399,000 for 2019, after outstanding balances due from Time Rainham were capitalised on its acquisition of by IVI.

Trade and other payables

The movement in trade payable has seen an increase of £346,000 in 2017, an increase of £78,000 in 2018 and a decrease of £380,000 in 2019. Whilst these movements are in most part explained by timings of invoices received and payments made, the increase at the end of 2017 is further explained by the acquisition of raw materials for the launch of the screws product explained above and the reduction at the end of 2019 reflects the reduced level of purchases from the unwinding of the screws business.

At the end of each period the level of trade payables represented by creditor days was 148 days in 2017, 96 days in 2018 and 142 days in 2019. A large proportion of the raw materials purchases made by IVI are supplied in bulk and paid for on an "as-used" basis. As such, the level of trade payables represented by creditor days will be dependent on the timing of bulk deliveries, hence the higher level of creditor days recorded and the movements between periods.

The level of factoring at the end of 2019 increased by £305,000 from £356,000 to £661,000, confirming an increased pressure on the company's cash flow. Since the period end, the factoring facility has been refinanced to a level of 65% of qualifying debtor balances, whereas it had been extended to c. 80% of qualifying balances prior to this.

At the end of 2019, the company had a balance of £242,000 on intergroup funding, reflecting cross-group funding provided from the Group, following acquisition of IVI by Vulcan and of Time Rainham by IVI.

Statement of Cash Flow

The following table summarises IVI's Statement of Cash Flow for the for the two years ended 31 October 2018 (audited) and the 8 months ended 30 June 2019 (unaudited).

	30 June 2019 £'000	**31 October 2018 £'000**	**31 October 2017 £'000**
Cash flows from operating activities			
Profit/(loss) before taxation	(15)	266	78
Adjusted for:			
Finance costs	51	71	22
Depreciation	35	54	52
Operating cash flows before movements in working capital	**71**	**391**	**152**
(Increase)/ decrease in inventories	(41)	264	(274)
(Increase)/decrease in trade and other receivables	1,185	(771)	(273)
Increase/(decrease) in trade and other payables	205	180	440
Net cash generated from/(used in) operations	**1,420**	**64**	**45**
Tax paid		(32)	(18)
Finance costs paid	-	(67)	(18)
Interest paid	(45)	(1)	(1)
Interest element of hire purchase payments paid	(3)	(3)	(3)
Net cash generated from/(used in) operating activities	**1,372**	**(39)**	**5**
Cash flows from investing activities			
Purchase of property, plant and equipment	(148)	(2)	(38)
Purchase of investment	(1,300)	-	-
Proceeds on disposal of property, plant and equipment	-	17	82
Net cash used in investing activities	**(1,448)**	**15**	**44**
Cash flows from financing activities			
Capital repayments in the year	118	(23)	(52)
Amount introduced by directors	-	41	-

Amount withdrawn by directors	(41)	-	(2)
Net cash inflow from financing activities	**77**	**18**	**(54)**
Net increase in cash and cash equivalents	**(1)**	(6)	(5)
Cash and cash equivalents at beginning of year	3	9	14
Cash and cash equivalents at end of year	**2**	**3**	**9**

The movements in the Statement of Cash Flow generally reflect the movements in the Statement of Income and Statement of Financial Position explained above.

As is evidenced by the opening and cash closing cash balances, the management of cash flow has been very tight for the company and it has been reliant on funding from factoring and latterly intergroup funding. During the period this cash flow pressure has been exacerbated by funding other related businesses such as Time Engineers Limited (in administration).

Specific movements in the cash flow statement warranting further explanation are the decrease in trade and other receivables in 2019, which reflects the capitalisation of balances owed by Time Rainham on its acquisition by IVI and investment in 2019 of £1,300,000, being the consideration for the acquisition of this company.

Risk factors

The historic and future sales performance of IVI Metallics has been and is dependent on its relationship with a small number of key customers: 90% of its sales of nail products in the most recent financial period were derived from its top 10 customers. Were any of these customers to no longer purchase products from the company and the surplus capacity not taken up by other customers (existing or new) then this could have a material adverse impact on IVI Metallic's financial performance.

IVI's sales are to customers in overseas territories, predominantly in the EU (40%) and the US (30%) and hence are invoiced in Euros and US Dollars. Accordingly, the Group's results could be impacted by any significant appreciation in Sterling against the Euro /US Dollar.

The development of increasingly advanced machinery costing less to operate, producing higher quality products and replacing the demand for products created by IVI, could negatively impact on the its revenues. The company will try to mitigate this risk by ensuring that its machinery and operating methods continue to allow it to produce competitively priced products.

IVI is reliant on the supply of raw materials, in particular steel which is used extensively in its products. These materials, sourced from third party suppliers, are subject to the risk of continued access to these raw materials, the reliance on third party suppliers and distributors and the competitive prices charged. Any changes to the parameters on which IVI sources these materials, price, quality, lead-times, could have a detrimental impact on IVI's performance.

Time Rainham Limited

Time Rainham was acquired by IVI on 6 February 2019.

Time Rainham is an ISO 9001:2015 accredited company that has manufactured precision components for first tier commercial Original Equipment Manufacturers ("OEM's") for over 70 years. It manufactures a vast range of components including selector forks, levers, valve housings, manifolds and blocks as well as complex gearbox transmission cases. Its high-quality products are used in a variety of industries.

Time Rainham was incorporated on 16 March 2017 but did not trade until 21 December 2018 on which date, Time Rainham acquired certain of the business and assets of Time Engineers Limited (in administration). The product range of this previous company included laser cutting, a product/service that is not being continued by Time Rainham. Vulcan estimates that the revenue related to laser cutting amounted to some 40% of total revenue and, as such, any comparison of the results of Time Rainham since it commenced trading to that carried on by the previous company would be meaningless.

A summary of the results for the15 month period to 30 June 2019 is included below and are set out in full in Part V Section C of this document. This period includes trading for the period from 12 December 2018 to 30 June 2019, a period of approximately 6½ months and is, therefore, not representative of a full year of trading for the company. Given this the commentary provided below is limited in scope and highlights the key operational factors impacting on the company.

Statement of income

The following table summarises Time Rainham's Statement of Income for the periods from incorporation to 30 June 2019.

	30 June 2019	**31 March 2018**
	£'000	**£'000**
Continuing operations		
Revenue	**592**	**-**
Cost of sales	(259)	**-**
Gross profit	**333**	-
Administrative expenses	(350)	**-**
Other operating income	-	**-**
Operating profit	**(17)**	-
Finance costs	(3)	**-**
Profit before tax	**(20)**	-
Tax	-	**-**
Net Profit and comprehensive income	**(20)**	-

On commencement of trading in December 2018, Time Rainham has continued to provide its high-quality products to its customers, which include JCB, Caterpillar (spares) and Eatons Automotive (spares): 80% of its sales, approximately £490,000, in the period were derived from its top 5 customers. The company's sales contracts are all long term and have been in existence for a number of years. For its main contracts, including its largest customer, JCB (a non-spares contract), each is generally subject to a forward delivery plan of up to six months to meet the customer's own build and delivery schedules.

The principal components used by Time Rainham are metal materials, which it sources from UK suppliers and are supplied either in raw form or as pre-manufactured components. Each of these, is generally available on short order supply of up to 30 days, ensuring that Time Rainham does not have to carry high levels of stocks to meet its sales orders.

The company aims to achieve a gross margin (excluding labour costs) of approximately 60% and that achieved in the period at 58.1% is consistent with this target.

Included within administrative expenses are labour costs of £211,000, the company's workforce numbering 9. This implies an average annual salary of £30,000 which reflects the experienced and skilled workforce that Time Rainham employs. Included within this labour cost is approximately £190,000 of productive labour, which implies a gross margin of approximately 27%. Time Rainham's target is to achieve a margin of 40%, such that Vulcan believes that Time Rainham has sufficient operational capacity to increase sales by up to 30% per annum without an increase in labour overheads, particularly labour. Given this and the range of expertise available at Time Rainham, Vulcan will seek to utilise this capacity to reduce out-sourced metal fabrication by other members of the Group, but also when reviewing future acquisition opportunities. A £60,000 inventory provision is also included within administrative expenses.

Statement of Financial Position

The following table summarises Time Rainham's Statement of Financial Position as at 30 June 2019, the first period of operation.

	30 June 2019 £'000	31 March 2018 £'000
Current assets		
Inventories and work in progress	-	-
Trade and other receivables	397	-
Cash and cash equivalents	3	-
	400	**-**
Total assets	**460**	**-**
Equity		
Share capital	-	-
Retained earnings	(20)	-
Total equity	**20**	**-**
Current liabilities		
Trade and other payables	296	-
Borrowings	124	-
	42	**-**
Total liabilities	**420**	**-**
Total liabilities and equity	**400**	**-**

Time Rainham acquired the business and assets of Time Engineers Limited (in administration) on 12 December 2018 for consideration of £51,000. This amount was written off to acquisitions costs.

The balance of trade debtors at the end of the period of £240,000 equates to approximately 120 days of sales. This does lead to some cash flow pressure for the company but, given the prestige of its customer base and the long term relationships with these customers within the goodwill of the business acquired, is not subject to any undue recovery risk.

Other debtors of £116,000 represents the balance owing to Time Rainham from group financing arrangements.

The balance of £245,000 of trade and other payables is comprised of trade payables of £17,000, taxation of £97,000 and other creditors of £131,000. The other creditors includes an amount of £125,000 in respect of group funding arrangements.

The Company utilises a factoring facility provided by Redd Factors Limited, which was introduced in January 2019 and the balance at 30 June 2019 was £124,000, amounting to approximately 51% of trade debtors. Vulcan has considered the use of this facility by Time Rainham and, for the foreseeable future at least, believes it to be a sensible way to provide working capital to Time Rainham i.e. as the facility was already in place at acquisition, the continued utilisation is factored into the company's cash flow planning.

Statement of Cash Flow

The following table summarises Time Rainham's Statement of Cash Flow for the Historical Financial Information Period:

	30 June 2019	**31 March 2018**
	£'000	**£'000**
Cash flows from operating activities		
Profit/(loss) before taxation	(20)	-
Adjusted for:		
Finance charges	3	-
Operating cash flows before movements in working capital	**(17)**	**-**
Increase in inventories and work in progress	-	-
Increase in trade and other receivables	(397)	-
Increase in trade and other payables	296	-
Net cash used in operations	**(118)**	**-**
Income taxes paid	-	-
Interest paid	(3)	-
Net cash used in operating activities	**(121)**	**-**
Cash flows from investing activities		
Purchase of property, plant and equipment	-	-
Net cash used in investing activities	**-**	**-**
Cash flows from financing activities		
Shares issued	-	-
Borrowings in the period	124	-
Net cash inflow from financing activities	**124**	**-**
Net increase in cash and cash equivalents	**3**	**-**
Cash and cash equivalents at beginning of year	-	-
Cash and cash equivalents at end of year	**3**	**-**

The movements in the Statement of Cash Flow generally reflect the movements explained above for the Statement of Income and Statement of Financial Position. The net cash used in operations shows an outflow of £121,000 for the period, when taking account of borrowings of £124,000 (factoring) the net cash inflow is £3,000.

Risk factors

The historic and future sales performance of Time Rainham has been and is dependent on its relationship with a small number of key customers: 80% of its sales of nail products in the most recent financial period were derived from its top 5 customers. Were any of these customers to no longer purchase products from the company and the surplus capacity not taken up by other customers (existing or new) then this could have a material adverse impact on Time Rainham's financial performance.

Time Rainham is reliant on the supply of raw materials, in particular steel which is used extensively in its products. These materials, sourced from third party suppliers, are subject to the risk of continued access to these raw materials, the reliance on third party suppliers and distributors and the competitive prices charged. Any changes to the parameters on which Time Rainham sources these materials, price, quality, lead-times, could have a detrimental impact on Time Rainham's performance.

Time Rainham acquired its business and assets out of administration on 12 December 2018 and was acquired by Vulcan on 6 February 2019. Therefore, Time Rainham has a very short financial history under its current structure and under ownership by Vulcan. Time Rainham is also only manufacturing certain of the products historically produced by the former business which is in administration. There is, therefore, greater risk in the forecasting of future performance than an established, profitable business. Such risks stem from uncertainty over customer loyalty, product mix and staff retention. Whilst Vulcan is confident that it can effectively operate this company and grow turnover, this cannot be guaranteed.

Orca Doors Limited

Orca Doors was acquired by Vulcan on 20 February 2019.

Orca Doors is a manufacturer of high-quality doors and frames for the healthcare and education markets. It combines state of the art manufacturing alongside traditional joinery skills, to produce doors of paint grade, veneered, laminated faced or PVC encapsulated, to the desired fire rating and certification.

Orca Doors' principal markets are the health and education sectors, where fire-proof certified doors are mandatory in many installations to meet current legislation. Doors provided include the appropriate certified frames to ensure a complete fire protection seal and, in the case of the health sector, a seal against transfer of infection.

Orca Doors was incorporated on 16 August 2012 but until 6 February 2019 did not trade. On 6 February 2019, Orca Doors acquired certain of the business and assets of Manta BRC Limited (in administration) and Orca Building Products Limited (in administration). The product range of these previous companies, including healthcare IPS units, cubicles, bespoke reception desks, internal screens, and also a wide range of wall protection materials and PVC fabricated products was more extensive than that now carried on by Orca Doors. Vulcan estimates that these other products and services amounted to some 50% of the previous businesses annual revenue. As such, any comparison of the results of Orca Doors since it commenced trading to that carried on by these previous companies would be meaningless. Furthermore, Orca Doors does not have access to the financial records of these previous companies and is, therefore, not able to try to construct a trade record for the part of the business now being operated. In due course, Orca Doors may seek to offer some or all of the other products noted above, but this is not part of the strategy currently implemented.

A summary of the results for the 10 month period to 30 June 2019 is included below and are set out in full in Part V Section D of this document. This period includes trading for the period from 6 February 2019 to 30 June 2019, a period of approximately 5 months and is, therefore, not representative of a full year of trading for the company. Given this the commentary provided below is limited in scope and highlights the key operational factors impacting on the company.

Statement of income

The following table summarises Orca Doors' Statement of Income for the two years ended 31 August 2018 and the 10 months ended 30 June 2019, all of which have been audited where required.

	30 June 2019	**31 August 2018**	**31 August 2017**
	£'000	**£'000**	**£'000**
Continuing operations			
Revenue	**378**	**-**	**-**
Cost of sales	(289)	-	-
Gross profit	**89**	**-**	**-**
Administrative expenses	(165)	-	-
Acquisition costs	(80)		
Operating loss and loss before taxation	**(156)**	**-**	**-**
Tax	-	-	-
Net and comprehensive loss for the period	**(156)**	**-**	**-**

Orca Doors operates from it's a currently leased facility in Kirmington, Lincolnshire, from which it provides an end-to-end manufacturing process. Typical doors supplied by the company range in price from £500 to £1,500 dependent on materials, size and most importantly the level of fire protection required. It is a common requirement of a number of the contracts for which the business tenders, to undertake an audit of installed fire doors, for which the company receives a per-door fee and potentially new installs and remedial work. No such revenue has been earned in the period reported above but is expected to feature in the company's results in the future. The company has ensured that it has retained a suitably experienced workforce both in manufacturing and also in installation and its current workforce numbers 11.

On commencement of trading, Orca Doors has sought to reinstate and revitalise the customer base of the business acquired and to extend it. This has largely been successful in that sales delivered to 30 June 2019 total £378,000, with a gross profit of £89,000, at a gross margin of 23.4%. As at the date of this Document, the sales order book for Orca Doors stands at confirmed orders of £170,000 and with tendered orders of £300,000 which amounts to approximately 5 months of sales. However, given the ongoing uncertainty with regard to Brexit, spending within state funded sectors, such as health and education, is currently subject to higher degrees of scrutiny which may impact on sales of the business until Brexit has been resolved.

The company has fulfilled four main contracts to 30 June 2019, with contract values ranging from £36,000 to £143,000. These are generally invoiced on a piece-meal basis as products are delivered rather than in one instalment at the end of the contract enabling the company to generate revenue and cash flow on a monthly basis.

The company aims to make a 30% plus gross margin, including direct productive labour and for the period reported it achieved a gross margin of 23.4%. The company's inputs primarily comprise wood and veneers, accounting for 18% of cost of sales, door fittings 10% and productive labour 50%. With regard to raw material inputs, these tend to be available on short-order lead times of up to 30 days, so that the company can turn round orders for standard products in its range within 30 days from order.

The principal costs within administrative expenses of £167,000 are premises costs of £97,000, which are higher than would be expected for a full year of trading and include one-off costs of setting up the business. Included were £80,000 worth of costs in relation to the acquisition of the trade and assets of the business. Included were £80,000 worth of costs in relation to the acquisition of the trade and assets of the business.

Statement of Financial Position

The following table summarises Orca Doors' Statement of Financial Position as at 31 August 2017 and 2018 and as at 30 June 2019.

	30 June 2019 £'000	**31 August 2018 £'000**	**31 August 2017 £'000**
Non-current assets			
Property, plant and equipment	7	-	-
	7	**-**	**-**
Current assets			
Trade and other receivables	168	-	-
Cash and cash equivalents	1	-	-
	169	**-**	**-**
Total assets	**176**	**-**	**-**
Equity			
Share capital	-	-	-
Retained earnings	(156)	-	-
Total equity	**(156)**	**-**	**-**

Current liabilities			
Trade and other payables	332	-	-
		-	**-**
Total liabilities	**332**	**-**	**-**
Total liabilities and equity	**176**	**-**	**-**

Orca Doors acquired certain of the business and assets of Manta BRC Limited (in administration) and Orca Building Products Limited (in administration) on 6 February 2019 for consideration of £60,000.

The balance of trade receivables at the end of the period includes trade debtors of just £5,000 and other debtors of £165,000, which includes an amount of £134,000 owing to Orca Doors from group financing arrangements.

The balance of trade and other payables of £332,000 is comprised of trade payables of £16,000, taxation of £90,000 and other creditors of £226,000 in respect of group funding arrangements. Net group funding stands at £63,000, thus far well within the £250,000 funding Vulcan had identified as might be required to reach cash flow breakeven.

Statement of Cash Flow

The following table summarises Orca Doors' Statement of Cash Flow for the Historical Financial Information Period:

	30 June 2019 £'000	**31 August 2018 £'000**	**31 August 2017 £'000**
Cash flows from operating activities			
Profit/(loss) before taxation	(156)	-	-
Adjusted for:			
Depreciation and impairment of property, plant and equipment	1	-	-
Operating cash flows before movements in working capital	**(155)**	**-**	**-**
(Increase)/decrease in trade and other receivables	(168)	-	-
Increase/(decrease) in trade and other payables	332	-	-
Net cash generated from/(used in) operations	**9**	**-**	**-**
Income taxes paid	-	-	-
Interest paid	-	-	-
Net cash generated from/(used in) operating activities	**9**	**-**	**-**
Cash flows from investing activities			
Purchase of property, plant and equipment	(8)	-	-
Net cash used in investing activities	**(8)**	**-**	**-**
Cash flows from financing activities			
Shares issued	-	-	-
Net cash inflow from financing activities	**-**	**-**	**-**

Net increase in cash and cash equivalents	**1**	**-**	**-**
Cash and cash equivalents at beginning of year	-	-	-
Cash and cash equivalents at end of year	**1**	**-**	**-**

The movements in the Statement of Cash Flow reflect the movements in the Statement of Income and Statement of Financial Position as explained above, particularly given that the period to 30 June 2019 is the first trading period of the company.

Risk factors

Orca Doors's target markets include sales to public sector bodies and entities. In the event of central or local government spending cuts or reprioritisation of budgets, Orca Door's anticipated revenue may not reach targets (anticipated levels) which could have a material adverse effect on Orca Doors's business, financial condition and results of operations.

Orca Doors acquired its business and assets out of administration on 6 February 2019 and was acquired by Vulcan on 20 February 2019. Therefore, Orca Doors has a very short financial history under its current structure and under ownership by Vulcan. Orca Doors is also only manufacturing certain of the products historically produced by the former business which is in administration. There is, therefore, greater risk in the forecasting of future performance than an established, profitable business. Such risks stem from uncertainty over customer loyalty, product mix and staff retention. Whilst Vulcan is confident that it can effectively operate this company and grow turnover, this cannot be guaranteed.

M&G Olympic Products Limited

M&G Olympic was acquired by Vulcan on 16 April 2019.

The company is a leader in the design, manufacture, and installation of custom-built architectural metalwork. Products include staircases, balustrades and handrails. The company is an EXC2 certified design manufacturer, operating from a two-factory site in Sheffield with a skilled and knowledgeable workforce of 44 employees. It uses its solid relationships with other manufacturers of architectural products to provide customers with complete turnkey solutions.

The financial results of the company are summarised below and set out in full in Part V Section E of this document.

Statement of income

The following table summarises M&G Olympic's Statement of Income for the 2 years ended 30 April 2017 and the 9 months ended 31 January 2019, all of which have been audited and the 6 months ended 31 July 2019 which is unaudited.

	31 July 2019 £'000	**31 January 2019 £'000**	**30 April 2018 £'000**	**30 April 2017 £'000**
Continuing operations				
Revenue	**1,783**	**2,754**	**3,787**	**3,311**
Cost of sales	(1,120)	(2,095)	(2,710)	(2,355)
Gross profit	**663**	**659**	**1,077**	**956**
Administrative expenses	(635)	(684)	(857)	(800)
Other operating income	2	16	-	-
Operating profit	**30**	**(9)**	**220**	**156**
Finance costs	(8)	(10)	(20)	(24)
Profit/(loss) before tax	**22**	**(19)**	**200**	**132**
Tax	(4)	3	(40)	(24)
Net Profit/(loss) and comprehensive profit/(loss)	**18**	**(16)**	**160**	**108**

Revenue and gross margin

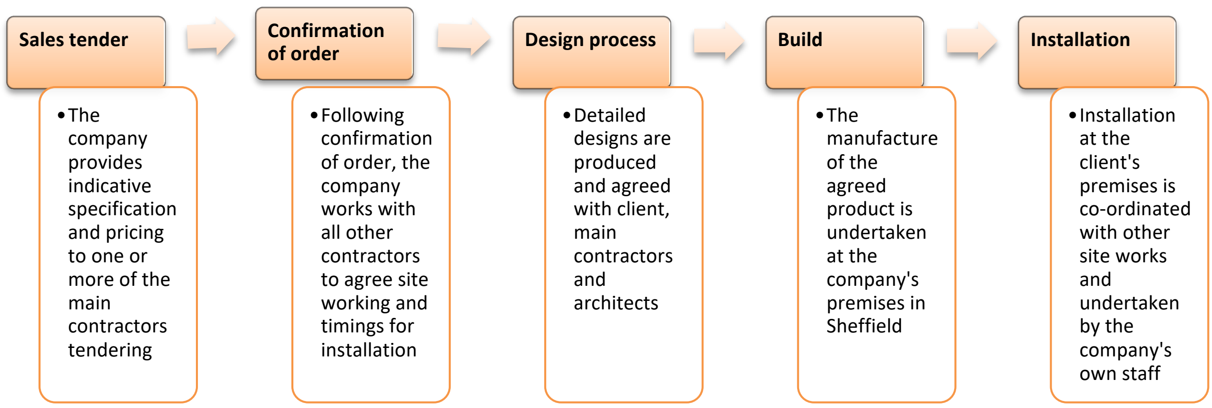
The majority of the company's sales over the period reported, averaging 89%, are derived from large contract sales. These contracts are generally longer-term, approximately 6 months from tender to completion and approximately 3 months from commencing build to installation and completion and the company acts as a sub-contractor on major refurbishment projects. The value of these contracts can range from £50,000 up to £650,000, depending on the number of individual installations that make up a particular contract and are invoiced on a valuation basis as each contract milestone is met. On completion of a project, the final contract valuation is often subject to a retention of up to 12 months of typically 5% of the value of the contract. This retention covers any remedial work that might be required, coming to light as the overall contract is completed.

The annual sales performance over the period shows a decrease in revenue in 2017 of 2.4%, an increase in 2018 of 14.4%, an annualised decrease to January 2019 of 3.0% and an annualised decrease of 2.9% to July 2019. The top 5 contracts in each of these periods accounted for 30% of revenue in 2017, 31% in 2018, 50% to January 2019 and 55% to July 2019. Over this period, therefore, the company has delivered projects of increasing size, which reflects the position that M&G Olympic holds in its market.

As is evidenced by the revenue performance year on year, the reliance by the company on contract sales has and will impact on its sales performance, hence both the positive and negative movements recorded. However, the average annual sales for the periods under review is approximately £3.5million with a maximum negative variance from this of 6.5%. This confirms that the business has had a historically stable sales performance, from which it is expected that the business will be able to develop under Vulcan's ownership.

As at the date of this Document, the order book of the company, represented by confirmed orders, is in excess of £ 3.0 million, with delivery planned over the next 9 months, with targeted gross margin (excluding direct labour) of 30%. The key driver to managing these sales and delivering the inherent profits is to ensure that the build and installation meet with customer requirements but also meet with the company's resource, predominantly labour, availability. As such, Vulcan's objective to generate additional operational profit from M&G Olympic is starting to manifest in that the current annualised rate of sales implies a c. 10% in growth in sales.

The sales process for these contracts is shown below:



The protracted nature of this process can have period-end implications for reporting of the company's results as to where in the sales and delivery process any contract might lie as below.

1. Inventory and trade payables: purchase of raw materials;
2. Inventory: recognition of work-in-progress based on raw materials used and time-based allocation of direct costs, predominantly direct labour;
3. Sales and trade receivables: invoicing of work-in-progress based on valuation and agreed contract milestones;
4. Sales and trade receivables: final invoicing on completion; and
5. Cash and trade receivables: receipts for invoiced sales.

In addition to its contract sales, the company also offers certain "off-the-shelf" products, such as swimming pool accessories (poolside lifeguard chairs and entry steps). M&G does not carry stock of these products but these can be manufactured for order fulfilment in a few weeks. Sales for these products increased significantly in 2017, revenue increasing from £118,000 to £410,000 as M&G achieved traction with its marketing efforts. However, sales fell back to £189,000 in 2018 due to increased competition from specialist suppliers of such products. Following a review of pricing and range, the company has re-built these to £400,000 to January 2019, equivalent to over £500,000 on an annual basis, with similar performance continuing to July 2019.

The principal component of cost of sales is the cost of productive labour. Over the reported period, the principal input materials required for contracts are metals, averaging 69.3% and glass, averaging 18.5%. Over the period, there have been changes in the mix between metal and glass used in contracts, but, given that each project is subject to external architectural design, then the use of specific raw materials is driven by aesthetics rather than practicality, albeit that each installation completed by the company is subject to engineering certification.

M&G is, therefore, subject to the vagaries of pricing changes for these raw material components and does not employ any forward buying instruments to afford some degree of protection. These pressures have in part impacted on the gross margins achieved in the period. For the years 2017 and 2018, the gross margin achieved was consistent at around 28%, but to January 2019,decreased to just under 24%. The target margin that Vulcan wishes to achieve is a minimum of 30% and, as is noted above, this is an area where initiatives introduced by Vulcan, have improved potential gross margin in the sales order book. The margin achieved to July 2019 has improved to 37%, which confirms Vulcan's strategy. Furthermore, the margin built into the pricing of the company's swimming pool products is approximately 20%, which, given the success of these products in the current periods, will lower overall gross margins.

The movement in administrative expenses for the periods reviewed have been 2017, decrease of 0.7%, 2018, increase of 7.2%, to January increase of 6.4% and to July 2019, increase of 38.2%. The level of administrative expenses for 2018 and 2019 has shown above inflation levels of increase, which are not attributable to one specific area of the company's activities. The increase in costs for the period to July 2019 is not necessarily representative of the likely out turn for the comparable 12 month period, as part of its review of operations post acquisition, Vulcan has introduced various initiatives to reduce these costs.

The principal components of administrative expenses are wages and salaries and premises costs.

Wages and salaries have amounted to £1,266,000 in 2017, £1,477,000 in 2018, £1,240,000 on an annualised basis to January 2019 and £1,905,000 on an annualised basis to July 2019. These costs cover management, finance and the company's dedicated design team.

The company operates from a leased factory across two sites in Sheffield and the costs associated were £471,000 in 2017, £501,000 in 2018, £505,000 on an annualised basis to January 2019 and £385,000 on an annualised basis to 31 July 2019.

Statement of Financial Position

The following table summarises M&G Olympic's Statement of Financial Position as at 30 April 2017 and 2018 and as at 31 January 2019, all of which have been audited.

	31 July 2019 £'000	31 January 2019 £'000	30 April 2018 £'000	30 April 2017 £'000
Non-current assets				
Property, plant and equipment	206	244	242	311
Goodwill	-	2	6	19
Trade and other receivables	-	195	143	150
	206	**441**	**391**	**480**
Current assets				
Inventories and work in progress	199	231	223	226
Trade and other receivables	1,133	1,148	934	924
Cash and cash equivalents	68	5	45	13
	1,400	**1,384**	**1,202**	**1,163**
Total assets	**1,606**	**1,825**	**1,593**	**1,643**
Equity				
Share capital	175	175	175	175
Capital redemption reserve	25	25	25	25
Retained earnings	431	417	462	356
Total equity	**631**	**617**	**662**	**556**
Current liabilities				
Trade and other payables	832	831	695	831
Bank overdrafts	-	210	-	9
Borrowings	44	48	82	59
	876	**1,089**	**777**	**899**

Non-current liabilities				
Borrowings	61	81	117	151
Deferred tax liabilities	38	38	37	37
	99	**119**	**154**	**188**
Total liabilities	**975**	**1,208**	**931**	**1,087**
Total liabilities and equity	**1,606**	**1,825**	**1,593**	**1,643**

Property, plant and equipment

During the periods 2017 to July 2019, the net movement in property, plant and equipment has been a decrease in net book value of £131,000, which is comprised of additions of £333,000, disposals (net of depreciation) of £110,000, revaluation of a property subsequently disposed of £99,000 and depreciation of £255,000. Additions of £157,000 of motor vehicles have been made in the period, the majority of which have been made under HP agreements. These vehicles are made up of vans and trucks used to deliver product to site and support the company's installation teams and management cars. In addition, there have been £61,000 of additions to plant and machinery.

On average over the period the company has made additions of £85,000 per annum (albeit that the level of additions has fallen in the last 3 periods to an average of £52,000), which equates to approximately 10.2% of cost and will remain part of the company's on-going requirements.

Inventories and work in progress

The level of inventory recorded at the end of each period has remained relatively consistent. Generally, the proportion of inventory held as raw materials is low (averaging 11.8% across the period) and so the balance, being work-in-progress will be determined by the contracts in production at any one time and is, therefore, not determined by any comparison to costs of sales.

Inventory at each period end equates to 106 days of sales for 2017, 99 days for 2018, 89 days for January 2019 and 89 days for July 2019. These ratios are not inconsistent with the contracts undertaken by the company which can generally take up to 6 months from contract approval to installation. However, Vulcan believes that the company has the opportunity to invoice work done within contract term on a timelier basis and this already being addressed.

Trade and other receivables

The movements in trade and other receivables for the periods are an increase of £298,000 in 2017, an increase of £10,000 in 2018, an increase of £214,000 to January 2019 and a decrease of £15,000 to July 2019. The largest constituents of the increases in 2017 and to July 2019 are increases in trade debtors in these periods of £303,000 and £320,000 respectively, the latter including an increase in retentions of £52,000. Taking account of retentions at July 2019, which are now classified as current, the total reduction in trade receivables to July 2019 is £210,000. The trade debtors at the end of each period represents 81 days of sales for 2017, 66 days in 2018, 89 days at January 2019 and 87 days at July 2019. This performance across all periods has placed significant pressure on cash flow management of the company and in each case is outside of the broad parameters acceptable to Vulcan of between 30 and 60 days for the contract revenue which makes up the majority of the company's revenue.

Vulcan's view of how debtors and cash flow have been managed by the company are set out in detail in the cash flow section below, but the increases in trade debtors will also be in part determined by the delivery of large contracts at or around each period end. Cash flow management and the timely invoicing and collection of amounts due has been the key focus of Vulcan post acquisition of M&G Olympic.

Included within trade receivables is £130,000 of debtors, which are subject to deferred consideration from Vulcan. In summary, the financial exposure to the collection of these debtors has been retained by the vendors of M&G Olympic and will be paid to the vendors as and when these amounts have been recovered on a pound for pound basis. As at the date of this Document, these debtors remained outstanding.

Trade and other payables

The movement in the balance of trade and other payables has not shown any specific trends over the period, there being an increase of £284,000 in 2017, a decrease of £136,000 in 2018, an increase of £136,000 to January 2019 and an increase of £1,000 to July 2019. Of the balances at each period end, the largest constituent is trade payables amounting to £404,000 in 2017, £354,000 in 2018, £425,000 at January 2019 and £365,000 at July 2019.

The second principal component of trade and other payables is VAT, being £264,000 in 2017, £185,000 in 2018, £277,000 at January 2019 and £305,000 at July 2019. M&G Olympic accounts for VAT on a quarterly basis at the end of the January, April, July and October quarters and, as such, the amount owing at the end of any period will reflect the invoiced sales in the previous quarter less Vatable costs incurred in the corresponding period.

Bank overdrafts and borrowings

The company had access to an overdraft facility of £250,000, prior to its acquisition by Vulcan, which is no longer available. The utilisation of this facility would be determined by the company's cash flow requirements and as at 31 January 2019, the company had required use of this facility to the amount of £210,000, but this was repaid during the period to July 2019

The borrowings shown both as current and non-current reflect the remaining amounts outstanding on HP and asset finance agreements utilised by the company.

Statement of Cash Flow

The following table summarises M&G Olympic's statement of cash flow for the 2 years ended 30 April 2018 and the 9 months ended 31 January 2019, all of which have been audited.

	31 July 2019 £'000	31 January 2019 £'000	30 April 2018 £'000	30 April 2017 £'000
Cash flows from operating activities				
Profit/(loss) before taxation	22	(19)	200	132
Adjusted for:				
Finance costs	8	10	20	24
Loss on revaluation of fixed assets	-	-	-	-
Gain on disposal of tangible fixed assets	-	2	-	(3)
Depreciation and impairment of property, plant and equipment	35	46	77	77
Operating cash flows before movements in working capital	**65**	**39**	**297**	**230**
Increase in inventories and work in progress	32	(7)	3	(89)
(Increase)/decrease in trade and other receivables	210	(268)	(3)	(293)
Increase/(decrease) in trade and other payables	1	179	(158)	277
Net cash generated from/(used in) operations	**308**	**(57)**	**139**	**125**
Income taxes paid	(4)	(38)	(19)	(5)
Interest paid	(3)	(1)	(1)	(4)
Interest element of hire purchase payments paid	(5)	(9)	(15)	(12)
Net cash generated from/(used in) operating activities	**296**	**(105)**	**104**	**104**

Cash flows from investing activities				
Purchase of property, plant and equipment	(3)	(52)	(23)	(23)
Proceeds on disposal of property, plant and equipment	8	7	66	20
Net cash used in investing activities	**5**	**(45)**	**43**	**(3)**
Cash flows from financing activities				
Loan repayment in the year	(24)	(33)	(20)	(20)
Capital repayments in the year	-	(37)	(34)	(45)
Dividends paid	(4)	(29)	(52)	(71)
Net cash inflow from financing activities	**(28)**	**(99)**	**(106)**	**(136)**
Net increase in cash and cash equivalents	273	(250)	41	(35)
Cash and cash equivalents at beginning of year	(205)	45	4	39
Cash and cash equivalents at end of year	**68**	**(205)**	**45**	**4**

The movements in the Statement of Cash Flow reflect the movements in the Statement of Income and Statement of Financial Position explained above.

Of particular note is the negative cash flows in 2017 and 2019 from trade and other receivables of £293,000 and £268,000 respectively. Vulcan has identified that the company has not exhibited the level of rigour that it expects in the timely invoicing and collection of trade debtors and has sought to address this since taking ownership of the company. For example, the company has tended to raise invoices at month end rather than as and when work is capable of being invoiced during the month, thereby unnecessarily increasing the payment profile for its customers and has also allowed the collection of retentions to lapse. The company, when owned privately, has been able to deliver acceptable results on an annual basis to meet the financial requirements of its stakeholders and, supported by an overdraft facility of £250,000, has not needed to over-prioritise cash flow management and the collection of trade debtors or retentions. This in part is due to the competitive environment in which the company has operated, being a sub-contractor on sizeable build projects. Vulcan's management team have sought to redress this by pricing jobs to maximise profit rather than to win contracts and to ensure that raising sales invoices and collecting receipts due is given the priority it merits.

The negative cash flow in 2019 of £250,000 and negative cash balance at the end of the period of £205,000 are consistent with Vulcan's assessment above. The overdraft facility is no longer available to the company and, as such, to minimise any group funding requirement by the company, cash flow forecasting and management is being improved.

Risk factors

M&G Olympic's revenue is predominantly derived from contract work, where it delivers completed architectural works, such as staircases, as part of larger build contracts i.e acting as a sub-contractor. The future success of M&G Olympic and its ability to generate business depends upon the positive image that contractors and end-customers have of its products and services. A lack of consistency in the quality of products or defects in its products could harm the integrity of, or consumer support for, those products and services. As such, M&G Olympic implements rigorous quality control procedures throughout the design, manufacture and delivery process.

M&G Olympic is reliant on the supply of raw materials, in particular steel which is used extensively in its products. These materials, sourced from third party suppliers, are subject to the risk of continued access to these raw materials, the reliance on third party suppliers and distributors and the competitive prices charged. Any changes to the parameters on which M&G Olympic sources these materials, price, quality, lead-times, could have a detrimental impact on its performance.

M&G Olympic needs to recruit, hire, train and retain highly qualified technical personnel, including design and engineering. Competition for qualified employees and consultants among companies in the engineering and manufacturing sectors and on a regional basis is very high. To the extent that M&G Olympic is not able to meet these challenges then this could impact on the operational and financial performance of M&G Olympic.

Edwin Lowe, Limited

Vulcan has entered to non-binding heads of agreement with E Lowe to acquire the entire issued share capital of E Lowe, which is the holding company for Edwin Lowe.

E Lowe was incorporated on 11 April 2019 and completed the acquisition of the entire share capital of Edwin Lowe on 21 August 2019. Save for this acquisition E Lowe has not traded and, as such, the financial information presented below and subject to commentary is only that for Edwin Lowe.

Vulcan is in the process of undertaking a full due diligence review on E Lowe and Edwin Lowe and, as this has not been completed as at the date of this document, the commentary provided below is limited by this caveat.

Edwin Lowe was established in 1915 and is a specialist UK manufacturer of pressed steel bearing housings for steel conveyor rollers, used in bulk handling conveyor systems. The company has also designed and manufactured a new series of components which introduce new technology to the industry, which has significantly improved current roller manufacturing techniques.

The financial results of the company are summarised below and set out in full in Part V Section F of this document.

Statement of income

The following table summarises Edwin Lowe's Statement of Income for the Historical Financial Information Period:

	30 June 2019 £'000	30 June 2018 £'000	30 June 2017 £'000
Continuing operations			
Revenue	**1,035**	**745**	**671**
Cost of sales	(661)	(407)	(421)
Gross profit	**374**	**338**	**250**
Distribution costs	(69)	(59)	(44)
Administrative expenses	(227)	(196)	(210)
Other operating income	-	-	-
Operating profit	**78**	**83**	**(4)**
Finance costs	(2)	-	(1)
Finance income	1	-	-
Profit/(loss) before tax	**77**	**83**	**(5)**
Tax	(25)	(5)	-
Net Profit/(loss)	**102**	**78**	(5)
Total profit/(loss) for the year	**102**	**78**	**(5)**
Transfer from revaluation net of tax	3	(7)	-
Total comprehensive income for the year	**105**	**71**	**(5)**

Edwin Lowe operates from a freehold property in Perry Barr Birmingham and currently has a workforce of 5 employees. Its sales revenue over the period reported has been primarily generated from 2 main customers. Akin to many family-owned businesses where family succession is ending, the sales performance over the last 3 years is very much demand driven from the established customer base rather than being sales driven by developing new customers and markets. Further evidence of this can be seen in that gross margins were 38% in 2017 and 46% in 2018 but fell back to 37% in 2019.

Distribution costs across the period have remained relatively consistent at around 7-8%. Administrative expenses have also been relatively stable across the period averaging £211,000, albeit that expenses increased by approximately 16% in 2019.

Vulcan believes that significant opportunities exist to increase Edwin Lowe's sales performance, improve gross margins from the existing operational base of the company, there being surplus production capacity available.

Statement of Financial Position

The following table summarises Edwin Lowe's Statement of Financial Position for the Historical Financial Information Period:

	30 June 2019 £'000	**30 June 2018 £'000**	**30 June 2017 £'000**
Non-current assets			
Property, plant and equipment	624	666	703
Other receivables	55	-	-
	679	**666**	**703**
Current assets			
Inventories and work in progress	96	125	74
Trade and other receivables	374	297	198
Cash and cash equivalents	265	120	127
	735	**542**	**399**
Total assets	**1,414**	**1,208**	**1,102**
Equity			
Share capital	15	15	15
Share premium	3	3	3
Revaluation reserve	254	257	264
Capital redemption reserve	3	3	3
Retained earnings	801	696	618
Total equity	**1,076**	**974**	**903**
Non-current liabilities			
Deferred tax	85	61	66
Current liabilities			
Trade and other payables	219	132	113
Tax payable	34	41	20
	253	**173**	**133**
Total liabilities	**338**	**234**	**199**
Total liabilities and equity	**1,414**	**1,208**	**1,102**

Property, plant and equipment

Included within this category is a freehold property which at 30 June 2019 had a net book value of £328,000. As part of the acquisition of arrangements on the acquisition of Edwin Lowe by E Lowe, the property is subject to deferred consideration arrangements, where by, in the event that the property is sold (the intention being that it will be and the operations moved to a new site), the amount payable by E Lowe to the vendor of Edwin Lowe is a minimum of £500,000, with any surplus over this amount being apportioned as to 1/3rd to E Lowe and 2/3rds to the vendor of Edwin Lowe. E Lowe is seeking and offers for the property and the indications are that the sales price is likely to be materially in excess of the minimum £500,000 and will be sold subject to a minimum period of occupation by Edwin Lowe of 12 months.

Plant and machinery has a net book value of £296,000, with a cost of £873,000. As part of this, the company has developed a number of bespoke robotic manufacturing processes, which can readily be re-configured to produce new bearing housings for customers and has surplus production capacity available to meet new orders.

The level of inventory carried by the company at any period end will reflect the orders being processed or being prepared for. At the end of 2019, the level of sales being carried in inventory was approximately 53 days, the principal components required by Edwin Lowe being generally available for purchase, with no specific long lead times.

Trade receivables at 30 June 2019 included other debtors of £263,000 which included a directors loan of £163,000 which was repaid on the acquisition of Edwin Lowe by E Lowe. Trade debtors at 30 June 2019 represented approximately 32 days of sales.

Trade payables are comprised of trade creditors £166,000, taxation and social security of £34,000 and other creditors of £51,000. Trade creditors represent approximately 73 days of purchases at 30 June 2019.

Statement of Cash Flow

The following table summarises Edwin Lowe's statement of cash flow for the Historical Financial Information Period:

	30 June 2019 £'000	**30 June 2018 £'000**	**30 June 2017 £'000**
Cash flows from operating activities			
Profit/(loss) before taxation	77	83	(4)
Adjusted for:			
Depreciation and impairment of property, plant and equipment	43	44	43
Profit on disposal of fixed assets	-	-	(15)
Revaluation	(3)	(7)	-
Finance charges	2	-	1
Finance income	(1)	-	-
Operating cash flows before movements in working capital	**118**	**120**	**25**
Increase in inventories and work in progress	29	(51)	46
(Increase)/decrease in trade and other receivables	(86)	(98)	66
Increase/(decrease) in trade and other payables	87	19	(137)
Net cash generated from/(used in) operations	**148**	**(10)**	**-**

Income taxes paid	(1)	10	(8)
Interest paid	(1)	-	-
Net cash generated from/(used in) operating activities	**146**	**-**	**(8)**
Cash flows from investing activities			
Purchase of property, plant and equipment	(1)	(7)	(17)
Sale of tangible fixed assets	-	-	15
Interest received	-	-	-
Net cash used in investing activities	**(1)**	**(7)**	**(2)**
Cash flows from financing activities			
Shares issued	-	-	-
Amounts withdrawn by directors	-	-	-
Net cash inflow from financing activities	**-**	**-**	**-**
Net increase in cash and cash equivalents	**145**	**(7)**	**(10)**
Cash and cash equivalents at beginning of year	120	127	137
Cash and cash equivalents at end of year	**265**	**120**	**127**

The movements in the Statement of Cash Flow reflect the movements in the Statement of Income and Statement of Financial Position explained above.

The company generated a cash surplus of £145,000 in 2019 which generally reflects the cash profit generated for the period, the increase in period end debtors being offset by an increase in creditors.

Risk factors

Vulcan has not yet completed its due diligence review of Edwin Lowe and, whilst Vulcan is optimistic that it can develop the revenue performance and therefore profitability of the company, this is subject to a degree of uncertainty.

Edwin Lowe’s historic sales performance has been dependent on its relationship with a small number of key customers. Were any of these customers to no longer purchase products from the company and the surplus capacity not taken up by other customers (existing or new) then this could have a material adverse impact on Edwin Lowe’s financial performance.

PART IV

PRO FORMA FINANCIAL INFORMATION

Set out in this Part IV is:

1. an unaudited pro forma statement of net assets of the Enlarged Group, which includes the net assets of the Company, IVI Metallics, Time Rainham and Orca Doors at 30 June 2019, M&G Olympic at 31 July 2019 and the Proposed Acquisition, Edwin Lowe, at 30 June 2019; and

2. an unaudited pro forma statement of income of the Enlarged Group, which includes:
   a. the statement of income for the Company for the period from incorporation on 24 October 2018 to 30 June 2019;
   b. the statement of income for IVI Metallics for the 8 month period ended 30 June 2019;
   c. the statement of income for Time Rainham for the 15 month period ended 30 June 2019;
   d. the statement of income for Orca Doors for the 10 month period ended 30 June 2019;
   e. the statement of income for M&G Olympic for the 6 month period ended 31 July 2019; and
   f. the statement of income for Edwin Lowe for the year ended 30 June 2019.

The unaudited pro forma statements of the Enlarged Group have been prepared on the basis set out in the notes below.The unaudited pro forma has been prepared to illustrate the impact of the Fundraising and the Proposed Acquisition on the Enlarged Group as if it had occurred as at 30 June 2019 (being the date to which financial information on the Company has been made up to).

The unaudited pro forma information has been prepared for illustrative purposes only and, by its nature, addresses the hypothetical financial position which is included in the unaudited pro forma, and may differ from the Enlarged Group's actual financial position or results. Such information may not, therefore, give a true picture of the Enlarged Group's financial position or results nor is it indicative of the results that may or may not be expected to be achieved in the future. The unaudited pro forma information is based on the audited and unaudited financial information as shown in Parts V of this Document. No adjustments have been made to take account of trading, expenditure or other movements subsequent to 30 June 2019.

The unaudited pro forma information does not constitute financial statements within the meaning of section 434 of the Act. Investors should read the whole of this Document and not rely solely on the summarised financial information contained in this Part.

SECTION A

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE ENLARGED GROUP

The unaudited pro forma aggregated net assets of the Enlarged Group on Admission are as follows:

	Vulcan 30 June 2019	IVI Metallics 30 June 2019	Time Rainham 30 June 2019	Orca Doors 30 June 2019	M&G Olympic 31 July 2019	Edwin Lowe 30 June 2019	Adjustment	Pro forma net assets
	Note 1	**Note 2**	**Note 3**	**Note 4**	**Note 5**	**Note 6**	**Note 7**	
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Assets								
Non-current assets								
Investments in Subsidiaries	2,750	1,300	-	-	-	-	(4,050)	**-**
Property, Plant & Equipment	-	252	-	7	206	624	-	**1,089**
Trade and other receivables	-	-	-	-	-	55	-	**55**
Goodwill	-	-	-	-	-	-	1,631	**1,631**
	2,750	**1,552**	**-**	**7**	**206**	**679**	**(2,419)**	**2,775**
Current assets								
Inventories	-	260	-	-	199	72	-	**531**
Trade and other Receivables	97	955	397	168	1,133	374	-	**3,124**
Cash and cash equivalents	12	4	3	1	68	265	1,075	1,428
	109	**1,219**	**400**	**169**	**1,400**	**711**	**1,075**	**5,083**
Total assets	**2,859**	**2,771**	**400**	**176**	**1,606**	**1,390**	**(1,344)**	**7,858**
Liabilities								
Current liabilities								
Trade and other payables	237	1,414	296	332	832	219	-	**3,330**
Bank overdraft	-	2	-	-	-	-	-	**2**
Tax payable	-	1	-	-	-	34	-	**35**
Borrowings	-	149	124	-	44	-	-	**317**
	237	**1,566**	**420**	**332**	**876**	**253**	**-**	**3,684**
Non-current liabilities								
Borrowings	1,200	-	-	-	61	-	625	**1,886**
Deferred tax	-	1	-	-	38	85	-	**124**
	1,200	**1**	**-**	**-**	**99**	**85**	**625**	**2,010**
Total liabilities	**1,437**	**1,567**	**420**	**332**	**975**	**338**	**625**	**5,694**
Net assets	**1,422**	**1,204**	**(20)**	**(156)**	**631**	**1,052**	**(1,969)**	**2,164**

Notes

The pro forma statement of net assets has been prepared on the following basis:

1. The net assets of the Company as at 30 June 2019 have been extracted without adjustment from the audited Financial Information set out in Part V Section A of this Document.
2. The net assets of IVI Metallics as at 30 June 2019 have been extracted without adjustment from the unaudited Interim Financial Information set out in Part V Section B of this Document.
3. The net assets of Time Rainham as at 30 June 2019 have been extracted without adjustment from the audited Financial Information set out in Part V Section C of this Document.
4. The net assets of Orca Doors as at 30 June 2019 have been extracted without adjustment from the audited Financial Information set out in Part V Section D of this Document.
5. The net assets of M&G Olympic as at 31 July 2019 have been extracted without adjustment from the unaudited Interim Financial Information set out in Part V Section E of this Document.
6. The net assets of Edwin Lowe as at 30 June 2019 have been extracted without adjustment from the audited Financial Information set out in Part V Section F of this Document.
    i. the net proceeds of the Fundraising of £507,833 being the gross proceeds of the Fundraising less the estimated costs of Admission of £238,667;
    ii. the funding provided to Vulcan of £625,000 on 4 July 2019; and
    iii. the elimination of the investment balance and the recognition of goodwill being the difference between the value of consideration paid for the acquisition of the four wholly owned subsidiaries and the Proposed Acquisition and the fair value of the assets and liabilities purchased.
7. No adjustments have been made to reflect the trading or other transactions, other than described above of:
    i. the Company since 1 July 2019;
    ii. IVI Metallics since 1 July 2019;
    iii. Time Rainham since 1 July 2019;
    iv. Orca Doors Limited 1 July 2019;
    v. M&G Olympic since 1 August 2019; and
    vi. Edwin Lowe since 1 July 2019.
8. The pro forma statement of net assets does not constitute financial statements.

SECTION B

UNAUDITED PRO FORMA INCOME STATEMENT OF THE ENLARGED GROUP

The unaudited pro forma aggregated income statement of the Enlarged Group on Admission is as follows:

	Vulcan	IVI Metallics	Time Rainham	Orca Doors	M&G Olympic	Edwin Lowe	Pro forma income
	30 June 2019	30 June 2019	30 June 2019	30 June 2019	31 July 2019	30 June 2019	
	Note 1	Note 2	Note 3	Note 4	Note 5	Note 6	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	**-**	**1,288**	**592**	**378**	**1,783**	**1,035**	**5,076**
Cost of sales	-	(780)	(259)	(289)	(1,120)	(661)	(3,109)
Gross profit/(loss)	**-**	**508**	**333**	**89**	**663**	**374**	**1,967**
Distribution expenses	-	-	-	-	-	(69)	(69)
Administrative expenses	(329)	(472)	(350)	(245)	(635)	(227)	(2,258)
Other income	-	-	-	-	2	-	2
Operating profit/(loss)	**(329)**	**36**	**(17)**	**(156)**	**30**	**78**	**(358)**
Net finance costs	(116)	(51)	(3)	-	(8)	(1)	(179)
Profit/(loss) before tax	**(445)**	**(15)**	**(20)**	**(156)**	**22**	**77**	**(537)**
Tax	-	-	-	-	(4)	25	21
Profit/(loss) from continuing operations	**(445)**	**(15)**	**(20)**	**(156)**	**18**	**102**	**(516)**

Notes

The pro forma income statement has been prepared on the following basis:

1. The income statement of the Company for the period from incorporation on 24 October 2018 to 30 June 2019 has been extracted without adjustment from the Financial Information which is set out in Part V Section A of this Document.
2. The income statement of IVI Metallics for the 8 month period to 30 June 2019 has been extracted without adjustment from the unaudited Interim Financial Information included in Part V Section B of this Document.
3. The income statement of Time Rainham for the 15 month period to 30 June 2019 has been extracted without adjustment from the audited Financial Information included in Part V Section C of this Document and includes the trading results of Time Rainham for the period from 12 December 2018 to 30 June 2019 (approximately 6½ months), 12 December 2018 being the date on which Time Rainham acquired its current business and commenced trading.
4. The income statement of Orca Doors for the 10 month period to 30 June 2019 has been extracted without adjustment from the audited Financial Information included in Part V Section D of this Document and includes the trading results of Orca Doors for the period from 6 February 2019 to 30 June 2019 (approximately 5 months), 6 February 2019 being the date on which Orca Doors acquired its current business and commenced trading.
5. The income statement of M&G Olympic for the 6 month period to 31 July 2019 has been extracted without adjustment from the unaudited Financial Information included in Part V Section E of this Document.
6. The income statement of Edwin Lowe for the year to 30 June 2019 has been extracted without adjustment from the audited Financial Information included in Part V Section F of this Document.
7. No adjustments have been made to reflect trading or any other transaction, save for the Proposed Acquisition, other than as described in this Document since 1 July 2019.
8. No adjustment has been made to reflect trading results of the Enlarged Group since 1 July 2019.

SECTION C

ACCOUNTANT'S REPORT ON THE PRO FORMA INFORMATION

Accountants &
business advisers

The Directors
Vulcan Industries Plc
8th Floor Broadgate Tower
20 Primrose Street
London
EC2A 2EW

The Directors
First Sentinel Corporate Finance Limited
72 Charlotte Street
London
W1T 4QQ

Dear Sirs

Introduction

We report on the unaudited pro forma statement of net assets and income statements at 30 June 2019 ('the Pro Forma Financial Information') set out in Part V of the Company's Admission Document dated 25 May 2020, which has been prepared on the basis described in Part V of this Document, for illustrative purposes only, to provide information about how the Fundraising, the Proposed Acquisition and Admission might have affected the net assets presented on the basis of the accounting policies adopted by the Company in preparing the audited financial information for the period ended 30 June 2019. This report is required by Section 7.7 of Appendix 1 of the Aquis Stock Exchange Growth Market – Rules for Issuers, for the purpose of complying with that requirement and for no other purpose.

Responsibilities

It is the responsibility of the Directors of the Company to prepare the Pro Forma Financial Information in accordance with Section 7.7 of Appendix 1 of the Aquis Stock Exchange Growth Market – Rules for Issuers.

It is our responsibility to form an opinion, in accordance with Section 7.7 of Appendix 1 of the Aquis Stock Exchange Growth Market – Rules for Issuers, as to the proper compilation of the Pro Forma Financial Information and to report that opinion to you. Save for any responsibility arising under Section 7.7 of Appendix 1 of the Aquis Stock Exchange Growth Market – Rules for Issuers to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Section 7.7 of Appendix 1 of the Aquis Stock Exchange Growth Market – Rules for Issuers, consenting to its inclusion in the Admission Document.

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

Basis of opinion

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

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

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

Opinion

In our opinion:

(a) the Pro Forma Financial Information has been properly compiled on the basis stated; and

(b) such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of Appendix 1: Information for an admission document, section 1.2 of the Aquis Stock Exchange Growth Market – Rules for Issuers we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with section 1.2 of Appendix 1 of the Aquis Stock Exchange Rules.

Yours faithfully

PKF Littlejohn LLP
Reporting Accountant

15 Westferry Circus
Canary Wharf
London E14 4HD

25 May 2020

PART V

HISTORICAL AUDITED FINANCIAL INFORMATION ON THE COMPANY

SECTION A

ACCOUNTANTS' REPORT ON THE COMPANY

The following is the full text of a report on Vulcan Industries plc from PKF Littlejohn, the Reporting Accountants, to the Directors of Vulcan Industries plc.

PKF

Accountants &
business advisers

The Directors
Vulcan Industries Plc
8th Floor Broadgate Tower
20 Primrose Street
London
EC2A 2EW

The Directors
First Sentinel Corporate Finance Limited
72 Charlotte Street
London
W1T 4QQ

25 May 2020

Dear Sirs

Vulcan Industries plc

Introduction

We report on the historical financial information set out in Section A of Part V (the "**Financial Information**") relating to Vulcan Industries Plc ("**Vulcan**"). This financial information has been prepared for inclusion in the Admission Document of Vulcan Industries Plc (the "**Company**") dated 25 May 2020 on the basis of the accounting policies set out in note 2 to the financial information.

This report is given for the purpose of complying with Section 7.3.1 of Appendix 1 of the Aquis Stock Exchange Growth Market - Rules for Issuers and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibility

The Directors of the Group are responsible for preparing the financial information on the basis of preparation set out in note 2 to the financial information and in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS').

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

Save for any responsibility arising under Section 7.3.1 of Appendix 1 of the Aquis Stock Exchange Growth Market – Rules for Issuers to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Section 7.3.1 of Appendix 1 of the Aquis Stock Exchange Growth Market – Rules for Issuers, consenting to its inclusion in the Admission Document.

Going Concern – Material Uncertainty

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in notes to the financial statements concerning the Companies's ability to continue as a going concern. With the current global outbreak of COVID-19 there continues to be far reaching uncertainty over the effect this may have on funding and the engineering sector and other industries which requires the supply of engineering products, and therefore on the sources from which the Company will generate funds. As noted in the Company's going concern policy within the Financial information, these events or conditions indicate that a material uncertainty exists that casts doubt on the Company's ability to continue as a going concern.

Basis for opinion

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

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

Opinion

In our opinion, the Financial Information gives, for the purpose of the Admission Document dated 25 May 2020, a true and fair view of the state of affairs of Vulcan Industries Plc from incorporation to 30 June 2019 and of its results, cash flows and changes in equity for the period then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Declaration

For the purposes of Appendix 1: Information for an admission document, section 1.2 of the Aquis Stock Exchange Growth Market – Rules for Issuers we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with section 1.2 of Appendix 1 of the Aquis Stock Exchange Rules.

Yours faithfully

PKF Littlejohn LLP
Reporting Accountants

AUDITED HISTORICAL FINANCIAL INFORMATION ON THE COMPANY

The audited financial information set out below shows the results of the Company from incorporation on 24 October 2018 to 30 June 2019.

STATEMENT OF COMPREHENSIVE INCOME

	Notes	Period from incorporation to 30 June 2019 £'000
Continuing operations		
Revenue		-
Cost of sales		-
Gross profit		-
Administrative expenses	**5**	(378)
Other operating income		-
Operating profit		(378)
Finance costs	**7**	(116)
Loss before tax		**(494)**
Tax	**8**	-
Loss after tax		**(494)**
Other Comprenhensive income		**-**
		(494)
Total comprehensive income Earnings per share (pence)	**18**	**(0.3)**

The accompanying notes form an integral part of the Financial information.

STATEMENT OF FINANCIAL POSITION

	Notes	30 June 2019 £'000
Non-current assets		
Investments in Subsidiaries	**9**	2,740
		2,740
Current assets		
Trade and other receivables	**10**	204
Cash and cash equivalents	**11**	12
		216
Total assets		**2,956**
Equity		
Share capital	**14**	73
Share premium	**14**	1,794
Retained earnings	**15**	(494)
Total equity		**1,373**
Current liabilities		
Trade and other payables	**12**	383
		383
Non-current liabilities		
Borrowings	**13**	1,200
		1,200
Total liabilities		**1,583**
Total liabilities and equity		**2,956**

STATEMENT OF CHANGES IN EQUITY

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
Balance at incorporation	**50**	**-**	**-**	**50**
Total comprehensive income	-	-	(494)	(494)
Issues of shares	23	1,794	-	1,817
Balance as at 30 June 2019	**73**	**1,794**	**(494)**	**1,373**

Share capital is determined using the nominal value of shares that have been issued.

Share premium includes any premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from the Share premium account, net of any related income tax benefits.

Retained earnings include all current and prior period results as disclosed in the statement of comprehensive income.

STATEMENT OF CASH FLOWS

	Notes	Period from incorporation to 30 June 2019 £'000
Cash flows from operating activities		
Profit/(loss) before taxation		(494)
Adjusted for:		
Finance costs		116
Operating cash flows before movements in working capital		**(378)**
Increase in trade and other receivables		(189)
Increase in trade and other payables		383
Net cash generated from/(used in) operations		**(184)**
Income taxes paid		
Interest paid		(116)
Net cash generated used in operating activities		**(300)**
Cash flows from investing activities		
Purchase of investments		(940)
Net cash used in investing activities		**(940)**
Cash flows from financing activities		
Shares issued	**14**	52
Loans received in the year		1,200
Net cash inflow from financing activities		**1,252**
Net increase in cash and cash equivalents		12
Cash and cash equivalents at beginning of period		
Cash and cash equivalents at end of period	**12**	**12**

Non cash-transactions – During the year investments were made in subsidiary undertakings through share issues. Details of these transactions can be found in note 9.

No net debt reconciliation has been shown due this being the first year of trading and therefore the movement being solely the issue of the loan to the Company during the period.

1. Organisation and trading activities

Vulcan Industries plc is incorporated and domiciled in England and Wales as a limited company. The address of its registered office is 8th Floor, the Broadgate Tower, 20 Primrose Street, London EC2A 2EW.

Vulcan's principal activity is as a holding company for a Group of companies operating in the precision engineering sector.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of this Financial Information are set out below ('Accounting Policies' or 'Policies'). These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1. *Basis of accounting*

This financial information of Vulcan has been prepared for the sole purpose of publication within this Admission Document. It has been prepared in accordance with International Financial Reporting Standards and IFRS interpretations Committee (IFRS IC) interpretations as adopted by the European Union ("**IFRS**") and the policies stated elsewhere within the Financial Information. The Financial Information does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

The Financial Information has been prepared under the historical cost convention. The principal accounting policies are set out below and have, unless otherwise stated, been applied consistently for all periods presented in these Financial Statements. The Financial Statements are prepared in pounds Sterling and presented to the nearest thousand ('000) pound.

2.2. *New standards, amendments to standards and interpretations:*

During the financial year, the Company has adopted the following new IFRSs (including amendments thereto) and IFRIC interpretations that became effective for the first time.

IFRS 9 'Financial Instruments'

The Company has applied IFRS 9, which is effective for annual periods that begins on or after 1 January 2018, to the results for the year ended 30 June 2019. The standard replaces all phases of the financial instruments project and IAS 39 'Financial Instruments: Recognition and Measurement'.

The adoption of IFRS 9 has not had any significant impact on recognition and measurement of financial instruments in the financial statements albeit this is the first period for which financial information has been prepared for the Company.

IFRS 15 'Revenue from Contracts with Customers'

The Company has applied IFRS 15 Revenue from Contracts with Customers, which is effective for annual periods that begin on or after 1 January 2018, to the results for the year ended 30 June 2019. The standard introduces a new revenue recognition model and replaces IAS 18 'Revenue', IAS 11 'Construction Contracts', IFRIC 13 'Customer Loyalty Programmes', IFRIC 15 'Agreements for the Construction of Real Estate', IFRIC 18 'Transfer of Assets from Customers' and SIC-31 "Revenue – Barter Transactions Involving Advertising Services.'

As the company has no revenue the introduction of IFRS 15 has had no impact on the financial statements albeit this is the first period for which financial information has been prepared for the Company.

Standards issued but not yet effective:

At the date of authorisation of these financial statements, the following standards and interpretations relevant to the Company and which have not been applied in these financial statements, were in issue but were not yet effective. In some cases, these standards and guidance have not been endorsed for use in the European Union.

Standard	Effective date, annual period beginning on or after
IFRS 16 Leases	1 January 2019
IFRIC 23 – Uncertainty over Income Tax Treatments	1 January 2019
Annual improvements 2015-2017 cycle	1 January 2019
Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020

The directors do not consider that these standards will impact the financial statements of the Company.

2.3. *Functional and presentation currencies*

The Financial Information is presented in Pound Sterling (£), rounded to the nearest £'000, which is also the currency of the primary economic environment in which Vulcan operates (its functional currency).

Transactions in currencies other than the functional currency are recognised at the rates of exchange on the dates of the transactions. At each balance sheet date, monetary assets and liabilities are retranslated at the rates prevailing at the balance sheet date with differences recognised in the Statement of comprehensive income in the period in which they arise.

2.4. *Going concern*

Any consideration of the foreseeable future involves making a judgement, at a particular point in time, about future events which are inherently uncertain.

The directors have a reasonable expectation that Vulcan has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the Financial Information. However, there can be no assurance that the Group will be able to gain access to the necessary funding and this uncertainty has been exacerbated by COVID-19. The reporting accountants make reference to going concern by way of a material uncertainty within their report.

2.5. *Financial instruments*

Initial recognition

A financial asset or financial liability is recognised in the statement of financial position of the Company when it arises or when the Company becomes part of the contractual terms of the financial instrument.

Classification

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- the asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms of the financial asset generating cash flows at specified dates only pertain to capital and interest payments on the balance of the initial capital.

Financial assets which are measured at amortised cost, are measured using the Effective Interest Rate Method (EIR) and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial liabilities at amortised cost

Financial liabilities measured at amortised cost using the effective interest rate method include current borrowings and trade and other payables that are short term in nature. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate ("EIR"). The EIR amortisation is included as finance costs in profit or loss. Trade payables other payables are non-interest bearing and are stated at amortised cost using the effective interest method.

Derecognition

A financial asset is derecognised when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has undertaken the commitment to fully pay the cash flows received without significant delay to a third party under an arrangement and has either (a) transferred substantially all the risks and the assets of the asset or (b) has neither transferred nor held substantially all the risks and estimates of the asset but has transferred the control of the asset.

Impairment

The Company recognises a provision for impairment for expected credit losses regarding all financial assets. Expected credit losses are based on the balance between all the payable contractual cash flows and all discounted cash flows that the Company expects to receive. Regarding trade receivables, the Company applies the IFRS 9 simplified approach in order to calculate expected credit losses. Therefore, at every reporting date, provision for losses regarding a financial instrument is measured at an amount equal to the expected credit losses over its lifetime without monitoring changes in credit risk. To measure expected credit losses, trade receivables and contract assets have been grouped based on shared risk characteristics.

2.6. ***Trade and other receivables***

Trade and other receivables are initially recognised at fair value when related amounts are invoiced then carried at this amount less any allowances for doubtful debts or provision made for impairment of these receivables.

2.7. ***Cash and cash equivalents***

Cash and cash equivalents comprise cash at bank and in hand and are subject to an insignificant risk of changes in value.

2.8. ***Trade payables***

These financial liabilities are all non-interest bearing and are initially recognised at the fair value of the consideration payable and subsequently measured at amortised cost using the effective interest method.

2.9. ***Borrowings***

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.10. ***Taxation***

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

Current tax

The current tax payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Vulcan ‘s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date and are expected to apply when the related deferred tax asset is realised, or the deferred tax liability is settled.

Deferred tax

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

Deferred tax is not recognised on temporary differences arising from the initial recognition of goodwill or other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is measured on a non-discounted basis using the tax rates and laws that have then been enacted or substantively enacted by the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when Vulcan has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2.11. ***Segment reporting***

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker "CODM". The CODM, who is responsible for allocating resources and assessing performance of the operating segments has been identified as the Board of Directors that makes strategic decisions.

2.12. ***Earnings per share***

Basic earnings per share is calculated as profit attributable to equity holders of the parent for the period, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

2.13. ***Investments in group undertakings***

Investments in subsidiary undertakings are stated at cost less provision for impairment.

3. Critical accounting estimates and judgements in applying accounting policies

In the application of Vulcan 's accounting policies the directors are required to make judgements, estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. The estimates and associated assumptions are based on historical experience, expectations of future events and other factors that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period.

Investments in subsidiary undertakings

The Company holds investments in its subsidiary undertakings. Management makes a judgement as to whether there is an impairment to the carrying value of any such investment held. Typically this judgement is based on an NPV evaluation or similar using key estimates in relation to the subsidiaries surrounding revenue growth and discount rates. (See note 9).

4. Segmental analysis

Vulcan operates only in the United Kingdom in the prevision engineering sector. As such the CODM believes there to be only segment being precision engineering in the United Kingdom and as such the information for this segment is as detailed in the primary statements.

5. Expenses by Nature

	Period from incorporation to 30 June 2019
	£'000
Consultancy fees	103
Legal and professional fees	213
Other	62
	378

6. Employee benefit expense

The average monthly number of employees (including executive directors) for the continuing operations was:

	Period from incorporation to 30 June 2019
	No
Directors	2
	2

Directors' emoluments were as follows:

	Period from incorporation to 30 June 2019
	£'000
Remuneration for qualifying services	65
Company pension contributions to defined contribution schemes	-
	65

The highest paid director received remuneration of £38,000 in the period.

7. Finance costs

	Period from incorporation to 30 June 2019
	£'000
Other interest payable	116
	116

8. Taxation

The weighted average applicable tax rate for the period is 19%.

	Period from incorporation to 30 June 2019
	£'000
Current tax	
UK corporation tax	-
Deferred tax	
Recognition of deferred tax	-
Taxation for the period	**-**

The charge for the year can be reconciled to the profit / (loss) per the income statement as follows:

	Period from incorporation to 30 June 2019
	£'000
Profit / (loss) before tax	(494)
Tax at the UK corporation tax rate of 19%	94
Effects of:	

Losses carried forward	(94)
Tax charge	**-**

Estimated tax losses of £494,000 are available for relief against future profits and a deferred tax asset of £94,000 has not been provided for in the accounts due to the uncertainty of future profits.

9. Investments

Additions	**30 June 2019 £'000**
Acquisition of IVI Metallics Limited	1,500
Acquisition of Orca Doors Limited	300
Acquisition of M&G Olympic Products Limited	940
	2,740

On 31 January 2019, the Company acquired the entire issued share capital of IVI Metallics Limited for consideration of £1,500,075. The consideration was satisfied by the issue of 500,025 new ordinary shares of £0.01 each in the Company.

On 20 February 2019, the Company acquired the entire issued share capital of Orca Doors Limited for consideration of £300,000. The consideration was satisfied by the issue of 3,000,000 new ordinary shares of £0.01 each in the Company.

On 16 April 2019, the Company acquired the entire issued share capital of M&G Olympic for consideration of £940,082, including the costs of acquisition.

On 20 March 2019, the Company incorporated Orca Fire Doors Limited as a wholly owned subsidiary. Orca Fire Doors Limited is dormant.

Investment in group undertakings:	Principal activity:	Country of Incorporation	Address
IVI Metallics Limited	Precision Engineering	UK	300 St. Saviours Road, Leicester LE5 4HF
Orca Doors Limited	Precision Engineering	UK	9 Limber Road, Kirmington, Ulceby, England, DN39 6YP
Orca Fire Doors Limited	Dormant	UK	9 Limber Road, Kirmington, Ulceby, England, DN39 6YP
M&G Olympic Products Limited	Precision Engineering	UK	109-111 Randall Street, Sheffield, South Yorkshire, S2 4SJ

Key estimates used by management when considered the carrying value of the investments are growth rates (2%) and discount rates (18%). A movement of 15% to these estimates would not cause an impairment to the carrying value of the investments.

10. Trade and other receivables

Current	**30 June 2019 £'000**
Intercompany debtors	132
Other debtors	72
	204

The directors consider the carrying amount of the receivables approximates to their fair value.

11. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	30 June 2019 £'000
Cash at bank and in hand	12
	12

12. Trade and other payables

	30 June 2019 £'000
Trade payables	363
Other loans	20
	383

Carrying values approximate to fair value due to their short-term nature.

13. Borrowings

	30 June 2019 £'000
Current:	
Other loans	-
	-
Non-current:	
Other loans - 1-2 years	1,200
	1,200

The other loans are secured on Vulcan's assets and backed up cross-guarantees from M&G Olympic Products Limited.

14. Share capital

Allotted, called up and fully paid £1 shares	**Number of ordinary shares**	**Share capital £'000**	**Share premium £'000**	**30 June 2019 £'000**
At incorporation				
Issued	5,000,000	50	-	50
During the period				**-**
Issue of shares – acquisition of IVI Metallics Limited	500,025	5	1,495	1,500
Issue of shares	1,499,975	15	-	15
Sub-division of shares	168,000,000	-	-	-
Issue of shares – acquisition of Orca Doors Limited	3,000,000	1	299	300
Issue of shares	5,000,000	2	-	2
At 30 June 2019	**183,000,000**	**73**	**1,794**	**1,867**

All ordinary shares carry equal voting rights and the rights to a dividend distribution.

During the year, the nominal value of each ordinary share was sub-divided from £0.01 to £0.004

15. Capital risk management

Vulcan's objectives when managing capital are to safeguard Vulcan's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, Vulcan may adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares or take other steps to increase share capital and reduce or increase debt facilities. The capital structure of Vulcan is managed and monitored by the Directors. The capital structure is managed with reference to gearing ratios, cash flow and interest cover ratios. Capital is considered to be equal to the sum of its equity.

16. Financial Instruments and Risk Management

The Company's financial instruments comprise primarily cash and various items such as trade debtors and trade payables which arise directly from operations. The main purpose of these financial instruments is to provide working capital for the Company's operations. The Company does not utilise complex financial instruments or hedging mechanisms.

Financial assets by category

	30 June 2019 £'000
Current Assets:	
Trade and other receivables	97
Cash and cash equivalents	12
Categorised as financial assets at amortised cost	109

Financial liabilities by category

	2019 £'000
Current Liabilities:	
Trade and other payables	245
Non - Current Liabilities:	
Trade and other payables	1,200
Categorised as financial liabilities measured at amortised cost	1,445

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers. Indicators that there is no reasonable expectation of recovery include, amongst others, failure to make contractual payments for a period of greater than 120 days past due.

The carrying amount of financial assets represents the maximum credit exposure.

The principal financial assets of the Company are bank balances and trade receivables. The Company deposits surplus liquid funds with counterparty banks that have high credit ratings and the Directors consider the credit risk to be minimal.

The maximum exposure is that detailed out in financial assets at amortised cost above.

The Company has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS's. IFRS 9 introduces new requirements for the classification and measurement of financial assets and financial liabilities as well as the impairment of financial assets.

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. During the period, there were no credit losses experienced and no loss allowance being recorded.

Interest rate risk

The maximum exposure to interest rate risk at the reporting date by class of financial asset was:

	2019
	£'000
Bank balances	12

All deposits are placed with main clearing banks, with 'A' ratings, to restrict both credit risk and liquidity risk. The deposits are placed for the short term, between one and three months, to provide flexibility and access to the funds. No sensivity analysis has been performed as the Directors do not consider any movement to be material.

The maximum exposure to interest rate risk at the reporting date by class of financial liabilities was:

	2019
	£'000
Loans (non-current)	1,200

The loan incurs interest at 18% per annum. A 10% increase in the interest rate would result in an increase in the interest expense of £21,000 per annum. A 10% decrease in the interest rate would result in a decrease in the interest expense of £22,000 per annum.

Credit risk

Credit risk is managed on a Company basis. Funds are deposited with financial institutions with a credit rating equivalent to, or above, the main UK clearing banks. The Company's liquid resources are invested having regard to the timing of payment to be made in the ordinary course of the Company's activities. All financial liabilities are payable in the short term (between 0 to 3 months) and the Company maintains adequate bank balances to meet those liabilities.

Currency risk

The Company operates in a global market with income and costs possibly arising in a number of currencies. The majority of the operating costs are incurred in £GBP. The Company does not hedge potential future income or costs, since the existence, quantum and timing of such transactions cannot be accurately predicted. The Company did not have foreign currency exposure at year end.

17. Contingent liabilities for legal claims

The directors make a provision for all known material claims and legal actions in progress based on best estimates. Vulcan takes legal advice as to the likelihood of success of claims and actions and no provision is made where the directors consider, based on such advice, that claims, or actions are unlikely to succeed, or a reliable estimate of the potential obligation cannot be made. No contingent liability in respect of such claims or actions has been made within this Financial Information.

18. Earnings per share

The calculation of the basic and diluted earnings per share is calculated by dividing the loss for the period from continuing operations for the Company by the weighted average number of ordinary shares in issue during the period.

	30 June 2019
	£'000
Loss for the period from continuing operations, after tax	494
Weighted average number of shares in issue	151,781,681
Basic and diluted earnings per share (pence)	0.3

There is no difference between the basic and diluted loss per share for 2019 and 2018 as the effect would be to decrease earnings per share.

19. Controlling Party

There is no ultimate controlling party of Vulcan Industries plc.

20. Post Balance Sheet Events

Following the year end the COVID-19 pandemic has had a global impact. The situation is continually developing and as at the date of this report the situation will need continual attention and will continue to evolve over time. In our view, consistent with others, COVID-19 is considered to be a non-adjusting post balance sheet event and no adjustment is made in the financial statements as a result.

The rapid development and fluidity of the COVID-19 virus makes it difficult to predict the ultimate impact on the Company at this stage. In line with most experts, we believe that the impact of the virus will be material on the general economy and central banks have already begun to reduce interest rates and taking other measures. Undoubtedly, this will have implications for the Company's operations, for example restricting travel movements and impacting fund raising activities as investors look to delay decisions until the crisis is over. Management is in the process of addressing the impact of COVID-19 on the Company, however given the fluidity and volatility of the situation it is not possible to quantify the impact at this stage.

HISTORICAL AUDITED & UNAUDITED FINANCIAL INFORMATION ON THE SUBSIDIARIES

This Part sets out historical audited and unaudited financial information of each subsidiary and comprises the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the accompanying notes to these statements. The aforementioned reports were current only as at their dates of publication, and their inclusion herein is not intended to create any implication that there has been no change in the affairs of the Company since the date of the relevant report or that the information contained in them is current as at any time subsequent to their respective dates.

SECTION B

IVI METALLICS LIMITED

The following is the full text of a report on IVI Metallics Limited from PKF Littlejohn, the Reporting Accountants, to the Directors of Vulcan Industries plc.

PKF

Accountants &
business advisers

The Directors
Vulcan Industries Plc
8th Floor Broadgate Tower
20 Primrose Street
London
EC2A 2EW

The Directors
First Sentinel Corporate Finance Limited
72 Charlotte Street
London
W1T 4QQ

25 May 2020

Dear Sirs

IVI Metallics Limited

Introduction

We report on the historical financial information set out in Section B.1 of Part V (the "**Financial Information**") relating to IVI Metallics Limited ("**IVI**"). This financial information has been prepared for inclusion in the Admission Document of Vulcan Industries Plc (the "**Company**") dated 25 May 2020 on the basis of the accounting policies set out in note 2 to the financial information.

This report is given for the purpose of complying with Section 7.3.1 of Appendix 1 of the Aquis Stock Exchange Growth Market - Rules for Issuers and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibility

The Directors of the Group are responsible for preparing the financial information on the basis of preparation set out in note 2 to the financial information and in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS').

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

Save for any responsibility arising under Section 7.3.1 of Appendix 1 of the Aquis Stock Exchange Growth Market – Rules for Issuers to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Section 7.3.1 of Appendix 1 of the Aquis Stock Exchange Growth Market – Rules for Issuers, consenting to its inclusion in the Admission Document.

Going Concern - Material Uncertainty

In forming our opinion on the financial statements, which is modified, we have considered the adequacy of the disclosure made in notes to the financial statements concerning IVI's ability to continue as a going concern. With the current global outbreak of COVID-19 there continues to be far reaching uncertainty over the effect this may have on the engineering sector and other industries which requires the supply of engineering products, and therefore on the revenues and cash flows of IVI. As noted in IVI 's going concern policy within the Financial information, these events or conditions indicate that a material uncertainty exists that casts doubt on IVI's ability to continue as a going concern.

Basis for opinion

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

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

We were not able to agree the closing stock and work in progress held as at 31 October 2017 as we were unable to attend the stock take. We were however able to establish the closing stock and work in progress as at the 31 October 2018. We do not believe these uncertainties to be fundamental in nature based on other substantive work that has been undertaken.

Qualified Opinion

In our opinion, the Financial Information gives, for the purpose of the Admission Document dated 25 May 2020, a true and fair view, except for the possible effect of the matter described in the basis for qualified opinion, of the state of affairs of IVI as at 31 October 2018 and 2017 and of its results, cash flows and changes in equity for the years then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Declaration

For the purposes of Appendix 1: Information for an admission document, section 1.2 of the Aquis Stock Exchange Growth Market – Rules for Issuers we are responsible for this report as part of the Admission

Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with section 1.2 of Appendix 1 of the Aquis Stock Exchange Rules.

Yours faithfully

PKF Littlejohn LLP
Reporting Accountants

SECTION B.1

HISTORICAL AUDITED FINANCIAL INFORMATION ON IVI METALLICS LIMITED

The audited financial information set out below shows the results of IVI Metallics Limited for the two years ended 31 October 2018 and 2017.

STATEMENT OF COMPREHENSIVE INCOME

	Notes	Year ended 31 October 2018 £'000	Year ended 31 October 2017 £'000
Continuing operations			
Revenue	**5**	3,561	2,306
Cost of sales		(2,358)	(1,369)
Gross profit		**1,203**	**937**
Administrative expenses		(866)	(837)
Operating profit		**337**	**100**
Finance costs	**8**	(71)	(22)
Profit before tax		**266**	**78**
Tax	**9**	-	-
Net Profit		**266**	**78**
Total comprehensive income			
Items that may subsequently be reclassified to profit or loss			
Plant and machinery revaluation	**10**	-	26
Total comprehensive income for the year		**266**	**104**

The accompanying notes form an integral part of the Financial information.

STATEMENT OF FINANCIAL POSITION

	Notes	31 October 2018 £'000	31 October 2017 £'000
Non-current assets			
Property, plant and equipment	**10**	140	208
Current assets			
Inventories and work in progress	**11**	219	484
Trade and other receivables	**12**	2,141	1,370
Cash and cash equivalents	**18**	3	9
		2,363	**1,863**
Total assets		**2,503**	**2,071**
Equity			
Share capital	**16**	20	20
Capital redemption reserve	**16**	176	176
Retained earnings		1,023	757
Total equity		**1,219**	**953**
Current liabilities			
Trade and other payables	**13**	1,252	1,063
Borrowings	**14**	31	54
		1,283	**1,117**
Non-current liabilities			
Deferred tax liabilities	**10**	1	1
Total liabilities		**1,284**	**1,117**
Total liabilities and equity		**2,503**	**2,071**

STATEMENT OF CHANGES IN EQUITY

	Notes	Share capital £'000	Revaluation reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 November 2016		**20**	**150**	**679**	**849**
Net profit		-	-	78	78
Other comprehensive income		-	26	-	26
Balance as at 31 October 2017		**20**	**176**	**757**	**953**
Balance at 1 November 2017		**20**	**176**	**757**	**953**
Total comprehensive income		-	-	266	266
Balance as at 31 October 2018		**20**	**176**	**1,023**	**1,219**

Share capital represents the amount subscribed for shares at nominal value.

The revaluation reserve represents fair value adjustments to land within property, plant and equipment. This is a non-distributable reserve.

Retained earnings include all current and prior period results as disclosed in the statement of comprehensive income, less dividends paid to the owners of the parent.

STATEMENT OF CASH FLOWS

	Notes	Year ended 31 October 2018 £'000	Year ended 31 October 2017 £'000
Cash flows from operating activities			
Profit before taxation		266	78
Adjusted for:			
Finance costs	**8**	71	22
Depreciation	**11**	53	52
Operating cash flows before movements in working capital		**390**	**152**
Decrease/(Increase) in inventories	**11**	264	(274)
Increase in trade and other receivables	**12**	(770)	(273)
Increase in trade and other payables	**13**	180	440
Net cash generated from/(used in) operations		**64**	**45**
Tax paid		(32)	(18)
Finance costs paid	**8**	(67)	(18)
Interest paid	**8**	(1)	(1)
Interest element of hire purchase payments paid	**8**	(3)	(3)
Net cash generated from/(used in) operating activities		**(39)**	**5**
Cash flows from investing activities			
Purchase of property, plant and equipment	**10**	(2)	(38)
Proceeds on disposal of property, plant and equipment		17	82
Net cash used in investing activities		**15**	**44**
Cash flows from financing activities			
Capital repayments in the year		(23)	(52)
Amount introduced by directors		41	-
Amount withdrawn by directors		-	(2)
Net cash inflow from financing activities		**18**	**(54)**
Net increase in cash and cash equivalents	**17**	(6)	(5)
Cash and cash equivalents at beginning of year	**17**	9	14
Cash and cash equivalents at end of year	17	**3**	**9**

1. **Organisation and trading activities**

IVI Metallics Limited ("**IVI**") is incorporated and domiciled in England and Wales as a limited company. The address of its registered office is 300 St. Saviours Road, Leicester, Leicestershire, LE5 4HF.

IVI's principal activity is the design and manufacture of fasteners and screw machine products.

2. **Summary of significant accounting policies**

The principal accounting policies applied in the preparation of this Financial Information are set out below ('Accounting Policies' or 'Policies'). These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1. ***Basis of accounting***

This Financial Information of IVI has been prepared for the sole purpose of publication within this Prospectus.Admission Document. It has been prepared in accordance with International Financial Reporting Standards and IFRS interpretations Committee (IFRS IC) interpretations as adopted by the European Union ("IFRS") and the policies stated elsewhere within the Financial Information. The Financial Information does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

The Financial Information has been prepared under the historical cost convention as modified by the measurement of certain elements of property, plant and equipment at fair value.

IVI has adopted all the standards and amendments to existing standards which are mandatory for accounting periods beginning on or after 1 November 201782018. IVI has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. Except for IFRS 9 which has had no impact on the financial information other than disclosure.The following new and revised IFRSs relevant to IVI are issued but are not yet effective:

Standard	Effective date
IFRS 15 Revenue from Contracts with Customers	1 July 2019
IFRS 16 Leases	1 July 2019*
Annual improvements	1 July 2019
IFRIC 23	1 July 2019*
IFRS 9 (Amendments)	1 July 2019*
IAS 19 (Amendments)	1 July 2019
IAS 28 (Amendments	1 July 2019*
Conceptual framework amendments	1 July 2020*
IFRS 3	1 July 2020*
IAS 1 & IAS 8	1 July 2020*

* Subject to EU endorsement

IVI is evaluating the impact of the new and amended standards above. The Directors believe that these new and amended standards are not expected to have a material impact on IVI's results or shareholders' funds although it should be noted that the adoption of IFRS 16 will bring leases onto the statement of financial position including both an asset and liability component and therefore should the Directors enter into any material leasing arrangements between this period end and the next there is likely to be an impact on the statement of financial position although this cannot be reliably estimated.

2.2. ***Functional and presentation currencies***

The financial information is presented in Pound Sterling (£), rounded to the nearest £'000, which is also the currency of the primary economic environment in which IVI operates (its functional currency).

Transactions in currencies other than the functional currency are recognised at the rates of exchange on the dates of the transactions. At each balance sheet date, monetary assets and liabilities are retranslated at the rates prevailing at the balance sheet date with differences recognised in the Statement of comprehensive income in the period in which they arise.

2.3. *Going concern*

Any consideration of the foreseeable future involves making a judgement, at a particular point in time, about future events which are inherently uncertain.

The directors have a reasonable expectation that IVI has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the Financial Information. However, there can be no assurance that the engineering markets will return to normal levels following COVID-19 . The reporting accountants make reference to going concern by way of a material uncertainty within their report.

2.4. *Revenue recognition*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates and sales taxes or duty. The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangement. It should be noted that in the next set of financial information for the Company IFRS 15 will be adopted (see Unaudited interim financial information).

2.5. *Retirement benefits*

IVI operates a defined contributions pension scheme. Contributions payable to IVI's pension scheme are charged to the income statement in the period to which they relate.Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. IVI has no legal or constructive obligations to pay further contributions if the schemes do no hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

2.6. *Taxation*

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

Current tax

The current tax payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. IVI's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date and are expected to apply when the related deferred tax asset is realised, or the deferred tax liability is settled.

Deferred tax

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

Deferred tax is not recognised on temporary differences arising from the initial recognition of goodwill or other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is measured on a non-discounted basis using the tax rates and laws that have then been enacted or substantively enacted by the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when IVI has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2.7. *Segment reporting*

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 that makes strategic decisions.

2.8. ***Property, plant and equipment***

Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses subject ot any fair value adjustments. Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Plant and machinery	- 20% on cost
Motor vehicles	- 20% on cost

Land (which excludes development land) is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is credited or charged to profit or loss.

2.9. ***Impairment of property, plant and equipment***

At each reporting end date, IVI reviews the carrying amounts of its tangible fixed 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). Where it is not possible to estimate the recoverable amount of an individual asset, IVI estimates the recoverable amount of the cash-generating unit to which the asset belongs. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. Any impairment loss and reversal of losses are recognised in profit or loss.

2.10. ***Inventories and work in progress***

Inventories are recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less estimated costs of completion and the estimated costs necessary to make the sale. Any excess of the carrying amount of inventory over its net realisable value is recognised as an impairment loss in profit or loss.

In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

2.11. ***Financial instruments***

Initial recognition

A financial asset or financial liability is recognised in the statement of financial position of the Company when it arises or when the Company becomes part of the contractual terms of the financial instrument.

Classification

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- the asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms of the financial asset generating cash flows at specified dates only pertain to capital and interest payments on the balance of the initial capital.

Financial assets which are measured at amortised cost, are measured using the Effective Interest Rate Method (EIR) and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial liabilities at amortised cost

Financial liabilities measured at amortised cost using the effective interest rate method include current borrowings and trade and other payables that are short term in nature. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate ("EIR"). The EIR amortisation is included as finance costs in profit or loss. Trade payables other payables are non-interest bearing and are stated at amortised cost using the effective interest method.

Derecognition

A financial asset is derecognised when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has undertaken the commitment to fully pay the cash flows received without significant delay to a third party under an arrangement and has either (a) transferred substantially all the risks and the assets of the asset or (b) has neither transferred nor held substantially all the risks and estimates of the asset but has transferred the control of the asset.

Impairment

The Company recognises a provision for impairment for expected credit losses regarding all financial assets. Expected credit losses are based on the balance between all the payable contractual cash flows and all discounted cash flows that the Company expects to receive. Regarding trade receivables, the Company applies the IFRS 9 simplified approach in order to calculate expected credit losses. Therefore, at every reporting date, provision for losses regarding a financial instrument is measured at an amount equal to the expected credit losses over its lifetime without monitoring changes in credit risk. To measure expected credit losses, trade receivables and contract assets have been grouped based on shared risk characteristics.Financial instruments are recognised when IVI becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the Financial Information, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

A provision for impairment is made when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the loss event has an impact on the estimated future cash flows of the financial asset.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

Impaired debts are derecognised when they are assessed as uncollectible.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when IVI transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

2.12. ***Trade payables***

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised at fair value, and subsequently measured at amortised cost using the effective interest method.

2.13. ***Borrowings***

Bank and other borrowings

Interest-bearing bank loans and overdrafts and other loans are recognised initially at fair value less attributable transaction costs. All borrowings are subsequently stated at amortised cost with the difference between initial net proceeds and redemption value recognised in the Income Statement over the period to redemption on an effective interest basis. Borrowing costs relating to qualifying assets are capitalised until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised as an expense in profit or loss as they are incurred.

2.14. *Cash and cash equivalents*

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

2.15. *Hire purchase and leasing commitments*

Assets obtained under hire purchase contracts or finance leases are capitalised in the statement of financial position. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the income statement over the relevant period. The capital element of the future payments is treated as a liability.

Operating lease payments, including any lease incentives received, are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2.16. *Equity instruments*

Share capital represents the amount subscribed for shares at nominal value.

The revaluation reserve represents fair value adjustments to land within property, plant and equipment. This is a non-distributable reserve.

Retained earnings include all current and prior period results as disclosed in the statement of comprehensive income.

3. Critical accounting estimates and judgements in applying accounting policies

In the application of IVI's accounting policies, the directors are required to make judgements, estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. The estimates and associated assumptions are based on historical experience, expectations of future events and other factors that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period. The Directors do not consider there to be any significant judgements or estimates made within this financial information.

4. Segmental analysis

IVI operates only in the United Kingdom in the prevision engineering sector. As such the CODM believes there to be only segment being precision engineering in the United Kingdom and as such the information for this segment is as detailed in the primary statements.

5. Revenue

	Year ended 31 October 2018 £'000	Year ended 31 October 2017 £'000
Value added products	2,259	2,230
Value added services	-	-
Other	1,302	76
	3,561	2,306

Value added products is the sale of finished goods that have undertaken a manufacturing process. Value added services consists of the transportation, installation and contracting services provided.

6. Expenses by Nature

	Year ended 31 October 2018 £'000	Year ended 31 October 2017 £'000
Change in WIP	265	(274)
Purchases	1,470	1,066
Sub-Contractors	178	143
Wages	278	255
Sales promotion and advertising	2	11
Legal and professional fees	11	6
Hire of plant and machinery	5	6
Depreciation and FA disposal	53	52
Establishment costs	286	280
Finance costs	71	22
Insurance	17	17
Other	658	622
	3,294	**2,206**

7. Employee benefit expense

The average monthly number of employees (including executive directors) for the continuing operations was:

	Year ended 31 October 2018	Year ended 31 October 2017
Directors	1	1
Production staff	20	22
Administrative staff	4	3
	25	**26**

	Year ended 31 October 2018 £'000	Year ended 31 October 2017 £'000
Salaries and wages	159	186
Social security costs	55	46
Pension costs	18	16
	232	**248**

Directors' emoluments were as follows:

	Year ended 31 October 2018 £'000	Year ended 31 October 2017 £'000
Remuneration for qualifying services	46	7
Company pension contributions to defined contribution schemes	-	-
	46	**7**

The highest paid director received remuneration of £46,365 (2017: £7,040, 2016: £9,500)

IVI operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of IVI in an independently administered fund.

8. Finance costs

	Year ended 31 October 2018 £'000	Year ended 31 October 2017 £'000
Bank interest payable	1	1
Interest on hire purchase agreement	3	3
Other interest payable	67	18
	71	**22**

9. Taxation

The weighted average applicable tax rate of 19% (2017: 19.42%)used is a combination of the standard rate of corporation tax rate for the entities in the United Kingdom of 19% (2017: 19%).

	Year ended 31 October 2018 £'000	Year ended 31 October 2017 £'000
Current tax		
UK corporation tax on profits for the year	-	-
Deferred tax		
Origination and reversal of temporary differences	-	-
	-	**-**

The charge for the year can be reconciled to the profit / (loss) per the income statement as follows:

	Year ended 31 October 2018 £'000	Year ended 31 October 2017 £'000
Profit / (loss) before tax	**266**	**78**
Tax at the UK corporation tax rate of 19% (2017: 19.42)	51	15
Effects of:		
Tax effect of expenses that are not deductible in determining taxable profit	-	-
Utilisation of tax losses brought forward	-	-
R&D Enhancement	(51)	(15)
Tax charge	**-**	**-**

Estimated tax losses of Nil (2017: nil) are available for relief against future profits.

10. Property, plant and equipment

	Improvements to property £'000	Plant and machinery £'000	Fixtures, fittings & equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 31 October 2016	**173**	**324**	**6**	**127**	**630**
Additions	-	-	-	38	38
Revaluations	-	26	-	-	26
Disposals	-	-	-	(97)	(97)
At 31 October 2017	**173**	**350**	**6**	**68**	**597**
Additions	-	2	-	-	2
Disposals	-	-	-	(30)	(30)
At 31 October 2018	**173**	**352**	**6**	**38**	**569**

Depreciation

At 31 October 2016	**173**	**154**	**2**	**22**	**352**
Depreciation charge	-	49	1	2	52
Disposals	-	-	-	(14)	(14)
At 31 October 2017	**173**	**203**	**3**	**10**	**389**
Depreciation charge	-	40	-	13	53
Disposals	-	-	-	(13)	(13)
At 31 October 2018	**173**	**243**	**3**	**10**	**429**
Net book value					
At 31 October 2018	**-**	**109**	**3**	**28**	**140**
At 31 October 2017	-	147	3	58	208

The net carrying value of property, plant and equipment includes the following in respect of assets held under finance leases or hire purchase contracts:

	31 October 2018 £'000	31 October 2017 £'000
Net book value:		
Plant and machinery	3	-
Motor vehicles	28	58
	31	**58**

11. Inventories, work in progress and contractual balances

	31 October 2018 £'000	31 October 2017 £'000
Raw materials	61	338
Work in progress	74	81
Finished goods	84	65
	219	**484**

12. Trade and other receivables

	31 October 2018 £'000	31 October 2017 £'000
Trade receivables	906	398
Other debtors	1,223	935
VAT	-	16
Prepayments and accrued income	12	21
	2,141	**1,370**

The directors consider the carrying amount of the receivables approximates to their fair value.

13. Trade and other payables

	31 October 2018 £'000	31 October 2017 £'000
Trade payables	745	667
Social security and other taxes	66	57
Other creditors	-	33
Factoring accounts	356	301
Accruals and deferred income	16	4
Directors' loan accounts	41	-
VAT	26	-
	1,251	**1,062**

Carrying values approximate to fair value due to their short-term nature.

14. Borrowings

	31 October 2018 £'000	31 October 2017 £'000
Current:		
Hire purchase contracts	31	54

15. Obligations under hire purchase agreements

Hire purchase payments represent rentals payable by IVI for certain items of plant and machinery and are secured by the assets under lease in question.

Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered for contingent rental payments.

	31 October 2018 £'000	31 October 2017 £'000
Within 1 year	31	54

16. Share capital

Allotted, called up and fully paid £1 shares	Number of Ordinary shares	Share capital £'000
At 31 October 2016	**20,001**	**20**
Issued	-	-
At 31 October 2017	**20,001**	**20**
Issued	-	-
At 31 October 2018	**20,001**	**20**

All ordinary shares carry equal voting rights and the rights to a dividend distribution.

17. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	31 October 2018 £'000	31 October 2017 £'000
Cash at bank and in hand	3	9

18. Capital risk management

IVI's objectives when managing capital are to safeguard IVI's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, IVI may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or take other steps to increase share capital and reduce or increase debt facilities. The capital structure of IVI is managed and monitored by the Directors. The capital structure is managed with reference to gearing ratios, cash flow and interest cover ratios.

19. Financial risk management

The Company's financial instruments comprise primarily cash and various items such as trade debtors and trade payables which arise directly from operations. The main purpose of these financial instruments is to provide working capital for the Company's operations. The Company does not utilise complex financial instruments or hedging mechanisms.

Financial assets by category

	31 October 2018	**31 October** 2017
Current Assets:		
Trade and other receivables	2,141	1,370
Cash and cash equivalents	3	9
Categorised as financial assets at amortised cost	2,144	1,379

Financial liabilities by category

	31 October 2018	**31 October** 2017
Current Liabilities:		
Trade and other payables	1,252	1,062
Hire purchase	-	-
Categorised as financial liabilities measured at amortised cost	1,252	1,062

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers. Indicators that there is no reasonable expectation of recovery include, amongst others, failure to make contractual payments for a period of greater than 120 days past due.

The carrying amount of financial assets represents the maximum credit exposure.

The principal financial assets of the Company are bank balances and trade receivables. The Company deposits surplus liquid funds with counterparty banks that have high credit ratings and the Directors consider the credit risk to be minimal.

The maximum exposure is that detailed out in financial assets at amortised cost above.

The Company has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS's. IFRS 9 introduces new requirements for the classification and measurement of financial assets and financial liabilities as well as the impairment of financial assets.

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. During the period, there were no credit losses experienced and no loss allowance being recorded.

Interest rate risk

The maximum exposure to interest rate risk is not disclosed as it not considered to be material by management

Credit risk

Credit risk is managed on a Company basis. Funds are deposited with financial institutions with a credit rating equivalent to, or above, the main UK clearing banks. The Company's liquid resources are invested having regard to the timing of payment to be made in the ordinary course of the Company's activities. All financial liabilities are payable in the short term (between 0 to 3 months) and the Company maintains adequate bank balances to meet those liabilities.

Currency risk

The Company operates in a global market with income and costs possibly arising in a number of currencies. The majority of the operating costs are incurred in £GBP. The Company does not hedge potential future income or costs, since the existence, quantum and timing of such transactions cannot be accurately predicted. The Company did not have foreign currency exposure at year end.

20. Contingent liabilities for legal claims

The directors make a provision for all known material claims and legal actions in progress based on best estimates. IVI takes legal advice as to the likelihood of success of claims and actions and no provision is made where the directors consider, based on such advice, that claims, or actions are unlikely to succeed, or a reliable estimate of the potential obligation cannot be made. No contingent liability in respect of such claims or actions has been made within this Financial Information.

21. Controlling Party

The ultimate controlling party is Vulcan Industries plc, a company incorporated in England and Wales, by virtue of their majority shareholding in IVI.

22. Post Balance Sheet Events

Following the year end the COVID-19 pandemic has had a global impact. The situation is continually developing and as at the date of this report the situation will need continual attention and will continue to evolve over time. In our view, consistent with others, COVID-19 is considered to be a non-adjusting post balance sheet event and no adjustment is made in the financial statements as a result.

The rapid development and fluidity of the COVID-19 virus makes it difficult to predict the ultimate impact on the Company at this stage. In line with most experts, we believe that the impact of the virus will be material on the general economy and central banks have already begun to reduce interest rates and taking other measures. Undoubtedly, this will have implications for the Company's operations, for example restricting travel movements and impacting fund raising activities as investors look to delay decisions until the crisis is over. Management is in the process of addressing the impact of COVID-19 on the Company, however given the fluidity and volatility of the situation it is not possible to quantify the impact at this stage.

SECTION B.2

HISTORICAL UNAUDITED FINANCIAL INFORMATION ON IVI METALLICS LIMITED

The financial information set out below shows the unaudited results of IVI Metallics Limited for the seven months ended 30 June 2019 with the audited results of IVI Metallics Limited for the year ended 31 October 2018.

STATEMENT OF COMPREHENSIVE INCOME

	Notes	30 June 2019 £'000	31 October 2018 £'000
Continuing operations			
Revenue	**4**	**1,288**	**3,561**
Cost of sales		(780)	**(2,358)**
Gross profit		**508**	**1,203**
Administrative expenses		(472)	**(866)**
Operating profit		36	**337**
Finance costs		(51)	**(71)**
Profit/(loss) before tax		**(15)**	**266**
Tax		-	**-**
Net Profit/(loss)		**(15)**	**266**
Total comprehensive income		(15)	266
Total comprehensive income for the year		**(15)**	**266**

The accompanying notes form an integral part of the Financial Information.

STATEMENT OF FINANCIAL POSITION

	Notes	30 June 2019 £'000	31 October 2018 £'000
Non-current assets			
Property, plant and equipment	**5**	252	140
Investments in Subsidiaries	**6**	1,300	-
		1,552	**140**
Current assets			
Inventories and work in progress		260	219
Trade and other receivables	**7**	955	2,141
Cash and cash equivalents		4	3
		1,219	3,363
Total assets		**2,771**	**2,503**
Equity			
Share capital		20	20
Capital redemption reserve		176	176
Retained earnings		1,008	1,023
Total equity		**1,204**	**1,219**
Current liabilities			
Trade and other payables	**8**	1,414	1,252
Borrowings	**9**	152	31
		1,566	**1,283**
Non-current liabilities			
Deferred tax liabilities		1	1
Total liabilities		1,567	1,284
Total liabilities and equity		**2,771**	**2,503**

STATEMENT OF CHANGES IN EQUITY

	Share capital	Revaluation reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000
Balance at 1 November 2017	**20**	**176**	**757**	**953**
Total comprehensive income	-	-	266	266
Balance at 31 October 2018	**20**	**176**	**1,023**	**1,219**
Balance at 1 November 2018	**20**	**176**	**1,023**	**1,219**
Total comprehensive income	-	-	(15)	(15)
Balance as at 30 June 2019	**20**	**176**	**1,008**	**1,204**

Share capital represents the amount subscribed for shares at nominal value.

The revaluation reserve represents fair value adjustments to land within property, plant and equipment. This is a non-distributable reserve.

Retained earnings include all current and prior period results as disclosed in the statement of comprehensive income, less dividends paid to the owners of the parent.

STATEMENT OF CASH FLOWS

	Notes	30 June 2019 £'000	31 October 2018 £'000
Cash flows from operating activities			
Profit/(loss) before taxation		(15)	266
Adjusted for:			
Finance costs		51	71
Depreciation	**5**	35	54
Operating cash flows before movements in working capital		**71**	**391**
(Increase)/ decrease in inventories		(41)	264
Decrease/(Increase) in trade and other receivables	**7**	1,185	(771)
Increase in trade and other payables	**8**	205	180
Net cash generated from/(used in) operations		**1,420**	**64**
Tax paid			(32)
Finance costs paid		-	(67)
Interest paid		(45)	(1)
Interest element of hire purchase payments paid		(3)	(3)
Net cash generated from/(used in) operating activities		**1,372**	**(39)**
Cash flows from investing activities			
Purchase of property, plant and equipment	**5**	(148)	(2)
Purchase of fixed asset investments	**6**	(1,300)	-
Proceeds on disposal of property, plant and equipment		-	17
Net cash used in investing activities		**(1,448)**	**15**
Cash flows from financing activities			
Capital repayments in the year		118	(23)
Amount introduced by directors		-	41
Amount withdrawn by directors		(41)	-
Net cash inflow from financing activities		**77**	**18**
Net increase in cash and cash equivalents		**(1)**	**(6)**
Cash and cash equivalents at beginning of year		3	9
Cash and cash equivalents at end of year		**2**	**3**

1. Organisation and trading activities

IVI Metallics Limited ("**IVI**") is incorporated and domiciled in England and Wales as a limited company. The address of its registered office is 300 St. Saviours Road, Leicester, Leicestershire, LE5 4HF.

IVI's principal activity is the design and manufacture of fasteners and screw machine products.

2. Accounting policies

The principal accounting policies applied in the preparation of this Financial Information are set out in the annual financial information for the year ended 31 October 2018 as shown in Part V Section B.2 of the Document. This Interim Financial Information should be read in conjunction with this audited financial information. These Policies have been consistently applied to all the periods presented, unless otherwise stated. Only material changes to these policies are disclosed in the Interim Financial Information.

2.1. **Basis of preparation of financial information**

As permitted, IVI has chosen not to adopt IAS 34 "Interim Financial Statements" in preparing this interim financial information. The Condensed Interim Financial Information should be read in conjunction with the annual financial statements for the year ended 31 March 2019, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, and are in included in Part V Section B.2 of the Document.

The Interim Financial Information set out above does not constitute statutory accounts within the meaning of the Companies Act 2006. It has been prepared on a going concern basis in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) as adopted by the European Union.

The Historic Financial information for the period ended 31 October 2018 as included in Part V Section B.2 was approved by the Board of Directors on 22 May 2020.

IFRS 15 "Revenue from Contracts with Customers' was formally adopted in the period. The adoption of this standard had no impact as to how revenue was recognised.

IFRS 16 "Leases' was formally adopted in the period. The adoption of this standard had no impact as to how leases were recognised.

2.2. **Going concern**

The Financial Information has been prepared on a going concern basis. The Directors have a reasonable expectation that IVI will have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the Financial Information. However, this is dependent on the resumption of normal trading patterns following COVID-19 which cannot be assured.

3. Segmental analysis

IVI operates only in the United Kingdom in one segment and hence no segmental analysis is required.

4. Revenue

	30 June 2019 £'000	**31 October 2018 £'000**
Value added products	1,288	2,259
Value added services	-	-
Other	-	1,302
	1,288	**3,561**

Value added products is the sale of finished goods that have undertaken a manufacturing process. Value added services consists of the transportation, installation and contracting services provided.

5. Property, plant and equipment

	Improvements to property £'000	Plant and machinery £'000	Fixtures, fittings & equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 November 2017	**173**	**350**	**6**	**68**	**597**
Additions	-	2	-	-	2
Revaluations	-	-	-	(30)	(30)
At 31 October 2018	**173**	**352**	**6**	**38**	**569**
Additions	-	1	2	145	148
At 30 June 2019	**173**	**353**	**8**	**183**	**717**
Depreciation					
At 1 November 2017	**173**	**204**	**3**	**10**	**390**
Depreciation charge	-	40	-	13	53
Disposals	-	-	-	(14)	(14)
At 31 October 2018	**173**	**244**	**3**	**9**	**429**
Depreciation charge	-	18	1	16	35
At 30 June 2019	**173**	**262**	**4**	**25**	**464**
Net book value					
At 30 June 2019	**-**	**91**	**4**	**158**	**252**
At 31 October 2018	-	109	3	28	140

The net carrying value of property, plant and equipment includes the following in respect of assets held under finance leases or hire purchase contracts:

	30 June 2019 £'000	31 October 2018 £'000
Net book value:		
Plant and machinery	1	3
Motor vehicles	151	28
	152	**31**

6. Investments

	£'000
At 1 November 2017	**-**
Additions	-
At 31 October 2018	**-**
Acquisition of Time Rainham Limited	1,300
At 30 June 2019	**1,300**

7. Trade and other receivables

	30 June 2019 £'000	31 October 2018 £'000
Trade receivables	511	906
Other debtors	399	1,223
VAT	27	-
Prepayments and accrued income	18	12
	955	**2,141**

The directors consider the carrying amount of the receivables approximates to their fair value.

8. Trade and other payables

	30 June 2019 £'000	31 October 2018 £'000
Trade payables	365	745
Social security and other taxes	101	66
Other creditors	11	-
Factoring accounts	661	356
Intercompany accounts	242	-
Accruals and deferred income	35	16
Directors' loan accounts	-	41
VAT	-	27
	1,416	**1,252**

Carrying values approximate to fair value due to their short-term nature.

9. Borrowings

	30 June 2019 £'000	31 October 2018 £'000
Current		
Hire purchase contracts	150	31
Bank overdrafts	2	-
	152	**31**

The bank overdraft is repayable within one year. Details of the obligations under hire-purchase agreements are set out below.

10. Post Balance Sheet Events

Following the period end the COVID-19 pandemic has had a global impact. The situation is continually developing and as at the date of this report the situation will need continual attention and will continue to evolve over time. In our view, consistent with others, COVID-19 is considered to be a non-adjusting post balance sheet event and no adjustment is made in the financial statements as a result.

The rapid development and fluidity of the COVID-19 virus makes it difficult to predict the ultimate impact on the Company at this stage. In line with most experts, we believe that the impact of the virus will be material on the general economy and central banks have already begun to reduce interest rates and taking other measures. Undoubtedly, this will have implications for the Company's operations, for example restricting travel movements and impacting fund raising activities as investors look to delay decisions until the crisis is over. Management is in the process of addressing the impact of COVID-19 on the Company, however given the fluidity and volatility of the situation it is not possible to quantify the impact at this stage.

SECTION C

TIME RAINHAM LIMITED

The following is the full text of a report on Time Rainham Limited from PKF Littlejohn, the Reporting Accountants, to the Directors of Vulcan Industries plc.

Accountants &
business advisers

The Directors
Vulcan Industries Plc
8th Floor Broadgate Tower
20 Primrose Street
London
EC2A 2EW

The Directors
First Sentinel Corporate Finance Limited
72 Charlotte Street
London
W1T 4QQ

25 May 2020

Dear Sirs

Time Rainham Limited

Introduction

We report on the historical financial information set out in Section C of Part V (the "**Financial Information**") relating to Time Rainham Limited ("**Time Rainham**"). This financial information has been prepared for inclusion in the Admission Document of Vulcan Industries Plc (the "**Company**") dated 25 May 2020 on the basis of the accounting policies set out in note 2 to the financial information.

This report is given for the purpose of complying with Section 7.3.1 of Appendix 1 of the Aquis Stock Exchange Growth Market - Rules for Issuers and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibility

The Directors of the Group are responsible for preparing the financial information on the basis of preparation set out in note 2 to the financial information and in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS').

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

Save for any responsibility arising under Section 7.3.1 of Appendix 1 of the Aquis Stock Exchange Growth

Market – Rules for Issuers to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Section 7.3.1 of Appendix 1 of the Aquis Stock Exchange Growth Market – Rules for Issuers, consenting to its inclusion in the Admission Document.

Going Concern – Material Uncertainty

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in notes to the financial statements concerning Time Rainham's ability to continue as a going concern. With the current global outbreak of COVID-19 there continues to be far reaching uncertainty over the effect this may have on the engineering sector and other industries which requires the supply of engineering products, and therefore on the revenues and cash flows of Time Rainham. As noted in Time Rainham's going concern policy within the Financial information, these events or conditions indicate that a material uncertainty exists that casts doubt on Time Rainham's ability to continue as a going concern.

Basis for opinion

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

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

Opinion

In our opinion, the Financial Information gives, for the purpose of the Admission Document dated 25 May 2020, a true and fair view of the state of affairs of Time Rainham Limited as at 30 June 2019 and 31 March 2018 and of its results, cash flows and changes in equity for the period then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Declaration

For the purposes of Appendix 1: Information for an admission document, section 1.2 of the Aquis Stock Exchange Growth Market – Rules for Issuers we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with section 1.2 of Appendix 1 of the Aquis Stock Exchange Rules.

Yours faithfully

PKF Littlejohn LLP
Reporting Accountants

HISTORICAL AUDITED FINANCIAL INFORMATION ON TIME RAINHAM LIMITED

The financial information set out below shows the audited results of Time Rainham Limited for the fifteen months ended 30 June 2019 and for the period from incorporation on 16 March 2017 to 31 March 2018 years ended 31 March 2018.

Time Rainham Limited acquired certain of the business assets of Time Engineers Limited (in administration) on 12 December 2018, prior to which the company had been dormant.

STATEMENT OF COMPREHENSIVE INCOME

	Notes	30 June 2019 £'000	31 March 2018 £'000
Continuing operations			
Revenue	**5**	592	**-**
Cost of sales	**6**	(259)	**-**
Gross profit		**333**	-
Administrative expenses	**6**	(350)	**-**
Other operating income		-	**-**
Operating profit		**(17)**	-
Finance costs		(3)	**-**
Profit/(loss) before tax		**(20)**	-
Tax	**8**	-	**-**
Net Profit		**(20)**	-
Other comprehensive income – items that may be reclassified to profit or loss		**-**	-
Total comprehensive income for the year		**(20)**	-

The accompanying notes form an integral part of the Financial Information.

STATEMENT OF FINANCIAL POSITION

	Notes	30 June 2019 £'000	31 March 2018 £'000
Current assets			
Inventories and work in progress	**12**	-	-
Trade and other receivables	**13**	397	-
Cash and cash equivalents	**15**	3	-
		400	**-**
Total assets		**4**	**-**
Equity			
Share capital	**17**	-	-
Retained earnings	**18**	(20)	-
Total equity		**(20)**	**-**
Current liabilities			
Trade and other payables	**14**	296	-
Borrowings	**16**	124	-
		420	**-**
Total liabilities		**420**	**-**
Total liabilities and equity		**400**	**-**

STATEMENT OF CHANGES IN EQUITY

	Share capital	Retained earnings	Total equity
			£'000
	£'000	£'000	
Balance at 16 March 2017	**-**	-	-
Total comprehensive income	-	-	-
Balance as at 31 March 2018	**-**	**-**	**-**
Balance at 1 April 2018	**-**	-	-
Issue of share capital	-	-	-
Total comprehensive income	-	(20)	(20)
Balance as at 30 June 2019	**-**	**(20)**	**(20)**

Share capital represents the amount subscribed for shares at nominal value.

Retained earnings include all current and prior period results as disclosed in the statement of comprehensive income.

STATEMENT OF CASH FLOWS

	Notes	30 June 2019 £'000	31 March 2018 £'000
Cash flows from operating activities			
Loss before taxation		(20)	-
Adjusted for:			
Finance charges		3	-
Operating cash flows before movements in working capital		**(17)**	**-**
Increase in inventories and work in progress		-	-
(Increase) in trade and other receivables		(397)	-
Increase in trade and other payables		296	-
Net cash generated from/(used in) operations		**(118)**	**-**
Income taxes paid		-	-
Interest paid		(3)	-
Net cash generated from/(used in) operating activities		**(121)**	**-**
Cash flows from financing activities			
Borrowings in the period		124	-
Net cash inflow from financing activities		**124**	**-**
Net increase in cash and cash equivalents	**13**	**3**	**-**
Cash and cash equivalents at beginning of year		-	-
Cash and cash equivalents at end of year	**13**	**3**	**-**

1. Organisation and trading activities

Time Rainham Limited ("**Time Rainham**") is incorporated and domiciled in England and Wales as a limited company. The address of its registered office is Unit 3, Manor Way, Rainham, Essex RM13 8RH.

The company was incorporated on 16 March 2017 and for the period ended 31 March 2018 the company was dormant. On 12 December 2018, the company acquired certain of the business and assets of Time Engineers Limited (in administration) at which time the company commenced trading.

Time Rainham's principal activity is the design and manufacture of metal components for the construction and other industries.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of this Financial Information are set out below ('Accounting Policies' or 'Policies'). These policies have been consistently applied to all the periods presented, unless otherwise stated.

22.1. *Basis of accounting*

This financial information of Time Rainham has been prepared for the sole purpose of publication within this Admission Document. It has been prepared in accordance with International Financial Reporting Standards and IFRS interpretations Committee (IFRS IC) interpretations as adopted by the European Union ("**IFRS**") and the policies stated elsewhere within the Financial Information. The Financial Information does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

The Financial Information has been prepared under the historical cost convention. The principal accounting policies are set out below and have, unless otherwise stated, been applied consistently for all periods presented in these Financial Statements. The Financial Statements are prepared in pounds Sterling and presented to the nearest thousand ('000) pound.

22.2. *New standards, amendments to standards and interpretations:*

During the financial year, the Company has adopted the following new IFRSs (including amendments thereto) and IFRIC interpretations that became effective for the first time.

IFRS 9 'Financial Instruments'

The Company has applied IFRS 9, which is effective for annual periods that begins on or after 1 January 2018, to the results for the year ended 30 June 2019. The standard replaces all phases of the financial instruments project and IAS 39 'Financial Instruments: Recognition and Measurement'.

The adoption of IFRS 9 has not had any significant impact on recognition and measurement of financial instruments in the financial statements albeit this is the first period for which financial information has been prepared for the Company.

IFRS 15 'Revenue from Contracts with Customers'

The Company has applied IFRS 15 Revenue from Contracts with Customers, which is effective for annual periods that begin on or after 1 January 2018, to the results for the year ended 30 June 2019. The standard introduces a new revenue recognition model and replaces IAS 18 'Revenue', IAS 11 'Construction Contracts', IFRIC 13 'Customer Loyalty Programmes', IFRIC 15 'Agreements for the Construction of Real Estate', IFRIC 18 'Transfer of Assets from Customers' and SIC-31 "Revenue – Barter Transactions Involving Advertising Services.'

The introduction of IFRS 15 has had no impact on the financial statements albeit this is the first period for which financial information has been prepared for the Company since the Company has actively traded.

Standards issued but not yet effective:

At the date of authorisation of these financial statements, the following standards and interpretations relevant to the Company and which have not been applied in these financial statements, were in issue but were not yet effective. In some cases, these standards and guidance have not been endorsed for use in the European Union.

Standard	Effective date, annual period beginning on or after
IFRS 16 Leases	1 January 2019
IFRIC 23 – Uncertainty over Income Tax Treatments	1 January 2019
Annual improvements 2015-2017 cycle	1 January 2019
Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020

The directors do not consider that these standards will impact the financial statements of the Company.

22.3. ***Functional and presentation currencies***

The Financial Information is presented in Pound Sterling (£), rounded to the nearest £'000, which is also the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in currencies other than the functional currency are recognised at the rates of exchange on the dates of the transactions. At each balance sheet date, monetary assets and liabilities are retranslated at the rates prevailing at the balance sheet date with differences recognised in the Statement of comprehensive income in the period in which they arise.

22.4. ***Going concern***

Any consideration of the foreseeable future involves making a judgement, at a particular point in time, about future events which are inherently uncertain.

The directors have a reasonable expectation that Time Rainham has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the Financial Information. However, this is dependent on trading being able to resume satisfactorily after COVID-19 and the related restrictions. Failure for this to occur may impact the ability of the company to continue as a going concern. Reference to going concern has been made by way of a material uncertainty withinthe reporting accountants report.

22.5. ***Financial instruments***

Initial recognition

A financial asset or financial liability is recognised in the statement of financial position of the Company when it arises or when the Company becomes part of the contractual terms of the financial instrument.

Classification

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- the asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms of the financial asset generating cash flows at specified dates only pertain to capital and interest payments on the balance of the initial capital.

Financial assets which are measured at amortised cost, are measured using the Effective Interest Rate Method (EIR) and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial liabilities at amortised cost

Financial liabilities measured at amortised cost using the effective interest rate method include current borrowings and trade and other payables that are short term in nature. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate ("EIR"). The EIR amortisation is included as finance costs

in profit or loss. Trade payables other payables are non-interest bearing and are stated at amortised cost using the effective interest method.

Derecognition

A financial asset is derecognised when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has undertaken the commitment to fully pay the cash flows received without significant delay to a third party under an arrangement and has either (a) transferred substantially all the risks and the assets of the asset or (b) has neither transferred nor held substantially all the risks and estimates of the asset but has transferred the control of the asset.

Impairment

The Company recognises a provision for impairment for expected credit losses regarding all financial assets. Expected credit losses are based on the balance between all the payable contractual cash flows and all discounted cash flows that the Company expects to receive. Regarding trade receivables, the Company applies the IFRS 9 simplified approach in order to calculate expected credit losses. Therefore, at every reporting date, provision for losses regarding a financial instrument is measured at an amount equal to the expected credit losses over its lifetime without monitoring changes in credit risk. To measure expected credit losses, trade receivables and contract assets have been grouped based on shared risk characteristics.

22.6. *Trade and other receivables*

Trade and other receivables are initially recognised at fair value when related amounts are invoiced then carried at this amount less any allowances for doubtful debts or provision made for impairment of these receivables.

22.7. *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and in hand and are subject to an insignificant risk of changes in value.

22.8. *Trade payables*

These financial liabilities are all non-interest bearing and are initially recognised at the fair value of the consideration payable and subsequently measured at amortised cost using the effective interest method.

22.9. *Borrowings*

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

22.10. *Taxation*

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

Current tax

The current tax payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Vulcan 's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date and are expected to apply when the related deferred tax asset is realised, or the deferred tax liability is settled.

Deferred tax

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

Deferred tax is not recognised on temporary differences arising from the initial recognition of goodwill or other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is measured on a non-discounted basis using the tax rates and laws that have then been enacted or substantively enacted by the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when Vulcan has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

22.11. ***Segment reporting***

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker "CODM". The CODM, who is responsible for allocating resources and assessing performance of the operating segments has been identified as the Board of Directors that makes strategic decisions.

22.12. ***Revenue recognition***

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods or services supplied in course of ordinary business stated net of discounts, returns and value added taxes. Time Rainham recognises revenue in accordance with IFRS 15 at either a point in time or over time, depending on the nature of the goods or services and existence of acceptance clauses.

Revenue from the sales of goods is recognised when delivery has taken place and the performance obligation of delivering the goods has taken place. The performance obligation of products sold are transferred according to the specific delivery terms that have been formally agreed with the customer, generally upon delivery or installation of goods.

Revenue from the provision of services is recognised as the services are rendered, in accordance with customer contractual terms.

22.13. ***Employee benefits***

Time Rainham operates a defined contributions pension scheme. Contributions payable to the pension scheme are charged to the income statement in the period to which they relate.

22.14. ***Retirement benefits***

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. Time Rainham has no legal or constructive obligations to pay further contributions if the schemes do no hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

22.15. ***Inventories and work in progress***

Inventories are recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less estimated costs of completion and the estimated costs necessary to make the sale. Any excess of the carrying amount of inventory over its net realisable value is recognised as an impairment loss in profit or loss.

In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

22.16. ***Borrowings***

Interest-bearing bank loans and overdrafts and other loans are recognised initially at fair value less attributable transaction costs. All borrowings are subsequently stated at amortised cost with the difference between initial net proceeds and redemption value recognised in the Income Statement over the period to redemption on an effective interest basis.

Borrowing costs relating to qualifying assets are capitalised until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised as an expense in profit or loss as they are incurred.

22.17. ***Hire purchase and leasing commitments***

Assets obtained under hire purchase contracts or finance leases are capitalised in the statement of financial position. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the income statement over the relevant period. The capital element of the future payments is treated as a liability.

Operating lease payments, including any lease incentives received, are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

3. Critical accounting estimates and judgements in applying accounting policies

In the application of Time Rainham's accounting policies the directors are required to make judgements, estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. The estimates and associated assumptions are based on historical experience, expectations of future events and other factors that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period. The Directors do not consider there to be any critical accounting estimates and judgements that have been applied and therefore none are disclosed within the financial information.

4. Segmental analysis

Time Rainham operates only in the United Kingdom in one segment and hence no segmental analysis is required.

5. Revenue

	30 June 2019 £'000	**31 March 2018 £'000**
Value added products	592	-
Value added services	-	-
Other	-	-
	592	**-**

Value added products is the sale of finished goods that have undertaken a manufacturing process. Value added services consists of the transportation, installation and contracting services provided.

6. Expenses by Nature

	30 June 2019 £'000	31 March 2018 £'000
Change in WIP	43	-
Purchases	176	-
Sub-Contractors	39	-
Wages	211	-
Establishment costs	43	-
Inventory provision	60	
Other	40	-
	612	**-**

7. Employee benefit expense

The average monthly number of employees (including executive directors) for the continuing operations was:

	30 June 2019 Number	31 March 2018 Number
Directors	1	1
Production staff	11	-
Administrative staff	1	-
	13	**1**

	30 June 2019 £'000	31 March 2018 £'000
Salaries and wages	191	-
Social security costs	17	-
Pension costs	3	-
	211	**-**

Directors' emoluments were as follows:

	30 June 2019	31 March 2018

The highest paid director received remuneration of £nil in the period (2018: £nil).

The number of directors to whom retirement benefits were accruing was nil (2018: £nil).

Time Rainham operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of Time Rainham in an independently administered fund.

8. Taxation

The weighted average applicable tax rate for all periods is 19%.

	30 June 2019 £'000	31 March 2018 £'000
Current tax		
UK corporation tax on profits for the year	-	-
	-	**-**
Deferred tax		
Deferrred tax	-	-
	-	**-**

The charge for the year can be reconciled to the profit / (loss) per the income statement as follows:

	30 June 2019 £'000	31 March 2018 £'000
Loss before tax	**(20)**	**-**
Tax at the UK corporation tax rate of 19% (2017: 19.918%; 2016: 20%)	**2**	
Losses carried forward	**(2)**	
Tax charge	**-**	**-**

9. Estimated tax losses of £2,000 (2018:nil) are available for relief against future profits and a deferred tax asset of £2,000 (2019:nil) has not been provided for in the accounts due to the uncertainty of future profits.

10. Inventories, work in progress and contractual balances

	30 June 2019 £'000	31 March 2018 £'000
Raw materials	59	-
Work in progress	1	-
Provision	(60)	
	-	**-**

11. Trade and other receivables

Current	30 June 2019 £'000	31 March 2018 £'000
Trade receivables	240	-
Other debtors	152	-
Prepayments	5	-
	397	**-**

The directors consider the carrying amount of the receivables approximates to their fair value.

12. Trade and other payables

	30 June 2019 £'000	31 March 2018 £'000
Trade payables	17	-
Social security and other taxes	42	-
Other creditors	156	-
Accruals and deferred income	32	-
VAT	49	-
	296	**-**

Carrying values approximate to fair value due to their short-term nature.

13. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	30 June 2019 £'000	31 March 2018 £'000
Cash at bank and in hand	3	-
	3	**-**

14. Borrowings

	30 June 2019	31 March 2018 £'000
Other loans	124	-
	124	**-**

The other loans represent factoring facilities provided to Time Rainham.

15. Share capital

Allotted, called up and fully paid £1 shares	**Number of Ordinary shares**	**Share capital £'000**
At 16 March 2017	**100**	**-**
Issued	-	-
At 31 March 2018	**100**	**-**
Issued	-	-
At 30 June 2019	**100**	**-**

All ordinary shares carry equal voting rights and the rights to a dividend distribution.

16. Capital risk management

Time Rainham's objectives when managing capital are to safeguard Time Rainham's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, Time Rainham may adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares or take other steps to increase share capital and reduce or increase debt facilities. The capital structure of Time Rainham is managed and monitored by the Directors. The capital structure is managed with reference to gearing ratios, cash flow and interest cover ratios.

17. Financial risk management

The Company's financial instruments comprise primarily cash and various items such as trade debtors and trade payables which arise directly from operations. The main purpose of these financial instruments is to provide working capital for the Company's operations. The Company does not utilise complex financial instruments or hedging mechanisms.

Financial assets by category

	30 June	**31 March**
	2019	2018
	£'000	£'000
Current Assets:		
Trade and other receivables	397	-
Cash and cash equivalents	3	-
Categorised as financial assets at amortised cost	400	-

Financial liabilities by category

	30 June	**31 March**
	2019	2018
	£'000	£'000
Current Liabilities:		
Trade and other payables	302	-
Borrowings	124	-
Categorised as financial liabilities measured at amortised cost	426	-

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers. Indicators that there is no reasonable expectation of recovery include, amongst others, failure to make contractual payments for a period of greater than 120 days past due.

The carrying amount of financial assets represents the maximum credit exposure.

The principal financial assets of the Company are bank balances and trade receivables. The Company deposits surplus liquid funds with counterparty banks that have high credit ratings and the Directors consider the credit risk to be minimal.

The maximum exposure is that detailed out in financial assets at amortised cost above.

The Company has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS's. IFRS 9 introduces new requirements for the classification and measurement of financial assets and financial liabilities as well as the impairment of financial assets.

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. During the period, there were no credit losses experienced and no loss allowance being recorded.

Interest rate risk

The maximum exposure to interest rate risk is not disclosed as it not considered to be material by management.

Currency risk

The Company operates in a global market with income and costs possibly arising in a number of currencies. The majority of the operating costs are incurred in £GBP. The Company does not hedge potential future income or costs, since the existence, quantum and timing of such transactions cannot be accurately predicted. The Company did not have foreign currency exposure at year end. Financial risk management

18. Contingent liabilities for legal claims

The directors make a provision for all known material claims and legal actions in progress based on best estimates. Time Rainham takes legal advice as to the likelihood of success of claims and actions and no provision is made where the directors consider, based on such advice, that claims, or actions are unlikely to succeed, or a reliable estimate of the potential obligation cannot be made. No contingent liability in respect of such claims or actions has been made within this Financial Information.

19. Controlling Party

The ultimate controlling party is Vulcan Industries plc, a company incorporated in England and Wales, by virtue of their majority shareholding in Time Rainham.

20. Post Balance Sheet Events

Following the year end the COVID-19 pandemic has had a global impact. The situation is continually developing and as at the date of this report the situation will need continual attention and will continue to evolve over time. In our view, consistent with others, COVID-19 is considered to be a non-adjusting post balance sheet event and no adjustment is made in the financial statements as a result.

The rapid development and fluidity of the COVID-19 virus makes it difficult to predict the ultimate impact on the Company at this stage. In line with most experts, we believe that the impact of the virus will be material on the general economy and central banks have already begun to reduce interest rates and taking other measures. Undoubtedly, this will have implications for the Company's operations, for example restricting travel movements and impacting fund raising activities as investors look to delay decisions until the crisis is over. Management is in the process of addressing the impact of COVID-19 on the Company, however given the fluidity and volatility of the situation it is not possible to quantify the impact at this stage.

SECTION D

ORCA DOORS LIMITED

The following is the full text of a report on Orca Doors Limited from PKF Littlejohn, the Reporting Accountants, to the Directors of Vulcan Industries plc.

Accountants &
business advisers

The Directors
Vulcan Industries Plc
8th Floor Broadgate Tower
20 Primrose Street
London
EC2A 2EW

The Directors
First Sentinel Corporate Finance Limited
72 Charlotte Street
London
W1T 4QQ

25 May 2020

Dear Sirs

Orca Doors Limited

Introduction

We report on the historical financial information set out in Section D of Part V (the "**Financial Information**") relating to Orca Doors Limited ("**Orca Doors**"). This financial information has been prepared for inclusion in the Admission Document of Vulcan Industries Plc (the "**Company**") dated 25 May 2020 on the basis of the accounting policies set out in note 2 to the financial information

This report is given for the purpose of complying with Section 7.3.1 of Appendix 1 of the Aquis Stock Exchange Growth Market - Rules for Issuers and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibility

The Directors of the Group are responsible for preparing the financial information on the basis of preparation set out in note 2 to the financial information and in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS').

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

Save for any responsibility arising under Section 7.3.1 of Appendix 1 of the Aquis Stock Exchange Growth Market – Rules for Issuers to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Section 7.3.1 of Appendix 1 of the Aquis Stock Exchange Growth Market – Rules for Issuers, consenting to its inclusion in the Admission Document.

Going Concern - Material Uncertainty

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in notes to the financial statements concerning Orca Doors ability to continue as a going concern. With the current global outbreak of COVID-19 there continues to be far reaching uncertainty over the effect this may have on the engineering sector and other industries which requires the supply of engineering products, and therefore on the revenues and cash flows of Orca Doors. As noted in Orca Doors going concern policy within the Financial information, these events or conditions indicate that a material uncertainty exists that casts doubt on Orca Doors ability to continue as a going concern.

Basis for opinion

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

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

Opinion

In our opinion, the Financial Information gives, for the purpose of the Admission Document, a true and fair view of the state of affairs of Orca Doors Limited as at 30 June 2019 and 31 August 2018 and of its results, cash flows and changes in equity for the period then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Declaration

For the purposes of Appendix 1: Information for an admission document, section 1.2 of the Aquis Stock Exchange Growth Market – Rules for Issuers we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with section 1.2 of Appendix 1 of the Aquis Stock Exchange Rules.

Yours faithfully

PKF Littlejohn LLP
Reporting Accountants

HISTORICAL AUDITED FINANCIAL INFORMATION ON ORCA DOORS LIMITED

The financial information set out below shows the audited results of Orca Doors Limited for the ten months ended 30 June 2019 and the three years ended 31 August 2018.

Orca Doors Limited acquired certain of the business assets of Manta BRC Limited (in administration) and Orca Building Products Limited (in administration) on 6 February 2019, prior to which the company had been dormant.

STATEMENT OF COMPREHENSIVE INCOME

	Notes	30 June 2019 £'000	31 August 2018 £'000
Continuing operations			
Revenue	**5**	378	-
Cost of sales	**6**	(289)	-
Gross profit		**89**	**-**
Administrative expenses	**6**	(165)	-
Acquisition costs		(80)	
		-	-
Operating profit		**(156)**	**-**
Finance costs		-	-
Profit/(loss) before tax		**(156)**	**-**
Tax	**8**	-	-
Net Profit/(loss)		**(156)**	**-**
Total comprehensive income		**(156)**	**-**
Foreign exchange gain (loss)		-	-
Total comprehensive income for the year		**(156)**	**-**

The accompanying notes form an integral part of the Financial Information.

STATEMENT OF FINANCIAL POSITION

	Notes	30 June 2019 £'000	31 August 2018 £'000
Non-current assets			
Property, plant and equipment		7	-
		7	**-**
Current assets			
Trade and other receivables	**9**	168	-
Cash and cash equivalents	**11**	1	-
		169	**-**
Total assets		**176**	**-**
Equity			
Share capital	**12**	-	-
Retained earnings	**13**	(156)	-
Total equity		**(156)**	**-**
Current liabilities			
Trade and other payables	**10**	332	-
		332	**-**
Total liabilities		**332**	**-**
Total liabilities and equity		**176**	**-**

STATEMENT OF CHANGES IN EQUITY

	Share capital	Retained earnings	Total equity
	£'000	£'000	£'000
Balance at 1 September 2017	**-**	**-**	**-**
Total comprehensive income	**-**	**-**	**-**
Balance as at 31 August 2018	**-**	**-**	**-**
Total comprehensive income	-	(156)	(156)
Balance as at 30 June 2019	**-**	**(156)**	**(156)**

Share capital represents the amount subscribed for shares at nominal value.

Retained earnings include all current and prior period results as disclosed in the statement of comprehensive income, less dividends paid to the owners of the parent.

STATEMENT OF CASH FLOWS

	Notes	30 June 2019 £'000	31 August 2018 £'000
Cash flows from operating activities			
Profit/(loss) before taxation		(156)	-
Adjusted for:			
Depreciation		1	-
Operating cash flows before movements in working capital		**(155)**	**-**
Increase in trade and other receivables		(168)	-
Increase in trade and other payables		332	-
Net cash generated from/(used in) operations		**9**	**-**
Net cash generated from operating activities		**9**	**-**
Cash flows from investing activities			
Purchase of property, plant and equipment		(8)	-
Net cash used in investing activities		**(8)**	**-**
Net increase in cash and cash equivalents	**11**	**1**	**-**
Cash and cash equivalents at beginning of year		-	-
Cash and cash equivalents at end of year	**11**	**1**	**-**

1. Organisation and trading activities

Orca Doors Limited ("**Orca Doors**") is incorporated and domiciled in England and Wales as a limited company. The address of its registered office is 9 Limber Road, Kirmington DN39 6YB.

The Company was incorporated on 16 August 2012 and for all periods ended 31 August 2018 the company was dormant and filed dormant company accounts. On 6 February 2019, Orca Doors acquired certain of the business and assets of Manta BRC Limited (in administration) and Orca Building Products Limited (in administration) at which time Orca Doors commenced trading.

Orca Doors' principal activity is the design and manufacture of fireproof doors.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of this Financial Information are set out below ('Accounting Policies' or 'Policies'). These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1. *Basis of accounting*

This financial information of Orca Doors has been prepared for the sole purpose of publication within this Admission Document. It has been prepared in accordance with International Financial Reporting Standards and IFRS interpretations Committee (IFRS IC) interpretations as adopted by the European Union ("**IFRS**") and the policies stated elsewhere within the Financial Information. The Financial Information does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

The Financial Information has been prepared under the historical cost convention. The principal accounting policies are set out below and have, unless otherwise stated, been applied consistently for all periods presented in these Financial Statements. The Financial Statements are prepared in pounds Sterling and presented to the nearest thousand ('000) pound.

2.2. *New standards, amendments to standards and interpretations:*

During the financial year, the Company has adopted the following new IFRSs (including amendments thereto) and IFRIC interpretations that became effective for the first time.

IFRS 9 'Financial Instruments'

The Company has applied IFRS 9, which is effective for annual periods that begins on or after 1 January 2018, to the results for the year ended 30 June 2019. The standard replaces all phases of the financial instruments project and IAS 39 'Financial Instruments: Recognition and Measurement'.

The adoption of IFRS 9 has not had any significant impact on recognition and measurement of financial instruments in the financial statements albeit this is the first period for which financial information has been prepared for the Company.

IFRS 15 'Revenue from Contracts with Customers'

The Company has applied IFRS 15 Revenue from Contracts with Customers, which is effective for annual periods that begin on or after 1 January 2018, to the results for the year ended 30 June 2019. The standard introduces a new revenue recognition model and replaces IAS 18 'Revenue', IAS 11 'Construction Contracts', IFRIC 13 'Customer Loyalty Programmes', IFRIC 15 'Agreements for the Construction of Real Estate', IFRIC 18 'Transfer of Assets from Customers' and SIC-31 "Revenue – Barter Transactions Involving Advertising Services.'

The introduction of IFRS 15 has had no impact on the financial statements albeit this is the first period for which financial information has been prepared for the Company since the Company has actively traded.

Standards issued but not yet effective:

At the date of authorisation of these financial statements, the following standards and interpretations relevant to the Company and which have not been applied in these financial statements, were in issue but were not yet effective. In some cases, these standards and guidance have not been endorsed for use in the European Union.

Standard	Effective date, annual period beginning on or after
IFRS 16 Leases	1 January 2019
IFRIC 23 – Uncertainty over Income Tax Treatments	1 January 2019
Annual improvements 2015-2017 cycle	1 January 2019
Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020

The directors do not consider that these standards will impact the financial statements of the Company.

2.3. ***Functional and presentation currencies***

The Financial Information is presented in Pound Sterling (£), rounded to the nearest £'000, which is also the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in currencies other than the functional currency are recognised at the rates of exchange on the dates of the transactions. At each balance sheet date, monetary assets and liabilities are retranslated at the rates prevailing at the balance sheet date with differences recognised in the Statement of comprehensive income in the period in which they arise.

2.4. ***Going concern***

Any consideration of the foreseeable future involves making a judgement, at a particular point in time, about future events which are inherently uncertain.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the Financial Information. However, this is dependent on trading being able to resume satisfactorily after COVID-19 and the related restrictions. Failure for this to occur may impact the ability of the company to continue as a going concern. Reference to going concern has been made by way of a material uncertainty withinthe reporting accountants report. The reporting accountants make reference to going concern by way of a material uncertainty within their report.

2.5. ***Financial instruments***

Initial recognition

A financial asset or financial liability is recognised in the statement of financial position of the Company when it arises or when the Company becomes part of the contractual terms of the financial instrument.

Classification

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- the asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms of the financial asset generating cash flows at specified dates only pertain to capital and interest payments on the balance of the initial capital.

Financial assets which are measured at amortised cost, are measured using the Effective Interest Rate Method (EIR) and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial liabilities at amortised cost

Financial liabilities measured at amortised cost using the effective interest rate method include current borrowings and trade and other payables that are short term in nature. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate ("EIR"). The EIR amortisation is included as finance costs

in profit or loss. Trade payables other payables are non-interest bearing and are stated at amortised cost using the effective interest method.

Derecognition

A financial asset is derecognised when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has undertaken the commitment to fully pay the cash flows received without significant delay to a third party under an arrangement and has either (a) transferred substantially all the risks and the assets of the asset or (b) has neither transferred nor held substantially all the risks and estimates of the asset but has transferred the control of the asset.

Impairment

The Company recognises a provision for impairment for expected credit losses regarding all financial assets. Expected credit losses are based on the balance between all the payable contractual cash flows and all discounted cash flows that the Company expects to receive. Regarding trade receivables, the Company applies the IFRS 9 simplified approach in order to calculate expected credit losses. Therefore, at every reporting date, provision for losses regarding a financial instrument is measured at an amount equal to the expected credit losses over its lifetime without monitoring changes in credit risk. To measure expected credit losses, trade receivables and contract assets have been grouped based on shared risk characteristics.

2.6. ***Trade and other receivables***

Trade and other receivables are initially recognised at fair value when related amounts are invoiced then carried at this amount less any allowances for doubtful debts or provision made for impairment of these receivables.

2.7. ***Cash and cash equivalents***

Cash and cash equivalents comprise cash at bank and in hand and are subject to an insignificant risk of changes in value.

2.8. ***Trade payables***

These financial liabilities are all non-interest bearing and are initially recognised at the fair value of the consideration payable and subsequently measured at amortised cost using the effective interest method.

2.9. ***Borrowings***

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.10. ***Taxation***

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

Current tax

The current tax payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Vulcan ‘s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date and are expected to apply when the related deferred tax asset is realised, or the deferred tax liability is settled.

Deferred tax

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

Deferred tax is not recognised on temporary differences arising from the initial recognition of goodwill or other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is measured on a non-discounted basis using the tax rates and laws that have then been enacted or substantively enacted by the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when Vulcan has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2.11. ***Segment reporting***

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker “CODM”. The CODM, who is responsible for allocating resources and assessing performance of the operating segments has been identified as the Board of Directors that makes strategic decisions.

2.12. ***Revenue recognition***

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods or services supplied in course of ordinary business stated net of discounts, returns and value added taxes. Time Rainham recognises revenue in accordance with IFRS 15 at either a point in time or over time, depending on the nature of the goods or services and existence of acceptance clauses.

Revenue from the sales of goods is recognised when delivery has taken place and the performance obligation of delivering the goods has taken place. The performance obligation of products sold are transferred according to the specific delivery terms that have been formally agreed with the customer, generally upon delivery or installation of goods.

Revenue from the provision of services is recognised as the services are rendered, in accordance with customer contractual terms.

2.13. ***Employee benefits***

Orca operates a defined contributions pension scheme. Contributions payable to the pension scheme are charged to the income statement in the period to which they relate.

2.14. ***Retirement benefits***

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. Time Rainham has no legal or constructive obligations to pay further contributions if the schemes do no hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

2.15. ***Inventories and work in progress***

Inventories are recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less estimated costs of completion and the estimated costs necessary to make the sale. Any excess of the carrying amount of inventory over its net realisable value is recognised as an impairment loss in profit or loss.

In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

2.16. *Borrowings*

Interest-bearing bank loans and overdrafts and other loans are recognised initially at fair value less attributable transaction costs. All borrowings are subsequently stated at amortised cost with the difference between initial net proceeds and redemption value recognised in the Income Statement over the period to redemption on an effective interest basis.

Borrowing costs relating to qualifying assets are capitalised until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised as an expense in profit or loss as they are incurred.

2.17. *Property, plant and equipment*

Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses. Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Plant and Equipment	- 5 years straight line
Office Equipment and Computers	- 5 years straight line
Motor Vehicles	- 5 years straight line

Land (which excludes development land) is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is credited or charged to profit or loss.

2.18. *Impairment of property, plant and equipment*

At each reporting end date, Orca Doors review the carrying amounts of its tangible fixed 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). Where it is not possible to estimate the recoverable amount of an individual asset, Orca Doors estimates the recoverable amount of the cash-generating unit to which the asset belongs. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. Any impairment loss and reversal of losses are recognised in profit or loss.

3. Critical accounting estimates and judgements in applying accounting policies

In the application of Orca Doors' accounting policies, the directors are required to make judgements, estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. The estimates and associated assumptions are based on historical experience, expectations of future events and other factors that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period. The Directors do not consider there to be any critical accounting estimates and judgements that have been applied and therefore none are disclosed within the financial information.

4. Segmental analysis

Orca Doors operates only in the United Kingdom in one segment and hence no segmental analysis is required.

5. Revenue

	30 June 2019	31 August 2018
	£'000	£'000
Value added products	375	-
Value added services	-	-
Other	3	-
	378	**-**

Value added products is the sale of finished goods that have undertaken a manufacturing process. Value added services consists of the transportation, installation and contracting services provided.

6. Expenses by Nature

	30 June 2019	31 August 2018
	£'000	£'000
Purchases	92	-
Sub-Contractors	51	-
Wages	135	-
Legal and professional fees	12	-
Hire of plant and machinery	8	-
Depreciation and FA disposal	1	-
Acquisition costs	80	
Establishment costs	88	-
Insurance	8	-
Other	59	-
	534	**-**

7. Employee benefit expense

The average monthly number of employees (including executive directors) for the continuing operations was:

	30 June 2019	31 August 2018
	Number	Number
Directors	1	1
Production staff	14	-
Administrative staff	4	-
	19	**1**

	30 June 2019	31 August 2018
	£'000	£'000
Salaries and wages	206	-
Social security costs	4	-
Pension costs	1	-
	211	**-**

Directors' emoluments were as follows:

	30 June 2019	31 August 2018
	£'000	£'000
Remuneration for qualifying services	27	-
Company pension contributions to defined contribution schemes	-	-
	27	**-**

Orca Doors operate a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of Orca Doors in an independently administered fund.

8. Taxation

The weighted average applicable tax rate for the period is 19% (2018: 19%).

	30 June 2019 £'000	31 August 2018 £'000
Current tax		
UK corporation tax on profits for the year	-	-
	-	**-**
Deferred tax		
Origination and reversal of temporary differences	-	-
	-	**-**

The charge for the year can be reconciled to the profit / (loss) per the income statement as follows:

	30 June 2019 £'000	31 August 2018 £'000
Profit / (loss) before tax	(156)	-
Tax at the UK corporation tax rate of 19% (2018: 19%, 2017: 19%, 2016: 19.6%)	(30)	-
Effects of:		
Unrecognised deferred tax losses to be utilised against future profits	30	-
Tax charge	**-**	**-**

Estimated tax losses of £30,000 are available for relief against future profits and a deferred tax asset of £30,000 has not been provided for in the accounts due to the uncertainty of future profits.

9. Trade and other receivables

Current	30 June 2019 £'000	31 August 2018 £'000
Trade receivables	5	-
Other debtors	153	-
Prepayments	10	-
	168	**-**

The directors consider the carrying amount of the receivables approximates to their fair value.

10. Trade and other payables

	30 June 2019 £'000	31 August 2018 £'000
Trade payables	40	-
Social security and other taxes	52	-
Other creditors	219	-
Accruals and deferred income	21	-
	332	**-**

Carrying values approximate to fair value due to their short-term nature.

11. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	30 June 2019 £'000	31 August 2018 £'000
Cash at bank and in hand	1	-
	1	**-**

12. Share capital

Allotted, called up and fully paid £1 shares	Number of Ordinary shares	Share capital £'000
At 1 September 2017	**100**	**-**
Issued	-	-
At 31 August 2018	**100**	**-**
Issued	-	-
At 30 June 2019	**100**	**-**

All ordinary shares carry equal voting rights and the rights to a dividend distribution.

13. Capital risk management

Orca Doors' objectives when managing capital are to safeguard Orca Doors' ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, Orca Doors may adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares or take other steps to increase share capital and reduce or increase debt facilities. The capital structure of Orca Doors is managed and monitored by the Directors. The capital structure is managed with reference to gearing ratios, cash flow and interest cover ratios.

14. Financial risk management

The Company's financial instruments comprise primarily cash and various items such as trade debtors and trade payables which arise directly from operations. The main purpose of these financial instruments is to provide working capital for the Company's operations. The Company does not utilise complex financial instruments or hedging mechanisms.

Financial assets by category

	30 June 2019 £'000	31 August 2018 £'000
Current Assets:		
Trade and other receivables	168	-
Cash and cash equivalents	1	-
Categorised as financial assets at amortised cost	169	-

Financial liabilities by category

	30 June 2019 £'000	31 August 2018 £'000
Current Liabilities:		
Trade and other payables	332	-
Categorised as financial liabilities measured at amortised cost	332	-

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers. Indicators that there is no reasonable expectation of recovery include, amongst others, failure to make contractual payments for a period of greater than 120 days past due.

The carrying amount of financial assets represents the maximum credit exposure.

The principal financial assets of the Company are bank balances and trade receivables. The Group deposits surplus liquid funds with counterparty banks that have high credit ratings and the Directors consider the credit risk to be minimal.

The maximum exposure is that detailed out in financial assets at amortised cost above.

The Company has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS's. IFRS 9 introduces new requirements for the classification and measurement of financial assets and financial liabilities as well as the impairment of financial assets.

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. During the period, there were no credit losses experienced and no loss allowance being recorded.

Interest rate risk

The maximum exposure to interest rate risk is not disclosed as it not considered to be material by management.

Currency risk

The Company operates in a global market with income and costs possibly arising in a number of currencies. The majority of the operating costs are incurred in £GBP. The Company does not hedge potential future income or costs, since the existence, quantum and timing of such transactions cannot be accurately predicted. The Company did not have foreign currency exposure at year end. Financial risk management

15. Contingent liabilities for legal claims

The directors make a provision for all known material claims and legal actions in progress based on best estimates. Orca Doors takes legal advice as to the likelihood of success of claims and actions and no provision is made where the directors consider, based on such advice, that claims, or actions are unlikely to succeed, or a reliable estimate of the potential obligation cannot be made. No contingent liability in respect of such claims or actions has been made within this Financial Information.

16. Controlling Party

The ultimate controlling party is Vulcan Industries plc, a company incorporated in England and Wales, by virtue of their majority shareholding in Orca Doors.

17. Post Balance Sheet Events

Following the year end the COVID-19 pandemic has had a global impact. The situation is continually developing and as at the date of this report the situation will need continual attention and will continue to evolve over time. In our view, consistent with others, COVID-19 is considered to be a non-adjusting post balance sheet event and no adjustment is made in the financial statements as a result.

The rapid development and fluidity of the COVID-19 virus makes it difficult to predict the ultimate impact on the Company at this stage. In line with most experts, we believe that the impact of the virus will be material on the general economy and central banks have already begun to reduce interest rates and taking other measures. Undoubtedly, this will have implications for the Company's operations, for example restricting travel movements and impacting fund raising activities as investors look to delay decisions until the crisis is over. Management is in the process of addressing the impact of COVID-19 on the Company, however given the fluidity and volatility of the situation it is not possible to quantify the impact at this stage.

SECTION E

M&G OLYMPIC PRODUCTS LIMITED

The following is the full text of a report on M&G Olympic Products Limited from PKF Littlejohn, the Reporting Accountants, to the Directors of Vulcan Industries plc.

PKF

Accountants &
business advisers

The Directors
Vulcan Industries Plc
8th Floor Broadgate Tower
20 Primrose Street
London
EC2A 2EW

The Directors
First Sentinel Corporate Finance Limited
72 Charlotte Street
London
W1T 4QQ

25 May 2020

Dear Sirs

M&G Olympic Products Limited

Introduction

We report on the historical financial information set out in Section E.1 of Part V (the "**Financial Information**") relating to M&G Olympic Products Limited ("**M&G**"). This financial information has been prepared for inclusion in the Admission Document of Vulcan Industries Plc (the "**Company**") dated 25 May 2020 on the basis of the accounting policies set out in note 2 to the financial information.

This report is given for the purpose of complying with Section 7.3.1 of Appendix 1 of the Aquis Stock Exchange Growth Market - Rules for Issuers and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibility

The Directors of the Group are responsible for preparing the financial information on the basis of preparation set out in note 2 to the financial information and in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS').

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

Save for any responsibility arising under Section 7.3.1 of Appendix 1 of the Aquis Stock Exchange Growth Market – Rules for Issuers to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Section 7.3.1 of Appendix 1 of the Aquis Stock Exchange Growth Market – Rules for Issuers, consenting to its inclusion in the Admission Document.

Going Concern - Material Uncertainty

In forming our opinion on the financial statements, which is modified, we have considered the adequacy of the disclosure made in notes to the financial statements concerning M&G's ability to continue as a going concern. With the current global outbreak of COVID-19 there continues to be far reaching uncertainty over the effect this may have on the engineering sector and other industries which requires the supply of engineering products, and therefore on the revenues and cash flows of M&G. As noted in M&G's going concern policy within the Financial information, these events or conditions indicate that a material uncertainty exists that casts doubt on M&G's ability to continue as a going concern.

Basis for opinion

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

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

We were not able to agree the closing stock and work in progress held as at 30 April 2018 as we were unable to attend the stock take. We were however able to establish the closing stock and work in progress as at the 31 January 2019. We do not believe these uncertainties to be fundamental in nature based on other substantive work that has been undertaken.

Qualified Opinion

In our opinion, the Financial Information gives, for the purpose of the Admission Document dated 25 May 2020, a true and fair view, except for the possible effect of the matter described in the basis for qualified opinion, of the state of affairs of M&G as at 31 January 2019 and 30 April 2018 and of its results, cash flows and changes in equity for the periods then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Declaration

For the purposes of Appendix 1: Information for an admission document, section 1.2 of the Aquis Stock Exchange Growth Market – Rules for Issuers we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with section 1.2 of

Appendix 1 of the Aquis Stock Exchange Rules.

Yours faithfully

PKF Littlejohn LLP
Reporting Accountants

SECTION E.1

HISTORICAL AUDITED FINANCIAL INFORMATION ON M&G OLYMPIC PRODUCTS LIMITED

The financial information set out below shows the audited results of M&G Olympic Products Limited for the nine months ended 31 January 2019 and for the year ended 30 April 2018.

STATEMENT OF COMPREHENSIVE INCOME

	Notes	Period ended 31 January 2019 £'000	Year ended 30 April 2018 £'000
Continuing operations			
Revenue	**5**	**2,754**	**3,787**
Cost of sales	**6**	(2,095)	(2,710)
Gross profit		**659**	**1,077**
Administrative expenses		(684)	(857)
Other operating income		16	-
Operating profit		**(9)**	**220**
Finance costs	**8**	(10)	(20)
Profit/(loss) before tax		**(19)**	**200**
Tax credit/(charge)	**9**	3	(40)
Net Profit/(loss)		**(16)**	**160**
Other comprehensive income			
		-	-
Total comprehensive income for the year		**(16)**	**160**

The accompanying notes form an integral part of the Financial Information.

STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 January 2019 £'000	As at 30 April 2018 £'000
Non-current assets			
Property, plant and equipment	**11**	244	242
Goodwill		2	6
Trade and other receivables	**13**	195	143
		441	**391**
Current assets			
Inventories and work in progress	**12**	231	223
Trade and other receivables	**13**	1,148	934
Cash and cash equivalents	**18**	5	45
		1,384	**1,202**
Total assets		**1,825**	**1,593**
Equity			
Share capital	**17**	175	175
Capital redemption reserve		25	25
Retained earnings		417	462
Total equity		**617**	**662**
Current liabilities			
Trade and other payables	**14**	831	695
Bank overdrafts	**18**	210	-
Borrowings	**15**	48	82
		1,089	**777**
Non-current liabilities			
Borrowings	**15**	81	117
Deferred tax liabilities		38	37
		119	**154**
Total liabilities		**1,208**	**931**
Total liabilities and equity		**1,825**	**1,593**

STATEMENT OF CHANGES IN EQUITY

	Notes	Share capital £'000	Capital redemption reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 May 2017		**175**	**25**	**356**	**556**
Dividends	**11**	-	-	(54)	(54)
Total comprehensive income		-	-	160	160
Balance as at 30 April 2018		**175**	**25**	**462**	**662**
Balance at 1 May 2018		**175**	**25**	**462**	**662**
Dividends	**11**	**-**	**-**	(29)	(29)
Total comprehensive income		**-**	**-**	(16)	(16)
Balance as at 31 January 2019		**175**	**25**	**417**	**617**

Share capital represents the amount subscribed for shares at nominal value.

The capital redemption reserve is the nominal value of share capital bought back by M&G.

Retained earnings include all current and prior period results as disclosed in the statement of comprehensive income, less dividends paid to the owners of the parent.

STATEMENT OF CASH FLOWS

	Notes	Period ended 31 January 2019 £'000	Year ended 30 April 2018 £'000
Cash flows from operating activities			
(Loss)/Profit before taxation		(19)	200
Adjusted for:			
Finance costs	**8**	10	20
Gain on disposal of tangible fixed assets	**11**	2	-
Depreciation and impairment of property, plant and equipment	**11**	46	77
Operating cash flows before movements in working capital		**39**	**297**
(Increase)/Decrease in inventories and work in progress	**12**	(8)	3
Increase in trade and other receivables	**13**	(266)	(3)
Increase/(decrease) in trade and other payables	**14**	177	(158)
Net cash generated from/(used in) operations		**(58)**	**139**
Income taxes paid		(38)	(19)
Interest paid	**8**	(1)	(1)
Interest element of hire purchase payments paid	**8**	(9)	(15)
Net cash generated from/(used in) operating activities		**(106)**	**104**
Cash flows from investing activities			
Purchase of property, plant and equipment	**11**	(52)	(23)
Proceeds on disposal of property, plant and equipment	**11**	7	66
Net cash used in investing activities		**(45)**	**43**
Cash flows from financing activities			
Loan repayment in the year		(33)	(20)
Capital repayments in the year		(37)	(34)
Dividends paid	**10**	(29)	(52)
Net cash inflow from financing activities		**(99)**	**(106)**
Net increase in cash and cash equivalents		(250)	41
Cash and cash equivalents at beginning of year		45	4
Cash and cash equivalents at end of year	**18**	**(205)**	**45**

1. Organisation and trading activities

M&G Olympic Products Limited ("**M&G**") is incorporated and domiciled in England and Wales as a limited company. The address of its registered office is 109-111 Randall Street, Sheffield, South Yorkshire S2 4SJ.

M&G's principal activity is the design and manufacture of metal structures.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of this Financial Information are set out below ('Accounting Policies' or 'Policies'). These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1. *Basis of accounting*

This financial information of M&G has been prepared for the sole purpose of publication within this Admission Document. It has been prepared in accordance with International Financial Reporting Standards and IFRS interpretations Committee (IFRS IC) interpretations as adopted by the European Union ("**IFRS**") and the policies stated elsewhere within the Financial Information. The Financial Information does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

The Financial Information has been prepared under the historical cost convention. The principal accounting policies are set out below and have, unless otherwise stated, been applied consistently for all periods presented in these Financial Statements. The Financial Statements are prepared in pounds Sterling and presented to the nearest thousand ('000) pound.

2.2. *New standards, amendments to standards and interpretations:*

During the financial year, the Company has adopted the following new IFRSs (including amendments thereto) and IFRIC interpretations that became effective for the first time.

IFRS 9 'Financial Instruments'

The Company has applied IFRS 9, which is effective for annual periods that begins on or after 1 January 2018, to the results for the year ended 30 June 2019. The standard replaces all phases of the financial instruments project and IAS 39 'Financial Instruments: Recognition and Measurement'.

The adoption of IFRS 9 has not had any significant impact on recognition and measurement of financial instruments in the financial statements albeit this is the first period for which financial information has been prepared for the Company.

IFRS 15 'Revenue from Contracts with Customers'

The Company has applied IFRS 15 Revenue from Contracts with Customers, which is effective for annual periods that begin on or after 1 January 2018, to the results for the year ended 30 June 2019. The standard introduces a new revenue recognition model and replaces IAS 18 'Revenue', IAS 11 'Construction Contracts', IFRIC 13 'Customer Loyalty Programmes', IFRIC 15 'Agreements for the Construction of Real Estate', IFRIC 18 'Transfer of Assets from Customers' and SIC-31 "Revenue – Barter Transactions Involving Advertising Services.'

The introduction of IFRS 15 has had no impact on the financial statements.

Standards issued but not yet effective:

At the date of authorisation of these financial statements, the following standards and interpretations relevant to the Company and which have not been applied in these financial statements, were in issue but were not yet effective. In some cases, these standards and guidance have not been endorsed for use in the European Union.

Standard	Effective date, annual period beginning on or after
IFRS 16 Leases	1 January 2019
IFRIC 23 – Uncertainty over Income Tax Treatments	1 January 2019
Annual improvements 2015-2017 cycle	1 January 2019
Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020

The directors do not consider that these standards will impact the financial statements of the Company.

2.3. *Functional and presentation currencies*

The Financial Information is presented in Pound Sterling (£), rounded to the nearest £'000, which is also the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in currencies other than the functional currency are recognised at the rates of exchange on the dates of the transactions. At each balance sheet date, monetary assets and liabilities are retranslated at the rates prevailing at the balance sheet date with differences recognised in the Statement of comprehensive income in the period in which they arise.

2.4. *Going concern*

Any consideration of the foreseeable future involves making a judgement, at a particular point in time, about future events which are inherently uncertain.

The directors have a reasonable expectation that M&G has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the Financial Information. However, this is dependent on trading being able to resume satisfactorily after COVID-19 and the related restrictions. Failure for this to occur may impact the ability of the company to continue as a going concern. Reference to going concern has been made by way of a material uncertainty withinthe reporting accountants report. The reporting accountants make reference to going concern by way of a material uncertainty within their report.

2.5. *Financial instruments*

Initial recognition

A financial asset or financial liability is recognised in the statement of financial position of the Company when it arises or when the Company becomes part of the contractual terms of the financial instrument.

Classification

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- the asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms of the financial asset generating cash flows at specified dates only pertain to capital and interest payments on the balance of the initial capital.

Financial assets which are measured at amortised cost, are measured using the Effective Interest Rate Method (EIR) and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial liabilities at amortised cost

Financial liabilities measured at amortised cost using the effective interest rate method include current borrowings and trade and other payables that are short term in nature. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate ("EIR"). The EIR amortisation is included as finance costs in profit or loss. Trade payables other payables are non-interest bearing and are stated at amortised cost using the effective interest method.

Derecognition

A financial asset is derecognised when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has undertaken the commitment to fully pay the cash flows received without significant delay to a third party under an arrangement and has either (a) transferred substantially all the risks and the assets of the asset or

(b) has neither transferred nor held substantially all the risks and estimates of the asset but has transferred the control of the asset.

Impairment

The Company recognises a provision for impairment for expected credit losses regarding all financial assets. Expected credit losses are based on the balance between all the payable contractual cash flows and all discounted cash flows that the Company expects to receive. Regarding trade receivables, the Company applies the IFRS 9 simplified approach in order to calculate expected credit losses. Therefore, at every reporting date, provision for losses regarding a financial instrument is measured at an amount equal to the expected credit losses over its lifetime without monitoring changes in credit risk. To measure expected credit losses, trade receivables and contract assets have been grouped based on shared risk characteristics.

2.6. *Trade and other receivables*

Trade and other receivables are initially recognised at fair value when related amounts are invoiced then carried at this amount less any allowances for doubtful debts or provision made for impairment of these receivables.

2.7. *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and in hand and are subject to an insignificant risk of changes in value.

2.8. *Trade payables*

These financial liabilities are all non-interest bearing and are initially recognised at the fair value of the consideration payable and subsequently measured at amortised cost using the effective interest method.

2.9. *Borrowings*

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.10. *Taxation*

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

Current tax

The current tax payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Vulcan 's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date and are expected to apply when the related deferred tax asset is realised, or the deferred tax liability is settled.

Deferred tax

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

Deferred tax is not recognised on temporary differences arising from the initial recognition of goodwill or other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is measured on a non-discounted basis using the tax rates and laws that have then been enacted or substantively enacted by the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when Vulcan has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2.11. *Segment reporting*

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker "CODM". The CODM, who is responsible for allocating resources and assessing performance of the operating segments has been identified as the Board of Directors that makes strategic decisions.

2.12. *Revenue recognition*

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods or services supplied in course of ordinary business stated net of discounts, returns and value added taxes. Time Rainham recognises revenue in accordance with IFRS 15 at either a point in time or over time, depending on the nature of the goods or services and existence of acceptance clauses.

Revenue from the sales of goods is recognised when delivery has taken place and the performance obligation of delivering the goods has taken place. The performance obligation of products sold are transferred according to the specific delivery terms that have been formally agreed with the customer, generally upon delivery or installation of goods.

Revenue from the provision of services is recognised as the services are rendered, in accordance with customer contractual terms.

2.13. *Employee benefits*

Orca operates a defined contributions pension scheme. Contributions payable to the pension scheme are charged to the income statement in the period to which they relate.

2.14. *Retirement benefits*

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. Time Rainham has no legal or constructive obligations to pay further contributions if the schemes do no hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods**.**

2.15. *Inventories and work in progress*

Inventories are recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less estimated costs of completion and the estimated costs necessary to make the sale. Any excess of the carrying amount of inventory over its net realisable value is recognised as an impairment loss in profit or loss.

In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

2.16. *Borrowings*

Interest-bearing bank loans and overdrafts and other loans are recognised initially at fair value less attributable transaction costs. All borrowings are subsequently stated at amortised cost with the difference between initial net proceeds and redemption value recognised in the Income Statement over the period to redemption on an effective interest basis.

Borrowing costs relating to qualifying assets are capitalised until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised as an expense in profit or loss as they are incurred.

2.17. *Hire purchase and leasing commitments*

Assets obtained under hire purchase contracts or finance leases are capitalised in the statement of financial position. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the income statement over the relevant period. The capital element of the future payments is treated as a liability.

Operating lease payments, including any lease incentives received, are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2.18. *Property, plant and equipment*

Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses. Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Freehold property	- not provided
Computer equipment	- 25% straight line
Plant and machinery	- 15% reducing balance
Fixtures, fittings & equipment	- 15% reducing balance
Motor vehicles	- 25% reducing balance

Land (which excludes development land) is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is credited or charged to profit or loss.

2.19. *Impairment of property, plant and equipment*

At each reporting end date, M&G review the carrying amounts of its tangible fixed 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). Where it is not possible to estimate the recoverable amount of an individual asset, M&G estimates the recoverable amount of the cash-generating unit to which the asset belongs. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. Any impairment loss and reversal of losses are recognised in profit or loss.

2.20. *Dividends*

Dividends are recognised as liabilities in the period in which the dividends are approved and once, they are no longer at the discretion of M&G.

3. Critical accounting estimates and judgements in applying accounting policies

In the application of M&G’s accounting policies the directors are required to make judgements, estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. The estimates and associated assumptions are based on historical experience, expectations of future events and other factors that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period. The Directors do not consider there to be any critical accounting estimates and judgements that have been applied and therefore none are disclosed within the financial information.

4. Segmental analysis

M&G operates only in the United Kingdom in one segment and hence no segmental analysis is required.

5. Revenue

	Period ended 31 January 2019 £'000	Year ended 30 April 2018 £'000
Value added products	2,750	3,780
Value added services	-	-
Other	4	7
	2,754	**3,787**

Value added products is the sale of finished goods that have undertaken a manufacturing process. Value added services consists of the transportation, installation and contracting services provided.

6. Expenses by Nature

	Period ended 31 January 2019 £'000	Year ended 30 April 2018 £'000
Change in WIP	8	(3)
Purchases	709	825
Sub-Contractors	7	1
Wages	930	1,477
Sales promotion and advertising	11	14
Legal and professional fees	6	10
Hire of plant and machinery	39	13
Depreciation and FA disposal	48	77
Establishment costs	379	501
Insurance	35	40
Other	617	633
	2,789	**3,588**

7. Employee benefit expense

The average monthly number of employees (including executive directors) for the continuing operations was:

	Period ended 31 January 2019	Year ended 30 April 2018
Directors	3	3
Production staff	42	44
Administrative staff	4	4
	49	**51**

	Period ended 31 January 2019 £'000	Year ended 30 April 2018 £'000
Salaries and wages	1,358	1,811
Social security costs	143	184
Pension costs	47	47
	1,548	**2,042**

Directors' emoluments were as follows:

	Period ended 31 January 2019 £'000	Year ended 30 April 2018 £'000
Remuneration for qualifying services	89	110
Company pension contributions to defined contribution schemes	24	30
	113	**140**

The highest paid director received remuneration of £38,852 in the period (2018: £52,328)

The number of directors to whom retirement benefits were accruing was as follows:

	Period ended 31 January 2019 £'000	Year ended 30 April 2018 £'000
Money Purchase schemes	2	2

M&G operate a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of M&G in an independently administered fund.

8. Finance costs

	Period ended 31 January 2019 £'000	Year ended 30 April 2018 £'000
Interest on bank overdrafts and loans	1	1
Interest on hire purchase agreement	9	15
Other interest payable	-	4
	10	**20**

9. Taxation

The weighted average applicable tax rate of 19% (2018: 19%) used is a combination of the standard rate of corporation tax rate for the entities in the United Kingdom of 19% (2018: 19%).

	Period ended 31 January 2019 £'000	Year ended 30 April 2018 £'000
Current tax		
UK corporation tax on profits for the year	(4)	40
Adjustments in respect of prior periods	-	-
	(4)	**40**
Deferred tax		
Origination and reversal of temporary differences	1	-
	(3)	**40**

The charge for the year can be reconciled to the profit / (loss) per the income statement as follows:

	Period ended 31 January 2019 £'000	Year ended 30 April 2018 £'000
Profit / (loss) before tax	**(19)**	**199**
Tax at the UK corporation tax rate of 19% (2018: 19% 2017: 19.918% 2016: 20%)	(4)	38
Effects of:		
Tax effect of expenses that are not deductible in determining taxable profit	1	2
Tax charge	**(3)**	**40**

Estimated tax losses of £3,000 (2018: nil) are available for relief against future profits and a deferred tax asset of £3,000 has not been provided for in the accounts due to the uncertainty of future profits.

10. Dividends

	Period ended 31 January 2019 £'000	Year ended 30 April 2018 £'000
Non-voting shares of £1 each		
Interim	**29**	**52**

11. Property, plant and equipment

	Freehold property £'000	Plant and machinery £'000	Fixtures, fittings & equipment £'000	Motor vehicles £'000	Computer equipment £'000	Total £'000
Cost						
At 1 May 2017	**60**	**444**	**14**	**221**	**90**	**829**
Additions	-	31	-	29	2	62
Disposals	(60)	-	-	(17)	-	(77)
At 30 April 2018	**-**	**475**	**14**	**233**	**92**	**814**
Additions	-	27	13	-	12	52
Disposals	-	-	-	(28)	-	(28)
At 31 January 2019	**-**	**502**	**27**	**205**	**104**	**838**
Depreciation						
At 1 May 2017	**-**	**341**	**11**	**100**	**66**	**518**
Depreciation charge	-	20	1	36	9	66
Disposals	-	-	-	(12)	-	(12)
At 30 April 2018	**-**	**361**	**12**	**124**	**75**	**572**
Depreciation charge	-	15	1	19	6	41
Disposals	-	-	-	(19)	-	(19)
At 31 January 2019	**-**	**376**	**13**	**124**	**81**	**594**
Net book value						
At 31 January 2019	**-**	**126**	**14**	**81**	**23**	**244**
At 30 April 2018	-	114	2	109	17	242

The net carrying value of property, plant and equipment includes the following in respect of assets held under finance leases or hire purchase contracts:

	As at 31 January 2019 £'000	As at 30 April 2018 £'000
Net book value:		
Plant and machinery	18	28
Motor vehicles	79	105
Computer equipment	7	10
	104	**143**

12. Inventories, work in progress and contractual balances

	As at 31 January 2019 £'000	As at 30 April 2018 £'000
Raw materials	10	45
Work in progress	221	178
	231	**223**

13. Trade and other receivables

	As at 31 January 2019 £'000	As at 30 April 2018 £'000
Current		
Trade receivables	1,078	810
Prepayments	70	124
	1,148	934
Non-current		
Trade retentions	195	143
	1,343	**1,077**

The directors consider the carrying amount of the receivables approximates to their fair value.

14. Trade and other payables

	As at 31 January 2019 £'000	As at 30 April 2018 £'000
Trade payables	425	354
Social security and other taxes	58	29
Wages and salaries control	19	34
Accruals and deferred income	61	48
Directors' loan accounts	7	18
Tax Payable	(16)	27
VAT	277	185
	831	**695**

Carrying values approximate to fair value due to their short-term nature.

15. Borrowings

	As at 31 January 2019 £'000	As at 30 April 2018 £'000
Current:		
Other loans	-	33
Hire purchase contracts	48	49
	48	**82**
Non-current:		
Other loans - 1-2 years	-	-
Hire purchase contracts	81	117
	81	**117**

The bank overdraft is secured by fixed securities over certain of M&G's properties and is repayable on demand.

16. Obligations under hire purchase agreements

Hire purchase payments represent rentals payable by M&G for certain items of plant and machinery and are secured by the assets under lease in question. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered for contingent rental payments.

	As at 31 January 2019 £'000	As at 30 April 2018 £'000
Within 1 year	48	49
Two to five years	47	116
More than 5 years	34	2
	129	**167**

17. Share capital

Allotted, called up and fully paid £1 shares	**Ordinary shares Number**	**Non-voting shares Number**	**Share capital £'000**
At 1 May 2017	**175,000**	**175**	**175**
Issued	-	-	-
At 30 April 2018	**175,000**	**175**	**175**
Issued	-	-	-
At 31 January 2019	**175,000**	**175**	**175**

All ordinary shares carry equal voting rights and the rights to a dividend distribution.

The non-voting shares carry equal rights to a dividend distribution but no voting rights.

18. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	As at 31 January 2019 £'000	As at 30 April 2018 £'000
Cash at bank and in hand	5	45
Bank overdraft	(210)	-
	(205)	**45**

The bank overdraft is secured by fixed securities over certain of M&G's properties and is repayable on demand. Net debt consists of borrowing and the bank overdraft with the movement in the period being an increase of £173k.

19. Capital risk management

M&G's objectives when managing capital are to safeguard M&G's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, M&G may adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares or take other steps to increase share capital and reduce or increase debt facilities. The capital structure of M&G is managed and monitored by the Directors. The capital structure is managed with reference to gearing ratios, cash flow and interest cover ratios.

20. Financial risk management

The Company's financial instruments comprise primarily cash and various items such as trade debtors and trade payables which arise directly from operations. The main purpose of these financial instruments is to provide working capital for the Company's operations. The Company does not utilise complex financial instruments or hedging mechanisms.

Financial assets by category

	30 January 2019 £'000	**30 April** 2018 £'000
Current Assets:		
Trade and other receivables	1,148	934
. Cash and cash equivalents	5	45
Categorised as financial assets at amortised cost	1,153	979

Financial liabilities by category

	30 June 2019 £'000	**31 August** 2018 £'000
Current Liabilities:		
Trade and other payables	831	695
Bank Overdraft	210	-
Borrowings	48	82
Categorised as financial liabilities measured at amortised cost	1,089	777
Non-Current Liabilities:		
Borrowings	81	117
Categorised as financial liabilities measured at amortised cost	81	117

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers. Indicators that there is no reasonable expectation of recovery include, amongst others, failure to make contractual payments for a period of greater than 120 days past due.

The carrying amount of financial assets represents the maximum credit exposure.

The principal financial assets of the Company are bank balances and trade receivables. The Group deposits surplus liquid funds with counterparty banks that have high credit ratings and the Directors consider the credit risk to be minimal.

The maximum exposure is that detailed out in financial assets at amortised cost above.

The Company has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS's. IFRS 9 introduces new requirements for the classification and measurement of financial assets and financial liabilities as well as the impairment of financial assets.

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. During the period, there were no credit losses experienced and no loss allowance being recorded.

Interest rate risk

The maximum exposure to interest rate risk is not disclosed as it not considered to be material by management.

Currency risk

The Company operates in a global market with income and costs possibly arising in a number of currencies. The majority of the operating costs are incurred in £GBP. The Company does not hedge potential future income or costs, since the existence, quantum and timing of such transactions cannot be accurately predicted. The Company did not have foreign currency exposure at year end. Financial risk management

21. Operating lease commitments

Operating lease payments represent rentals payable by M&G for certain of its assets. Leases are with an option to extend on completion. M&G had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	As at 31 January 2019 £000	**As at 30 April 2018 £000**
Within one year	94	101
Two to five years	-	67
	94	**168**

22. Contingent liabilities for legal claims

The directors make a provision for all known material claims and legal actions in progress based on best estimates. M&G takes legal advice as to the likelihood of success of claims and actions and no provision is made where the directors consider, based on such advice, that claims, or actions are unlikely to succeed, or a reliable estimate of the potential obligation cannot be made. No contingent liability in respect of such claims or actions has been made within this Financial Information.

23. Controlling Party

The ultimate controlling party is Vulcan Industries plc, a company incorporated in England and Wales, by virtue of their majority shareholding in M&G.

24. Post Balance Sheet Events

Following the year end the COVID-19 pandemic has had a global impact. The situation is continually developing and as at the date of this report the situation will need continual attention and will continue to evolve over time. In our view, consistent with others, COVID-19 is considered to be a non-adjusting post balance sheet event and no adjustment is made in the financial statements as a result.

The rapid development and fluidity of the COVID-19 virus makes it difficult to predict the ultimate impact on the Company at this stage. In line with most experts, we believe that the impact of the virus will be material on the general economy and central banks have already begun to reduce interest rates and taking other measures. Undoubtedly, this will have implications for the Company’s operations, for example restricting travel movements and impacting fund raising activities as investors look to delay decisions until the crisis is over. Management is in the process of addressing the impact of COVID-19 on the Company, however given the fluidity and volatility of the situation it is not possible to quantify the impact at this stage.

SECTION E.2

HISTORICAL UNAUDITED FINANCIAL INFORMATION ON M&G OLYMPIC PRODUCTS LIMITED

The financial information set out below shows the unaudited results of M&G Olympic Products Limited for the six months ended 31 July 2019 with the audited results of M&G Olympic Products Limited for the nine months ended 31 January 2019.

STATEMENT OF COMPREHENSIVE INCOME

	Notes	Period ended 31 July 2019 £'000	Period ended 31 January 2019 £'000
Continuing operations			
Revenue	**4**	**1,783**	**2,754**
Cost of sales		(1,120)	**(2,095)**
Gross profit		**663**	**659**
Administrative expenses		(635)	**(684)**
Other operating income		2	**16**
Operating profit		**30**	**(9)**
Finance costs	**5**	(8)	**(10)**
Profit/(loss) before tax		**22**	**(19)**
Tax	**6**	(4)	**3**
Net Profit/(loss)		**18**	**(16)**
Total comprehensive income			
Foreign exchange gain (loss)		-	**-**
Total comprehensive income for the year		**18**	**(16)**

The accompanying notes form an integral part of the Financial Information.

STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 July 2019 £'000	As at 31 January 2019 £'000
Non-current assets			
Property, plant and equipment		206	244
Goodwill		-	2
Trade and other receivables		-	195
		206	**441**
Current assets			
Inventories and work in progress	**7**	199	231
Trade and other receivables	**8**	1,133	1,148
Cash and cash equivalents		68	5
		1,400	**1,384**
Total assets		**1,606**	**1,825**
Equity			
Share capital		175	175
Capital redemption reserve		25	25
Retained earnings		431	417
Total equity		**631**	**617**
Current liabilities			
Trade and other payables	**9**	832	831
Bank overdrafts		-	210
Borrowings		44	48
		876	**1,089**
Non-current liabilities			
Borrowings		61	81
Deferred tax liabilities		38	38
		99	**119**
Total liabilities		**975**	**1,208**
Total liabilities and equity		**1,606**	**1,825**

STATEMENT OF CHANGES IN EQUITY

	Notes	Share capital £'000	Capital redemption reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 May 2018		**175**	**25**	**462**	**662**
Dividends		**-**	**-**	(29)	(29)
Total comprehensive income		**-**	**-**	(16)	(16)
Balance as at 31 January 2019		**175**	**25**	**417**	**617**
Balance at 1 February 2019		**175**	**25**	**417**	**617**
Dividends		-	-	(4)	(4)
Total comprehensive income		-	-	18	18
Balance as at 31 July 2019		**175**	**25**	**431**	**631**

Share capital represents the amount subscribed for shares at nominal value.

The capital redemption reserve is the nominal value of share capital bought back by M&G.

Retained earnings include all current and prior period results as disclosed in the statement of comprehensive income, less dividends paid to the owners of the parent.

STATEMENT OF CASH FLOWS

	Notes	Period ended 31 July 2019 £'000	Period ended 31 January 2019 £'000
Cash flows from operating activities			
Profit/(loss) before taxation		22	(19)
Adjusted for:			
Finance costs		8	10
Gain on disposal of tangible fixed assets		-	2
Depreciation and impairment of property, plant and equipment		35	46
Operating cash flows before movements in working capital		**65**	**39**
Decrease/(increase) in inventories and work in progress		32	(7)
Decrease/(increase) in trade and other receivables	**8**	210	(268)
Increase in trade and other payables	**9**	1	179
Net cash generated from/(used in) operations		**308**	**(57)**
Income taxes paid		(4)	(38)
Interest paid	**8**	(3)	(1)
Interest element of hire purchase payments paid	**8**	(5)	(9)
Net cash generated from/(used in) operating activities		**296**	**(105)**
Cash flows from investing activities			
Purchase of property, plant and equipment		(3)	(52)
Proceeds on disposal of property, plant and equipment		8	7
Net cash used in investing activities		**5**	**(45)**
Cash flows from financing activities			
Loan repayment in the year		(24)	(33)
Capital repayments in the year		-	(37)
Dividends paid		(4)	(29)
Net cash inflow from financing activities		**(28)**	**(99)**
Net increase in cash and cash equivalents		**273**	**(250)**
Cash and cash equivalents at beginning of year		(205)	45
Cash and cash equivalents at end of year		**68**	**(205)**

1. Organisation and trading activities

M&G Olympic Products Limited ("M&G") is incorporated and domiciled in England and Wales as a limited company. The address of its registered office is 109-111 Randall Street, Sheffield, South Yorkshire S2 4SJ.

M&G's principal activity is the design and manufacture of metal structures.

2. Accounting policies

The principal accounting policies applied in the preparation of this Financial Information are set out in the annual financial information for the year ended 31 October 2018 as shown in Part V Section E.2 of the Document. This Interim Financial Information should be read in conjunction with this audited financial information. These Policies have been consistently applied to all the periods presented, unless otherwise stated. Only material changes to these policies are disclosed in the Interim Financial Information.

2.1 Basis of preparation of financial information

As permitted, BHC has chosen not to adopt IAS 34 "Interim Financial Statements" in preparing this interim financial information. The Condensed Interim Financial Information should be read in conjunction with the annual financial statements for the year ended 31 March 2019, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, and are in included in Part V Section E.2 of the Document.

The Interim Financial Information set out above does not constitute statutory accounts within the meaning of the Companies Act 2006. It has been prepared on a going concern basis in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) as adopted by the European Union.

The Historic Financial information for the period ended 31 July 2019 as included in Part V Section E.2 was approved by the Board of Directors on 22 May 2020.

2.2 Leases

During the period the Company adopted IFRS 16 'Leases'. At inception of a contract, the Company 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, the Group uses the definition of a lease in IFRS16.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

There was no impact on adoption of this standard as all relevant leases were assessed to be under one year in durationby management.

2.3 Going concern

The Financial Information has been prepared on a going concern basis. The Directors have a reasonable expectation that IVI will have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the Financial Information. However, this is dependent on the resumption of normal trading patterns following COVID-19 which cannot be assured.

3. Segmental analysis

M&G operates only in the United Kingdom in one segment and hence no segmental analysis is required.

4. Revenue

	Period ended 31 July 2019	Period ended 31 January 2019
	£'000	**£'000**
Value added products	1,783	2,750
Value added services	-	-
Other	-	4
	1,783	**2,754**

Value added products is the sale of finished goods that have undertaken a manufacturing process. Value added services consists of the transportation, installation and contracting services provided.

5. Finance costs

	Period ended 31 July 2019 £'000	**Period ended 31 January 2019 £'000**
Interest on bank overdrafts and loans	3	1
Interest on hire purchase agreement	5	9
	8	**10**

6. Taxation

The weighted average applicable tax rate of 19% (January 2019: 19% used is a combination of the standard rate of corporation tax rate for the entities in the United Kingdom of 19% (January 2019: 19%).

	Period ended 31 July 2019 £'000	**Period ended 31 January 2019 £'000**
Current tax		
UK corporation tax on profits for the year	4	(4)
	4	**(4)**
Deferred tax		
Origination and reversal of temporary differences	-	1
	4	**(3)**

The charge for the year can be reconciled to the profit / (loss) per the income statement as follows:

	Period ended 31 July 2019 £'000	Period ended 31 January 2019 £'000
Profit / (loss) before tax	**22**	**(19)**
Tax at the UK corporation tax rate of 19% (January 2019: 19%)	4	(4)
Effects of:		
Tax effect of expenses that are not deductible in determining taxable profit	-	1
Tax charge	**4**	**(3)**

7. Inventories, work in progress and contractual balances

	As at 31 July 2019 £'000	As at 31 January 2019 £'000
Raw materials	10	10
Work in progress	189	221
	199	**231**

8. Trade and other receivables

Current	As at 31 July 2019 £'000	As at 31 January 2019 £'000
Trade receivables	1,025	1,078
Other debtors	31	-
Prepayments	77	70
	1,133	**1,148**
Non-current		
Trade retentions	-	195
	1,133	**1,343**

The directors consider the carrying amount of the receivables approximates to their fair value.

9. Trade and other payables

	As at 31 July 2019 £'000	As at 31 January 2019 £'000
Trade payables	365	425
Social security and other taxes	92	58
Wages and salaries control	-	19
Accruals and deferred income	82	61
Directors' loan accounts	-	7
Tax Payable	(12)	(16)
VAT	305	277
	832	**831**

Carrying values approximate to fair value due to their short-term nature.

10. Post Balance Sheet Events

Following the year end the COVID-19 pandemic has had a global impact. The situation is continually developing and as at the date of this report the situation will need continual attention and will continue to evolve over time. In our view, consistent with others, COVID-19 is considered to be a non-adjusting post balance sheet event and no adjustment is made in the financial statements as a result.

The rapid development and fluidity of the COVID-19 virus makes it difficult to predict the ultimate impact on the Company at this stage. In line with most experts, we believe that the impact of the virus will be material on the general economy and central banks have already begun to reduce interest rates and taking other measures. Undoubtedly, this will have implications for the Company’s operations, for example restricting travel movements and impacting fund raising activities as investors look to delay decisions until the crisis is over. Management is in the process of addressing the impact of COVID-19 on the Company, however given the fluidity and volatility of the situation it is not possible to quantify the impact at this stage.

HISTORICAL AUDITED FINANCIAL INFORMATION ON THE PROPOSED ACQUISITION

This Part sets out the historical audited financial information of the Proposed Acquisition and comprises the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the accompanying notes to these statements. The aforementioned reports were current only as at their dates of publication, and their inclusion herein is not intended to create any implication that there has been no change in the affairs of the Company since the date of the relevant report or that the information contained in them is current as at any time subsequent to their respective dates.

SECTION F

ACCOUNTANTS' REPORT ON EDWIN LOWE,LIMITED, THE PROPOSED ACQUISITION

The following is the full text of a report on Edwin Lowe,Limited from PKF Littlejohn, the Reporting Accountants, to the Directors of Vulcan Industries plc.

PKF

Accountants &
business advisers

The Directors
Vulcan Industries Plc
8th Floor Broadgate Tower
20 Primrose Street
London
EC2A 2EW

The Directors
First Sentinel Corporate Finance Limited
72 Charlotte Street
London
W1T 4QQ

25 May 2020

Dear Sirs

Edwin Lowe Limited

Introduction

We report on the historical financial information set out in Section F of Part V (the "**Financial Information**") relating to Edwin Lowe,Limited ("**Edwin Lowe**"). This financial information has been prepared for inclusion in the Admission Document of Vulcan Industries Plc (the "**Company**") dated 25 May 2020 on the basis of the accounting policies set out in note 2 to the financial information.

This report is given for the purpose of complying with Section 7.3.1 of Appendix 1 of the Aquis Stock Exchange Growth Market - Rules for Issuers and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibility

The Directors of the Group are responsible for preparing the financial information on the basis of preparation set out in note 2 to the financial information and in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS').

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

Save for any responsibility arising under Section 7.3.1 of Appendix 1 of the Aquis Stock Exchange Growth Market – Rules for Issuers to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Section 7.3.1 of Appendix 1 of the Aquis Stock Exchange Growth Market – Rules for Issuers, consenting to its inclusion in the Admission Document.

Going Concern – Material Uncertainty

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in notes to the financial statements concerning Edwin Lowe's ability to continue as a going concern. With the current global outbreak of COVID-19 there continues to be far reaching uncertainty over the effect this may have on the engineering sector and other industries which requires the supply of engineering products, and therefore on the revenues and cash flows of Edwin Lowe. As noted in Edwin Lowe 's going concern policy within the Financial information, these events or conditions indicate that a material uncertainty exists that casts doubt on Edwin Lowe's ability to continue as a going concern.

Basis for opinion

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

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

Opinion

In our opinion, the Financial Information gives, for the purpose of the Admission Document dated 25 May 2020, a true and fair view of the state of affairs of Edwin Lowe as at 30 June 2019, 2018 and 2017 and of its results, cash flows and changes in equity for the periods then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Declaration

For the purposes of Appendix 1: Information for an admission document, section 1.2 of the Aquis Stock Exchange Growth Market – Rules for Issuers we are responsible for this report as part of the Admission

Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with section 1.2 of Appendix 1 of the Aquis Stock Exchange Rules.

Yours faithfully

PKF Littlejohn LLP
Reporting Accountants

HISTORICAL AUDITED FINANCIAL INFORMATION ON EDWIN LOWE,LIMITED

The financial information set out below shows the audited results of Edwin Lowe,Limited for the two years ended 30 June 2019.

Edwin Lowe,Limited was acquired by E Lowe Holdings Ltd ("**E Lowe**") on 21 August 2019. E Lowe was incorporated on 11 April 2019 with the sole purpose of acquiring Edwin Lowe and, other than to complete this acquisition, has not traded. As such, no financial information is provided in respect of E Lowe.

The acquisition of E Lowe by Vulcan has not been completed but is subject to non-binding heads of agreement.

STATEMENT OF COMPREHENSIVE INCOME

	Notes	30 June 2019 £'000	30 June 2018 £'000
Continuing operations			
Revenue	5	**1,035**	**745**
Cost of sales	6	(661)	(407)
Gross profit		**374**	**338**
Distribution costs	6	(69)	(59)
Administrative expenses	6	(227)	(196)
Other operating income		-	-
Operating profit		**78**	**83**
Finance costs		(2)	-
Finance income		1	-
Profit/(loss) before tax		**77**	**83**
Tax	9	25	(5)
Net Profit/(loss)		**102**	**78**
Total profit/(loss) for the year		**102**	**78**
Other Comprehensive Income		-	-
Total comprehensive income for the year		**102**	**78**

The accompanying notes form an integral part of the Financial Information.

STATEMENT OF FINANCIAL POSITION

	Notes	30 June 2019 £'000	30 June 2018 £'000
Non-current assets			
Property, plant and equipment	**9**	624	666
Trade and other receivables	**11**	55	-
		679	**666**
Current assets			
Inventories and work in progress	**10**	96	125
Trade and other receivables	**11**	374	297
Cash and cash equivalents	**13**	265	120
		735	**542**
Total assets		**1,414**	**1,208**
Equity			
Share capital	**14**	15	15
Share premium		3	3
Revaluation reserve		264	264
Capital redemption reserve		3	3
Retained earnings		798	696
Total equity		**1,083**	**981**
Non-current liabilities			
Deferred tax	17	85	61
Current liabilities			
Trade and other payables	**12**	212	125
Tax payable		34	41
		246	**166**
Total liabilities		**338**	**234**
Total liabilities and equity		**1,414**	**1,208**

STATEMENT OF CHANGES IN EQUITY

	Share capital £'000	Share premium £'000	Revaluation reserve £'000	Capital redemption reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 July 2017	**15**	**3**	**264**	**3**	**618**	**903**
Total comprehensive income	-	-	-	-	78	78
Balance as at 30 June 2018	**15**	**3**	**264**	**3**	**696**	**981**
Balance at 1 July 2018	**15**	**3**	**264**	**3**	**696**	**981**
Total comprehensive income	-	-	-	-	102	102
Balance as at 30 June 2019	**15**	**3**	**264**	**3**	**798**	**1,083**

Share capital represents the amount subscribed for shares at nominal value.

Retained earnings include all current and prior period results as disclosed in the statement of comprehensive income, less dividends paid to the owners of the parent.

STATEMENT OF CASH FLOWS

	Notes	30 June 2019 £'000	30 June 2018 £'000
Cash flows from operating activities			
Profit/(loss) before taxation		77	83
Adjusted for:			
Depreciation and impairment of property, plant and equipment	**9**	43	44
Revaluation		(3)	(7)
Finance charges		2	-
Finance income		(1)	-
Operating cash flows before movements in working capital		**118**	**120**
Decrease/(Increase) in inventories and work in progress	**10**	29	(51)
Increase in trade and other receivables	**11**	(86)	(98)
Increase in trade and other payables	**12**	87	19
Net cash generated from/(used in) operations		**148**	**(10)**
Income taxes paid		(1)	10
Interest paid		(1)	-
Net cash generated from/(used in) operating activities		**146**	**-**
Cash flows from investing activities			
Purchase of property, plant and equipment	**9**	(1)	(7)
Net cash used in investing activities		**(1)**	**(7)**
Net increase in cash and cash equivalents	**13**	**145**	**(7)**
Cash and cash equivalents at beginning of year		120	127
Cash and cash equivalents at end of year	**13**	**265**	**120**

1. **Organisation and trading activities**

Edwin Lowe,Limited ("**Edwin Lowe**") is incorporated and domiciled in England and Wales as a limited company. The address of its registered office is Perry Bridge Works, Aldridge Road, Perry Barr, Birmingham B42 2HB.

Edwin Lowe's principal activity is the design and manufacture of metal components for the construction and other industries.

2. **Summary of significant accounting policies**

The principal accounting policies applied in the preparation of this Financial Information are set out below ('Accounting Policies' or 'Policies'). These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1. *Basis of accounting*

This financial information of the Company has been prepared for the sole purpose of publication within this Admission Document. It has been prepared in accordance with International Financial Reporting Standards and IFRS interpretations Committee (IFRS IC) interpretations as adopted by the European Union ("**IFRS**") and the policies stated elsewhere within the Financial Information. The Financial Information does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

The Financial Information has been prepared under the historical cost convention as modified by the measurement of certain elements of property, plant and equipment at fair value.

The principal accounting policies are set out below and have, unless otherwise stated, been applied consistently for all periods presented in these Financial Statements. The Financial Statements are prepared in pounds Sterling and presented to the nearest thousand ('000) pound.

2.2. *New standards, amendments to standards and interpretations:*

During the financial year, the Company has adopted the following new IFRSs (including amendments thereto) and IFRIC interpretations that became effective for the first time.

IFRS 9 'Financial Instruments'

The Company has applied IFRS 9, which is effective for annual periods that begins on or after 1 January 2018, to the results for the year ended 30 June 2019. The standard replaces all phases of the financial instruments project and IAS 39 'Financial Instruments: Recognition and Measurement'.

The adoption of IFRS 9 has not had any significant impact on recognition and measurement of financial instruments in the financial statements albeit this is the first period for which financial information has been prepared for the Company.

IFRS 15 'Revenue from Contracts with Customers'

The Company has applied IFRS 15 Revenue from Contracts with Customers, which is effective for annual periods that begin on or after 1 January 2018, to the results for the year ended 30 June 2019. The standard introduces a new revenue recognition model and replaces IAS 18 'Revenue', IAS 11 'Construction Contracts', IFRIC 13 'Customer Loyalty Programmes', IFRIC 15 'Agreements for the Construction of Real Estate', IFRIC 18 'Transfer of Assets from Customers' and SIC-31 "Revenue – Barter Transactions Involving Advertising Services.'

The introduction of IFRS 15 has had no impact on the financial statements.

Standards issued but not yet effective:

At the date of authorisation of these financial statements, the following standards and interpretations relevant to the Company and which have not been applied in these financial statements, were in issue but were not yet effective. In some cases, these standards and guidance have not been endorsed for use in the European Union.

Standard	Effective date, annual period beginning on or after
IFRS 16 Leases	1 January 2019
IFRIC 23 – Uncertainty over Income Tax Treatments	1 January 2019
Annual improvements 2015-2017 cycle	1 January 2019
Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020

The directors do not consider that these standards will impact the financial statements of the Company.

2.3. *Functional and presentation currencies*

The Financial Information is presented in Pound Sterling (£), rounded to the nearest £'000, which is also the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in currencies other than the functional currency are recognised at the rates of exchange on the dates of the transactions. At each balance sheet date, monetary assets and liabilities are retranslated at the rates prevailing at the balance sheet date with differences recognised in the Statement of comprehensive income in the period in which they arise.

2.4. *Going concern*

Any consideration of the foreseeable future involves making a judgement, at a particular point in time, about future events which are inherently uncertain.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the Financial Information. However, this is dependent on trading being able to resume satisfactorily after COVID-19 and the related restrictions. Failure for this to occur may impact the ability of the company to continue as a going concern. Reference to going concern has been made by way of a material uncertainty withinthe reporting accountants report. The reporting accountants make reference to going concern by way of a material uncertainty within their report.

2.5. *Financial instruments*

Initial recognition

A financial asset or financial liability is recognised in the statement of financial position of the Company when it arises or when the Company becomes part of the contractual terms of the financial instrument.

Classification

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- the asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms of the financial asset generating cash flows at specified dates only pertain to capital and interest payments on the balance of the initial capital.

Financial assets which are measured at amortised cost, are measured using the Effective Interest Rate Method (EIR) and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial liabilities at amortised cost

Financial liabilities measured at amortised cost using the effective interest rate method include current borrowings and trade and other payables that are short term in nature. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate ("EIR"). The EIR amortisation is included as finance costs

in profit or loss. Trade payables other payables are non-interest bearing and are stated at amortised cost using the effective interest method.

Derecognition

A financial asset is derecognised when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has undertaken the commitment to fully pay the cash flows received without significant delay to a third party under an arrangement and has either (a) transferred substantially all the risks and the assets of the asset or (b) has neither transferred nor held substantially all the risks and estimates of the asset but has transferred the control of the asset.

Impairment

The Company recognises a provision for impairment for expected credit losses regarding all financial assets. Expected credit losses are based on the balance between all the payable contractual cash flows and all discounted cash flows that the Company expects to receive. Regarding trade receivables, the Company applies the IFRS 9 simplified approach in order to calculate expected credit losses. Therefore, at every reporting date, provision for losses regarding a financial instrument is measured at an amount equal to the expected credit losses over its lifetime without monitoring changes in credit risk. To measure expected credit losses, trade receivables and contract assets have been grouped based on shared risk characteristics.

2.6. *Trade and other receivables*

Trade and other receivables are initially recognised at fair value when related amounts are invoiced then carried at this amount less any allowances for doubtful debts or provision made for impairment of these receivables.

2.7. *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and in hand and are subject to an insignificant risk of changes in value.

2.8. *Trade payables*

These financial liabilities are all non-interest bearing and are initially recognised at the fair value of the consideration payable and subsequently measured at amortised cost using the effective interest method.

2.9. *Borrowings*

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.10. *Taxation*

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

Current tax

The current tax payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Vulcan ‘s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date and are expected to apply when the related deferred tax asset is realised, or the deferred tax liability is settled.

Deferred tax

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

Deferred tax is not recognised on temporary differences arising from the initial recognition of goodwill or other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is measured on a non-discounted basis using the tax rates and laws that have then been enacted or substantively enacted by the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when Vulcan has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2.11. *Segment reporting*

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker “CODM”. The CODM, who is responsible for allocating resources and assessing performance of the operating segments has been identified as the Board of Directors that makes strategic decisions.

2.12. *Revenue recognition*

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods or services supplied in course of ordinary business stated net of discounts, returns and value added taxes. The Company recognises revenue in accordance with IFRS 15 at either a point in time or over time, depending on the nature of the goods or services and existence of acceptance clauses.

Revenue from the sales of goods is recognised when delivery has taken place and the performance obligation of delivering the goods has taken place. The performance obligation of products sold are transferred according to the specific delivery terms that have been formally agreed with the customer, generally upon delivery or installation of goods.

Revenue from the provision of services is recognised as the services are rendered, in accordance with customer contractual terms.

2.13. *Employee benefits*

Orca operates a defined contributions pension scheme. Contributions payable to the pension scheme are charged to the income statement in the period to which they relate.

2.14. *Retirement benefits*

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. Time Rainham has no legal or constructive obligations to pay further contributions if the schemes do no hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods**.**

2.15. *Inventories and work in progress*

Inventories are recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less estimated costs of completion and the estimated costs necessary to make the sale. Any excess of the carrying amount of inventory over its net realisable value is recognised as an impairment loss in profit or loss.

In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

2.16. *Borrowings*

Interest-bearing bank loans and overdrafts and other loans are recognised initially at fair value less attributable transaction costs. All borrowings are subsequently stated at amortised cost with the difference between initial net proceeds and redemption value recognised in the Income Statement over the period to redemption on an effective interest basis.

Borrowing costs relating to qualifying assets are capitalised until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised as an expense in profit or loss as they are incurred.

2.17. Property, plant and equipment

Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses. Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Freehold property	- 2% on cost
Plant and machinery	- varying rates between 3.33% and 10% on cost
Fixtures, fittings & equipment	- 20% on cost

Land (which excludes development land) is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is credited or charged to profit or loss.

2.18. Impairment of property, plant and equipment

At each reporting end date, Edwin Lowe review the carrying amounts of its tangible fixed 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). Where it is not possible to estimate the recoverable amount of an individual asset, Edwin Lowe estimates the recoverable amount of the cash-generating unit to which the asset belongs. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. Any impairment loss and reversal of losses are recognised in profit or loss.

3. Critical accounting estimates and judgements in applying accounting policies

In the application of Edwin Lowe‘s accounting policies the directors are required to make judgements, estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. The estimates and associated assumptions are based on historical experience, expectations of future events and other factors that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period. The Directors do not consider there to be any critical accounting estimates and judgements that have been applied and therefore none are disclosed within the financial information.

4. Segmental analysis

Edwin Lowe operates only in the United Kingdom in one segment and hence no segmental analysis is required.

5. Revenue

	30 June 2019 £'000	30 June 2018 £'000
Value added products	1,035	745
Value added services	-	-
Other	-	-
	1,035	**745**

Value added products is the sale of finished goods that have undertaken a manufacturing process. Value added services consists of the transportation, installation and contracting services provided.

6. Expenses by Nature

	30 June 2019 £'000	30 June 2018 £'000
Change in WIP	29	(51)
Purchases	574	393
Wages	148	143
Sales promotion and advertising	14	12
Legal and professional fees	15	15
Hire of plant and machinery	0	0
Depreciation and FA disposal	43	44
Establishment costs	36	33
Insurance	15	14
Other	83	59
	957	**662**

7. Employee benefit expense

The average monthly number of employees (including executive directors) for the continuing operations was:

	30 June 2019 Number	30 June 2018 Number
Directors	1	1
Production staff	3	3
Administrative staff	2	2
	6	**6**

	30 June 2019 £'000	30 June 2018 £'000
Salaries and wages	134	130
Social security costs	14	12
Pension costs	7	6
	155	**148**

Directors' emoluments were as follows:

	30 June 2019 £'000	30 June 2018 £'000
Remuneration for qualifying services	-	-

The highest paid director received remuneration of £nil in the period (2018: £nil).

The number of directors to whom retirement benefits were accruing was nil.

8. Taxation

The weighted average applicable tax rate for all periods is 19%.

	30 June 2019 £'000	30 June 2018 £'000	30 June 2017 £'000
Current tax			
UK corporation tax on profits for the year	(49)	10	7
Deferred tax			
Origination and reversal of temporary differences	24	(5)	(7)
	(25)	**5**	**-**

The charge for the year can be reconciled to the profit / (loss) per the income statement as follows:

	30 June 2019 £'000	30 June 2018 £'000
Profit / (loss) before tax	**77**	83
Tax at the UK corporation tax rate of 19%	**15**	16
Effects of:		
Tax effect of expenses that are not deductible in determining taxable profit		
Adjustments in respect of prior years	**(64)**	(6)
Tax (credit)/ charge	**(49)**	**10**

9. Property, plant and equipment

	Freehold Property £'000	Plant and machinery £'000	Fixtures, fittings & equipment £'000	Total £'000
Cost				
At 31 July 2017	**400**	**866**	**93**	**1,359**
Additions		7	-	7
At 30 June 2018	**400**	**873**	**93**	**1,366**
Additions	-	1	-	-
At 30 June 2019	**400**	**874**	**93**	**1,367**
Depreciation				
At 1 July 2017	**56**	**507**	**93**	**656**

Depreciation charge	8	36	-	44
At 30 June 2018	**64**	**543**	**93**	**700**
Depreciation charge	8	35	-	43
At 30 June 2019	**72**	**578**	**93**	**743**
Net book value				
At 30 June 2019	**328**	**296**	**-**	**624**
At 30 June 2018	336	330	-	666

10. Inventories, work in progress and contractual balances

	30 June 2019 £'000	30 June 2018 £'000
Stocks	-	125
Work in progress	93	-
Sundry stocks	3	-
	96	**125**

11. Trade and other receivables

	30 June 2019 £'000	30 June 2018 £'000
Current:		
Trade receivables	111	103
Other debtors	72	194
Directors' current accounts	163	-
VAT	8	-
Prepayments and accrued income	20	-
	374	**297**
Non-current:		
Other debtors	55	-
	55	**-**

The directors consider the carrying amount of the receivables approximates to their fair value.

12. Trade and other payables

	30 June 2019 £'000	30 June 2018 £'000
Trade payables	160	105
Other creditors	52	20
	212	**132**

Carrying values approximate to fair value due to their short-term nature.

13. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	30 June 2019 £'000	30 June 2018 £'000
Cash at bank and in hand	**265**	**120**

14. Share capital

Allotted, called up and fully paid £1 shares	Number of Ordinary shares	Share capital £'000
At 1 July 2016	**14,500**	**15**
Issued	-	-
At 30 June 2017	**14,500**	**15**
Issued	-	-
At 30 June 2018	**14,500**	**15**
Issued	-	-
At 30 June 2019	**14,500**	**15**

All ordinary shares carry equal voting rights and the rights to a dividend distribution.

15. Deferred tax

	Total £'000
Balance at 1 July 2016	**73**
Movement	(7)
Balance as at 30 June 2017	**66**
Balance at 1 July 2017	**66**
Movement	(5)
Balance as at 30 June 2018	**61**
Balance at 1 July 2018	**61**
Movement	24
Balance as at 30 June 2019	**85**

16. Capital risk management

Edwin Lowe's objectives when managing capital are to safeguard Edwin Lowe's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, Edwin Lowe may adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares or take other steps to increase share capital and reduce or increase debt facilities. The capital structure of Edwin Lowe is managed and monitored by the Directors. The capital structure is managed with reference to gearing ratios, cash flow and interest cover ratios.

17. Financial risk management

The Company's financial instruments comprise primarily cash and various items such as trade debtors and trade payables which arise directly from operations. The main purpose of these financial instruments is to provide working capital for the Company's operations. The Company does not utilise complex financial instruments or hedging mechanisms.

Financial assets by category

	30 June 2019 £'000	30 June 2018 £'000
Current Assets:		
Trade and other receivables	374	297
Cash and cash equivalents	260	120
Categorised as financial assets at amortised cost	169	979
Non-Current Assets:		
Other debtors	55	-
Categorised as financial ass measured at amortised cost	55	-

Financial liabilities by category

	30 June 2019 £'000	31 June 2018 £'000
Current Liabilities:		
Trade and other payables	219	132
Categorised as financial liabilities measured at amortised cost	219	132

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers. Indicators that there is no reasonable expectation of recovery include, amongst others, failure to make contractual payments for a period of greater than 120 days past due.

The carrying amount of financial assets represents the maximum credit exposure.

The principal financial assets of the Company are bank balances and trade receivables. The Company deposits surplus liquid funds with counterparty banks that have high credit ratings and the Directors consider the credit risk to be minimal.

The maximum exposure is that detailed out in financial assets at amortised cost above.

The Company has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS's. IFRS 9 introduces new requirements for the classification and measurement of financial assets and financial liabilities as well as the impairment of financial assets.

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. During the period, there were no credit losses experienced and no loss allowance being recorded.

Interest rate risk

The maximum exposure to interest rate risk is not disclosed as it not considered to be material by management.

Currency risk

The Company operates in a global market with income and costs possibly arising in a number of currencies. The majority of the operating costs are incurred in £GBP. The Company does not hedge potential future income or costs, since the existence, quantum and timing of such transactions cannot be accurately predicted. The Company did not have foreign currency exposure at year end.

18. Contingent liabilities for legal claims

The directors make a provision for all known material claims and legal actions in progress based on best estimates. Edwin Lowe takes legal advice as to the likelihood of success of claims and actions and no provision is made where the directors consider, based on such advice, that claims, or actions are unlikely to succeed, or a reliable estimate of the potential obligation cannot be made. No contingent liability in respect of such claims or actions has been made within this Financial Information.

19. Post Balance Sheet Events

Following the year end the COVID-19 pandemic has had a global impact. The situation is continually developing and as at the date of this report the situation will need continual attention and will continue to evolve over time. In our view, consistent with others, COVID-19 is considered to be a non-adjusting post balance sheet event and no adjustment is made in the financial statements as a result.

The rapid development and fluidity of the COVID-19 virus makes it difficult to predict the ultimate impact on the Company at this stage. In line with most experts, we believe that the impact of the virus will be material on the general economy and central banks have already begun to reduce interest rates and taking other measures. Undoubtedly, this will have implications for the Company's operations, for example restricting travel movements and impacting fund raising activities as investors look to delay decisions until the crisis is over. Management is in the process of addressing the impact of COVID-19 on the Company, however given the fluidity and volatility of the situation it is not possible to quantify the impact at this stage.

PART VI

ADDITIONAL INFORMATION

1 Responsibility

The Directors of the Company, whose names appear on page 16 of this Document, accept full responsibility, collectively and individually, for the information contained in this Document. To the best of the Directors knowledge and belief (who have taken all reasonable care to ensure that this is the case), the information contained in this Document is in accordance with the facts and there is no other material information the omission of which is likely to affect the import of such information.

2 The Company

2.1 The Company was incorporated under the Act as a public limited company and with an indefinite life under the laws of England and Wales on 24 October 2018 with registered number 11640409 and the name Vulcan Industries PLC.

2.2 The Company was incorporated with accounting reference date of 21 October 2019. On 20 September 2019 the Company changed its accounting reference date to 31 December and on 31 March 2020 changed its accounting reference date again to 31 March.

2.3 The principal legislation under which the Company operates is the Act and the liability of the Shareholders is limited.

2.4 On incorporation, the Company adopted the Articles. The Company operates in conformity with its Articles and the laws of England and Wales.

2.5 The Company's registered office is at The Broadgate Tower, 20 Primrose Street, London, United Kingdom, EC2A 2EW.

2.6 The Company has complied with its statutory consents in relation to its eligibility for the proposed Admission.

2.7 The principal activity of the Company is that of a holding company.

3 The Company and its Subsidiaries

3.1 The Company is the holding company of the Group.

3.2 As at the date of this Document the Company has the following 6 wholly owned subsidiaries:

Name of Subsidiary	Place of incorporation and registered number	Principal activity
IVI Metallics Limited	England and Wales, 04744940	Supply and manufacture of fasteners and nail products for the footwear industry and other industries
Time Rainham Limited	England and Wales, 10675220	Manufacturer of precision components
Orca Doors Limited	England and Wales, 08181933	Manufacturer of fire doors in the healthcare and local goverment markets

M&G Olympic Products Limited	England and Wales, 03589140	Design, manufacture and installation of custom built architectural metalwork
Orca Fire Doors Limited	England and Wales, 11894377	Dormant
Racco Products Limited	England and Wales, 03139973	Dormant

4 Share capital

4.1 The Company was incorporated with a share capital of £50,000 divided into 5,000,000 Shares with a par value of £0.01 each.

4.2 The following is a summary of the changes in the issued Shares of the Company since its incorporation:

(a) on 6 February 2019, the Company issued 500,025 Shares at an issue price of £3.00 for cash pursuant to a share purchase agreement dated 6 February 2019 under which the Company acquired the entire issued share capital of IVI, the consideration for which was the issue of 500,025 consideration shares to the seller of the shares in IVI, Zanete Fergusone;

(b) on 26 February 2019, the Company issued 1,499,975 Shares of £0.01 each as part of a subscription;

(c) on 26 February 2019, the Company implemented a sub-division of its share capital from 7,000,000 Shares of £0.01 each into 175,000,000 Shares of £0.0004 each;

(d) on 26 February 2019, the Company issued 5,000,000 Shares of £0.0004 each as part of a subscription;

(e) on 29 April 2019, the Company issued 3,000,000 Shares at an issue price of £0.10 each for cash pursuant to a share purchase agreement dated 29 April 2019 under which the Company acquired 100 per cent. of Orca Doors, the consideration for which was the issue of 3,000,000 consideration shares at £0.10 each to Zanete Fergusone;

(f) on 4 July 2019, the Company issued 3,000,000 Shares at an issue price of £0.0004 each for cash pursuant to a share purchase agreement dated 4 July 2019 under which the Company agreed to acquire the entire issued share capital of Time DMG, the consideration for which was the issue of 3,000,000 consideration shares at £0.0004 each to Danfer Holdings Limited. Please note that on 7 August 2019 this acquisition was rescinded pursuant to a deed of rescission and the 3,000,000 consideration shares issued to Danfer Holdings Limited were been transferred to the Company by way of gift. Please see paragraph 14.20 of this Part VI for further details;

(g) on 10 July 2019, the Company issued 300,000 Shares at an issue price of £0.6666667 each pursuant to the terms of a subscription letter under which a subscriber agreed to pay to the Company a sum of £20,000 in return for Shares in the Company;

(h) on 16 September 2019, the Company issued 15,600,000 Shares at an issue price of £0.0004 each and allotted them to certain subscribers for cash; and

(i) on 11 May 2020, the Company issued 6,666,667 Shares at an issue price of £0.03 each pursuant to the terms of a subscription letter under which a subscriber agreed to pay to the Company a sum of £200,000.01 in return for Shares in the Company.

4.3 The issued Shares of the Company at the date of this Document and immediately following Admission (assuming that all New Ordinary Shares are issued) are and will be as follows:

Class of shares	Nominal value	Issued and fully paid prior to Admission	Issued and fully paid following Admission
Ordinary Shares	£0.0004 each	205,566,667	232,608,332

4.4 Prior to Admission, the Company's share capital consists of one class of Ordinary Shares with equal voting rights (subject to the Articles) and the Ordinary Shares are freely transferable in both certificated and uncertificated form. No Shareholder has any different voting rights from any other Shareholder. The same rights will apply to the Company's Issued Share Capital following Admission. There will not be any issued but not fully paid Ordinary Shares on Admission.

4.5 Save as disclosed in paragraph 9 of this Part VI:

(a) no issued Shares of the Company are under option or have been agreed conditionally or unconditionally to be put under option;

(b) no Share or loan capital of the Company has been issued or is now proposed to be issued, fully or partly paid, either for cash or for a consideration other than cash;

(c) no commission, discount, brokerage or any other special term has been granted by the Company or is now proposed in connection with the issue or sale of any part of the Share or loan capital of the Company;

(d) no persons have preferential subscription rights in respect of any Share or loan capital of the Company or any subsidiary; and

(e) no amount or benefit has been paid or is to be paid or given to any promoter of the Company.

4.6 The Company intends to grant options to subscribe for new Shares from time to time to incentivise directors, employees and consultants at the discretion of the Directors and subject to the approval of the remuneration committee. Options granted to subscribe for new Shares in this manner will not exceed 10 per cent. of the Company's issued share capital on Admission without the prior approval of the Shareholders.

4.7 On Admission there will be a total of 2,000,000 Warrants to subscribe for Shares, details of which are set out below.

Series	***Number of Warrants***	***Exercise Price***	***Expiry Date***
FSCF Warrants	2,000,000	3p	3 years from Admission

5 Authorities relating to the shares

5.1 At a general meeting of the Company held on 2 November 2018, the following resolutions relating to the share capital of the Company were passed:

a) **THAT** pursuant to section 551 of the Act the Directors be and are hereby granted and unconditionally authorised to exercise all powers of the Company to allot equity securities (as defined by section 560 of the Act) up to the maximum aggregate nominal amount of £5,000,000, PROVIDED that the authority granted under this resolution shall lapse at the end of the next annual general meeting of the Company to be held after the date of the passing of this resolution save that the Company shall be entitled to make offers or agreements before the expiry of this authority which would or might require shares to be allotted or equity securities to be granted after such expiry and the Directors shall be entitled to allot shares and grant equity securities pursuant to such offers or agreements as if this authority had not expired; and all unexercised authorities previously granted to the Directors to allot shares and grant equity securities be and are hereby revoked.

b) **THAT** subject to the passing of resolution 1 above, and in accordance with section 570 of the Act, the Directors be generally empowered to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authority conferred by resolution 1 or by way of a sale of treasury shares, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities and the sale of treasury shares:

i. in connection with an offer of equity securities to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and to holders of other equity securities as required by rights of those securities or as the Directors otherwise consider necessary, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to the treasury shares, fractional entitlements, record dates, arising out of any legal or practical problems under the laws of any overseas territory or the requirements of any recognised regulatory body or stock exchange; and

ii. (otherwise pursuant to paragraph (i) above), up to an aggregate nominal amount of £5,000,000;

and provided that this power shall expire on the conclusion of the next annual general meeting of the Company (unless renewed, varied or revoked by the Company prior to or on that date), save that the Company may, before such expiry, make offer(s) or agreement(s) which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer(s) or agreement(s) notwithstanding that the power conferred by this resolution has expired.

5.2 The Directors are accordingly authorised to issue up to 12,500,000,000 new Shares free from pre-emption following Admission within an 18 month period (or before the commencement of the AGM of the Company following Admission whichever is sooner).

6 Summary of the Articles

6.1 *Memorandum of Association*

In accordance with section 31 of the Act and the Articles, the objects of the Company are unrestricted. The Memorandum and the Articles are available for inspection at the address specified in paragraph 22 of this Part VI "*Additional Information*".

6.2 *Articles of Association*

The Articles contain (amongst others) provisions to the following effect:

Share Rights

(a) Subject to the Act, the Company can issue new shares with such rights or restrictions attached to them pursuant to the Articles. The rights attached to any shares as a class cannot be varied without the consent of the holders of that class of shares. These rights or restrictions can be decided either by an ordinary resolution passed by the Shareholders or by the Directors as long as the Company can issue shares which can be redeemed. This can include shares which can be redeemed if the holders want to do so, as well as shares which the Company can insist on redeeming. The Directors can decide on the terms and conditions and the manner of redemption of any redeemable share.

Variation of Class Rights

(b) Subject to the Act, if the rights attached to any class of shares are divided into a different class of shares, all or any rights or privileges attached to that class of shares can be changed if (i) provided by such rights or (ii) this is approved either in writing by Shareholders holding at least three quarters in nominal value of the issued shares of that class by amount or by a special resolution passed at a separate meeting of the holders of the relevant class of shares but not otherwise.

Right to Share Certificates

(c) Pursuant to the Articles, when a Shareholder is first registered as the holder of any class of certificated shares, he is entitled (unless he is a recognised person and therefore not required by law), to one certificate for all of the shares of that class which he holds, free of charge. If a Shareholder holds shares of more than one class, he is entitled to a separate share certificate for each class. If a Shareholder receives more shares of any class, he is entitled, without charge, to a certificate for the extra shares. If a Shareholder transfers some of the shares represented by a share certificate, he is entitled, free of charge, to a new certificate for the balance to the extent the balance is to be held. Where a share is held jointly, the Company does not have to issue more than one certificate for that share. When the Company delivers a share certificate to one joint Shareholder, this is treated as delivery to all of the joint Shareholders. Every certificate shall state the number, class and distinguishing numbers (if any) of these shares and the amount paid up in respect of those shares.

Transfer

(d) A transfer of shares must be made in writing and either in the usual standard form or in any other form approved by the Directors. The person making a transfer will continue to be treated as a Shareholder until the name of the person to whom the share is being transferred is put on the register for that share.

(e) The Board may refuse to register a transfer of shares held if:

 (a) it is in respect of a share not fully paid;

 (b) it is not lodged at the Company's registered office or such other place as the Directors have appointed;

 (c) it is not accompanied by the certificate for the shares to which it relates, or such other evidence as the Directors may reasonably require to show the transferor's right to make the transfer, or evidence of the right of someone other than the transferor to make the transfer on the transferor's behalf;

 (d) it is in respect of more than one class of share; or

 (e) it is in favour of more than four joint holders as transferees.

 The Directors may also refuse to register a transfer of uncertificated shares in any circumstances that are allowed or required by the uncertificated securities rules and therelevant system.

(f) No fee shall be chargeable by the Company for registering any instrument of transfer or other document relating to or affecting title to any share.

Disclosure of Interests in Shares

(g) In accordance with section 793 of the Act, the Company may serve notice (a "**disclosure notice**") on anyone who knows, or has reasonable cause to believe, is interested in it shares or has been so interested in the previous three years. If the Company does not, within 14 days of serving a disclosure notice, receive the information it has requested then the Board may serve a further notice (a **"restriction notice**") designating the shares the subject of the restriction notice as "restricted shares". The restrictions which may be imposed on restricted shares include preventing the Shareholder from attending and voting at general meetings' from transferring restricted shares (subject to the exceptions set out above); and from receiving dividends. Any such restrictions shall cease to apply seven days after receipt by the Company of the information requested in the disclosure notice.

General Meetings

Quorum

(h) A quorum for a general meeting is two people who are entitled to vote. They can be Shareholders who are personally present by a duly authorised corporate representative or by proxy and entitled to vote. No business shall be transacted at any general meeting unless the requisite quorum shall be present when the meeting proceeds to business. If a quorum is not present within thirty minutes of the time fixed for a general meeting to start the meeting if convened by or upon the requisition of members shall be dissolved. In any other case it shall stand adjourned to such day and to such time and place as the chairman (or in default the Board) shall appoint.

(i) The chairman of a general meeting at which a quorum is present may, with the consent of the meeting adjourn any meeting from time to time and from place to place.

Voting

(j) Subject to the Act and to any rights or restrictions attached to any shares, on a show of hands every Shareholder (who is an individual) who is present in person or every Shareholder (who is a corporation) is present by a duly authorised representative and every proxy (regardless of the number of Shareholders for whom he is proxy) has one vote and on a poll each Shareholder present in person, by proxy or by representative has one vote for every share he holds.

(k) A resolution put to the vote at any general meeting will be decided on a show of hands unless a poll is demanded when, or before, the chairman of the meeting declares the result of the show of hands. A poll can be demanded by:

(a) the chairman of the meeting;

(b) the Directors;

(c) at least two persons at the meeting who are entitled to vote;

(d) one or more Shareholders at the meeting who are entitled to vote (or their proxies) and who have between them at least one-tenth of the total voting rights of all Shareholders who have the right to vote at the meeting; or

(e) one or more Shareholders at the meeting who have shares which allow them to vote at the meeting (or their proxies) holding shares in the Company conferring a right to vote on the resolution being shares on which an aggregate sum has been paid equal to not less than one tenth of the total sum paid up on all the shares conferring that right.

Directors

Directors' meetings

(l) Directors' meetings are called by giving notice to all the Directors. Notice is treated as properly given if it is given personally, by word of mouth or in writing to the Director's last known address or any other address given by him to the Company for this purpose. Any Director can waive his entitlement to notice of any Directors' meeting, including one which has already taken place.

(m) If no other quorum is fixed by the Directors, two Directors are a quorum.

(n) Matters to be decided at a Directors' meeting will be decided by a majority vote. If votes are equal, the chairman of the meeting has a second, casting vote.

Appointment

(o) The Company must have a minimum of two Directors (unless otherwise determined by an ordinary resolution).

Retirement

(p) At every annual general meeting any Director who has been appointed by the Directors since the last annual general meeting; or any Director who held office at the time of the two preceding annual general meetings and who did not retire at either of them shall retire. If the Company does not fill the vacancy at the meeting, then the Director will be deemed to be reappointed unless it is resolved to reduce the number of Directors pursuant to the Articles.

(q) any Director automatically stops being a Director if:

    (a) he ceases to be a director by virtue of any provision of the Act or is prohibited from being a director by law;

    (b) a bankruptcy order is made against him or a composition is made with his creditors generally;

    (c) he is suffering from mental or physical ill health rendering him incapable of acting as a Director for a period of more than three months;

    (d) he has missed Directors' meetings for a continuous period of six months without permission from the Directors and the Directors pass a resolution removing the Director from office;

    (e) he gives the Company notice of resignation;

    (f) all of the other Directors pass a resolution requiring the Director to resign; or

    (g) in the case of a Director who holds any executive officer, his appointment is terminated or expires and the Directors resolve that his office be vacated.

Alternate Directors

(r) Any Director can appoint any person approved by a resolution of the Board or another Director to act in his place (called an "alternate Director").

(s) The appointment of an alternate Director ends on the happening of any event which, if he were a Director, would cause him to vacate that office. It also ends if the alternate Director resigns his office by written notice to the Company, if his appointer stops being a Director (including in the event of death), unless that Director retires at a general meeting at which he is re-appointed or, if he is not a Director.

(t) An alternate Director is entitled to receive notices of meetings of the Directors. He is entitled to attend and vote as a Director at any meeting at which the Director appointing him is not personally present and generally at that meeting is entitled to perform all of the functions of his appointer as a Director. If he is himself a Director, or he attends any meeting as an alternate Director for more than one Director, he can vote cumulatively for himself and for each other Director he represents but he cannot be counted more than once for the purposes of the quorum.

(u) An alternate Director is entitled to be repaid expenses and to be indemnified by the Company to the same extent as if he were a Director. The alternate Director shall not be entitled to be paid remuneration by the Company, however, such remuneration may be agreed and out of the remuneration payable to the appointing Director.

Expenses

(v) The Director may be paid all travel, hotel and other expenses incurred in attending and returning from general meetings, meetings of the Directors or committees of the Directors or any other meetings which as a Director he is entitled to attend or otherwise in connection with the discharge of their duties.

Pensions and Gratuities for Directors

(w) The Directors can decide to provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any former Director of the Company who held an executive office or employment with the Company or any of its subsidiary undertakings or former subsidiary undertakings or any predecessor in business of the Company, or any relation or dependant of such a person.

Directors' Interests

(x) A Director who is in any way, directly or indirectly, interested in a proposed or existing transaction or arrangement with the Company must declare, either in writing or at a meeting of the Directors, the nature and extent of his interest to the other Directors in accordance with the Act. An interest of a person who is connected with a Director shall be treated as an interest of the Director.

(y) Subject to certain exceptions, the relevant Director and any other Director with a similar interest will not count in the quorum and will not vote on any resolution concerning a matter in which he has, directly or indirectly, an interest which is material.

(z) If a question comes up at a meeting of the Directors about whether a Director (other than the chairman of the meeting) can vote or be counted in the quorum and the Director does not agree to abstain from voting on the issue or not to be counted in the quorum, the question must be referred to the chairman of the meeting. The chairman of the meeting's ruling about any other Director is final and conclusive unless the nature or extent of the Director's interest (so far as it is known to him) has not been fairly disclosed to the Directors in which case the question shall be decided by a resolution of the majority of the directors. If the question comes up about the chairman of the meeting, the chairman must withdraw from the meeting and the Directors will elect a vice chairman to consider the question instead of the chairman.

Borrowing Powers

(aa) There is no limit on the amount that the Company can borrow. Borrowing by the Company is at the discretion and determination of the Board.

Dividends and Distributions to Shareholders

(bb) Subject to the Act, the Company can declare dividends in accordance with the rights of the Shareholders by passing an ordinary resolution. No such dividend can exceed the amount recommended by the Directors.

(cc) If the Directors consider that the financial position of the Company justifies such payments and subject to the Act, they can pay the fixed or other dividends on any class of shares on the dates prescribed for the payment of those dividends; and pay interim dividends on shares of any class of any amounts and on any dates and for any periods which they decide.

(dd) If the Directors act in good faith, they will not be liable for any loss that any Shareholders may suffer because a lawful dividend has been paid on other shares which rank equally with or behind their shares.

(ee) All dividends will be declared and paid in proportions based on the amounts paid up on the shares during any period for which the dividend is paid. Sums which have been paid up in advance of calls will not count as paid up for this purpose. If the terms of any share say that it will be entitled to a dividend as if it were a fully paid up, or partly paid up, share from a particular date (in the past or future), it will be entitled to a dividend on this basis.

(ff) If a Shareholder owes the Company any money for calls on shares or money in any other way relating to his shares, the Directors can deduct any of this money from any dividend or other money payable to the Shareholder on or in respect of any share held by him. Money deducted in this way can be used to pay amounts owed to the Company.

(gg) Unless the rights attached to any shares, or the terms of any shares, say otherwise, no dividend or other sum payable by the Company on or in respect of its shares carries a right to interest from the Company.

(hh) Where any dividends or other amounts payable on a share have not been claimed, the Directors can invest them or use them in any other way for the Company's benefit until they are claimed. The Company will not be a trustee of the money and will not be liable to pay interest on it. If a dividend or other money has not been claimed for 12 years after being declared or becoming due for payment, it will be forfeited and go back to the Company unless the Directors decide otherwise.

Scrip Dividends

(ii) The Directors can offer Shareholders the right to choose to receive extra shares, which are credited as fully paid up, instead of some or all of their cash dividend. Before they can do this, Shareholders must have passed an ordinary resolution authorising the Directors to make this offer.

Distributions on a Winding Up

(jj) If the Company is wound up, a liquidator may, with the approval of a special resolution and any other sanction required by applicable law, divide among the members the whole or any part of the assets of the Company for distribution in kind. For that purpose, the liquidator may value any assets and determine how the division shall be carried out.

Indemnity

(kk) Subject to the restrictions of the Act, the Company can indemnify any Director or officer or former Director or former officer of the Company or of any associated company against any liability; and can purchase and maintain insurance against any liability for any Director or former Director of the Company or of any associated company.

7 Directorships and Senior Managers

In addition to their directorships of the Company, the Directors and Senior Managers are, or have been, members of the administrative, management or supervisory bodies ("**Directorships**") or partners of the following companies or partnerships, at any time in the five years prior to the date of this Document.

Directors	***Current directorships/partnerships***	***Previous directorships/partnerships***
John Hunter Maxwell	Vulcan Industries PLC London Finance & Investment Group PLC Orca Doors Limited Time Rainham Limited M&G Olympic Products Limited IVI Metallics Limited	RSA Insurance Group PLC Provident Financial PLC DX Services PLC HomeServe PLC Parity PLC Prudential PLC BPB Industries PLC Provincial Group PLC Prolific PLC The Automobile Association Limited The Institute of Advanced Motorists Royal Ballet School The Royal Automobile Club Motor Sports Association Ltd.
Ian Charles Tordoff	Vulcan Industries PLC Racco Products Limited P.P.A. Group Holdings Ltd Level38 Limited Integre Consulting Limited	Pathcloud Ltd Compare Everything Limited (dissolved) Moober Limited (dissolved) Amethyst UK (Oncology Services) Limited (dissolved) Amethyst UK Peas Pottage (Oncology Services) Limited (dissolved) Amethyst Oncology Limited Compare The Man and Van Limited Time Rainham Limited IVI Metallics Limited Orca Doors Limited M&G Olympic Products Limited

Neil Clayton	Agriterra Limited Block Commodities Limited Global Web Pay Limited African Potash Mauritius Limited Societe des Potasses et des Mines SA	None
Kieran Vaughan	Vulcan Industries PLC	None
Senior Managers	***Current directorships/partnerships***	***Previous directorships/partnerships***
James Jeremy McCourt	IVI Metallics Limited Orca Doors Limited M&G Olympic Products Limited Time Rainham Limited Orca Fire Doors Limited Karma Acquisitions Ltd	Purdy Freeth Limited Hulme Bagnall Limited Ednaston and Co Limited Fitzherbert and Co Limited D M G Steelworkers Limited (in Liquidation)
Mohammed Kaleem	IVI Metallics Limited M&G Olympic Products Limited Time DMG Steelworkers Limited (In Administration)	Pegasus Trading and Logistics Limited MP Eastern Holdings Limited Dixy Chicken & Pizza (Sheldon Solihull) Limited
Steven Russel Hargis	None	None

8 Directors' confirmations

8.1 Mohammed Kaleem was a director of Time DMG which was placed into administration on 13 August 2019. He remains a current director of Time DMG. See paragraphs 14.19 and 14.20 of this Part VI for further information about Time DMG.

8.2 Save as set out in 8.1 above, subject to paragraph 8.3 below, as at the date of this Document, none of the Directors:

(a) has any convictions in relation to fraudulent offences for at least the previous five years;

(b) has been associated with any bankruptcy, receivership or liquidation while acting in the capacity of a member of the administrative, management or supervisory body or of senior manager of any company for at least the previous five years; or

(c) has been subject to any official public incrimination and/or sanction of him by any statutory or regulatory authority (including any designated professional bodies) or has ever been disqualified by a court from acting as a director of a company or from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

8.3 Save as disclosed in this Document (in relation to the Directors' roles with other companies), the Directors do not currently have any potential conflicts of interest between their duties to the Company and their private interests or other duties that they may also have.

9 Directors' and other interests

9.1 Save as disclosed in this paragraph 9.1, none of the Directors nor any member of their immediate families ("**Connected Persons**") has or will have on or following Admission any interests (beneficial or non-beneficial) in the Shares of the Company.

	As at the date of this Document		*Immediately following Admission*	
Name	**No. of Shares**	**% of issued Shares**	**Number of Shares in Enlarged Share Capital**	**% of Enlarged Share Capital**
Ian Charles Tordoff	5,400,000	2.63%	5,400,000	2.32%
John Hunter Maxwell	2,000,000	0.97%	2,000,000	0.86%

9.2 The Directors and their respective Connected Persons do not hold any options or warrants or other rights over any unissued Shares of the Company.

9.3 Save as disclosed in this paragraph 9 immediately following Admission, no Director will have any interest, whether beneficial or non-beneficial, in the share or loan capital of the Company.

9.4 Save as disclosed in paragraph 14.4 below, the Company will not be granting any Options or Warrants prior to or on Admission.

9.5 Save for the Directors and their connected persons (within the meaning of section 252 of the Act), at the date of this Document and immediately following Admission, so far as the Directors are aware, no person is directly or indirectly interested in more than three per cent. of the issued Shares other than as set out below:

	As at the date of this Document		*Immediately following Admission*	
Shareholder	**No. of Shares**	**% of issued Shares**	**Number of Shares in Enlarged Share Capital**	**% of Enlarged Share Capital**
Pear Tree Limited(1)	45,000,000	21.89 %	45,000,000	19.35%
Chestergate Limited(1)	45,000,000	21.89 %	45,000,000	19.35%
Zanete Fergusone	21,000,000	10.22%	21,000,000	9.03%
Briege Martin	9,000,000	4.38%	9,000,000	3.87%
Channel Car Traders Limited	8,000,000	3.89%	8,000,000	3.44%
First Sentinel plc (2)	7,800,000	3.79%	10,600,000	4.56%
Daniel Gilbert	7,666,667	3.73%	7,666,667	3.30%
Justin Drummond	7,000,000	3.41%	7,000,000	3.01%
Delta Beta Advisors	--	--	10,000,000	4.30%

(1) Pear Tree Limited and Chestergate Limited are trusts established by Zanete Fegusone. The sole beneficiaries of the trusts are her two children.

(2) On a fully diliuted basis (i.e. assuming that all Warrants are exercised), FSCF has an interest in the Company's share capital of approximately 0.85% (2,000,000 Warrants); and First Sentinel plc has an interest of approximately 11.18% comprising (i) its 7,800,000 Existing Shares, 1,133,333 New Shares and 1,666,667 FS Fee Shares and (ii) its conversion rights under the loan facility described in paragraph 14.40 which however limits the exercise of such conversion rights to 9.9% whilst FSCF acts as AQSE Corporate Adviser to the Company.

10 Directors' Letters of Appointment and Service Agreements

10.1 No Director has any interest in any transactions which are or were unusual in their nature or conditions or which are or were significant to the business of the Company and which were effected by any member of the Company in the current or immediately preceding financial year or which were effected during an earlier financial year and which remain in any respect outstanding or unperformed.

10.2 The Company has entered into the following service agreements and letters of appointment with the Directors:

10.2.1 Letter of Appointment – Ian Charles Tordoff

On 23 April 2020, Ian Charles Tordoff executed a letter of appointment with the Company pursuant to which he has agreed to act as the Non-Executive Chairman of Vulcan. The letter of appointment is effective from 1 September 2019 and shall continue for an initial term of three years and after the initial term, shall continue unless terminated earlier by either party giving to the other 3 months' prior written notice. Mr. Tordoff is expected to spend 15 days in each month on work for the Company, including attendance at board meetings and at annual general meetings. The overall time commitment will increase if Mr. Tordoff becomes a committee member or chair, or if Mr. Tordoff is given additional responsibilities. Under the terms of the letter of appointment, Mr. Tordoff will be paid a gross fee of £100,000 per annum, which shall be paid in equal instalments monthly in arrears, subject to the appropriate deductions of any taxes and other amounts that are required by law.

10.2.2 Service Agreement – John Hunter Maxwell

On 28 April 2020, John Hunter Maxwell executed a letter of appointment with the Company pursuant to which he agreed to act as the Chief Executive Officer of Vulcan. The letter of appointment is effective from 10 March 2020 and shall continue for an initial term of twelve months and after the initial term, shall continue unless terminated earlier by either party giving to the other 6 months' prior written notice. Mr. Maxwell's normal working hours shall be 9:00 a.m. to 5:00 p.m. on Mondays to Fridays and such additional hours as necessary for the proper performance of his duties.Under the terms of the service agreement, Mr. Maxwell will be paid a gross fee of £100,000 per annum, which shall be paid in equal instalments monthly in arrears, subject to the appropriate deductions of any taxes and other amounts that are required by law.

10.2.3 Service Agreement – Neil Clayton

On 4 May 2020, Neil Clayton executed a service agreement with the Company pursuant to which he agreed to act as the Group Finance Director of Vulcan. The letter of appointment is effective from Admission and shall continue for an initial term of twelve months and after the initial term, shall continue unless terminated earlier by either party giving to the other 6 months' prior written notice. Under the terms of the letter of appointment, Mr. Clayton will be paid a gross fee of £60,000 per annum, which shall be paid in equal instalments monthly in arrears, subject to the appropriate deductions of any taxes and other amounts that are required by law. Mr Clayton's salary is based on an expected 2 day working week. Should the actual time required to fulfil his role vary significantly, the remuneration committee will adjust Mr Clayton's salary accordingly.

10.2.4 Letter of Appointment – Kieran Vaughan

On 22 April 2020, Kieran Vaughan executed a letter of appointment with the Company pursuant to which he agreed to act as the Non-Executive Director of Vulcan. The letter of appointment is effective from Admission and shall continue for an initial term of twelve months and after the initial term, shall continue unless terminated earlier by either party giving to the other 3 months' prior written notice. Mr. Vaughan is expected to spend 4 days in each month on work for the Company, including attendance at board meetings and at annual general meetings. The overall time commitment will increase if Mr. Vaughan becomes a committee member or chair, or if Mr. Vaughan is given additional responsibilities. Under the terms of the letter of appointment, Mr. Vaughan will be paid a gross fee of £36,000 per annum, which shall be paid in equal instalments monthly in arrears, subject to the appropriate deductions of any taxes and other amounts that are required by law.

10.3 The Company has entered into the following contracts of employment with the following senior managers:

10.3.1 Consultancy Agreement - James Jeremy McCourt

This consultancy agreement commences on the date of Admission, and continues indefinitely until terminated by either party on not less than one month's written notice.

Under the agreement, Mr McCourt is paid a fee of £225 inclusive of VAT per day worked. He is to devote at least 20 days to carrying out the services in each calendar month. The services he provides are set out in the Schedule to the agreement, and, in summary, include business development, staff recruitment and welfare, and providing oversight of various operational matters such as machinery maintenance and quality control.

Mr McCourt is subject to various restrictions which apply for six months following the date on which the agreement is terminated. These include restrictions preventing him from soliciting the business of Restricted Customers (as defined in the agreement) away from Vulcan, employing (or attempting to employ) any Restricted Person (as defined in the agreement), and acting in any capacity in competition with Vulcan. The agreement contains indemnities from Mr McCourt to Vulcan in respect of any income tax liability and any claims relating to employment status.

10.3.2 Contract of Employment – Steven Hargis

On 12 December 2018, Mr Steven Hargis entered into an employment contract with Time Rainham, under the terms of which Mr Hargis agreed to act as General Manager. Although this employment contract was signed in 2018, Mr Hargis' employment is treated as continuous from April 1991. Mr Hargis' salary under his employment contract is £45,000 per annum payable monthly in arrears. All inventions made by Mr Hargis during his period of employment are the absolute property of Time Rainham. The usual covenants and undertakings with respect to confidential information are included in Mr Hargis' employment contract and he is bound by standard commercial restrictive covenants of either 12 or 6 months should his employment with Time Rainham cease. Mr Hargis' employment contract is terminable on 3 months' notice in writing by either party.

10.3.3 Contract of Employment – Mohammed Kaleem

On 1 March 2018, Mr Mohammed Kaleem entered into an employment contract with IVI, under the terms of which Mr Kaleem agreed to act as Director of IVI. Mr Kaleem's notice period is currently one week, but this will increase to one month after he has completed 12 months service. Once Mr Kaleem has completed 5 years' continuous service, his notice period will increase by one week for each year of service up to a maximum of 12 weeks. Limited confidentiality provisions have been included in Mr Kaleem's employment contract.

11 Working capital

The Directors are of the opinion, having made due and careful enquiry, that the working capital available to the Group on Admission will be sufficient for the present requirements of the Group, that is, for the period of twelve months following Admission.

12 Significant change

Save for the transactions outlined in paragraphs 14.20, 14.22 and 14.37 below (certain material contracts), there has been no significant change in the financial position or financial performance of the Enlarged Group since 30 June 2019 and, in the case of M&G Olympic since 31 July 2019, being the end of the last period for which historical financial information has been prepared for the Enlarged Group.

13 Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the previous 12 months from the date of this Document of each member of the Group which may have, or have had in the recent past, significant effects on the Company and/or financial position or profitability of the Group.

14 Material contracts

The following are all of the contracts (not being contracts entered into in the ordinary course of business and/or the contracts at paragraph 10 of this Part VI) that have been entered into by the members of the Group since the incorporation of each member of the Group which: (i) are, or may be, material to the Group; or (ii) contain obligations or entitlements which are, or may be, material to the Group as at the date of this Document.

14.1 **Service Level Agreement dated 16 January 2020 with Vox Markets Limited ("SLA")**

On 16 January 2020, the Company entered into the SLA with Vox Markets Limited ("**Vox**") in relation to the use of Vox's investor platform. The purpose was to maximise the Company's publicity and increase awareness of the Company amongst a targeted audience of professional investors including asset managers, fund managers, high net worth individuals and other private investors who use the Vox platform.

The initial term under the agreement is a 24 month period commencing from 16 January 2020, and thereafter in accordance with the terms and conditions of Vox.

All payments to be made by the Company to Vox in accordance with the agreement are exclusive of VAT.

A payment of £48,000 is required for year 1 to be satisfied by £24,000 in cash and £24,000 to be satisfied by the Company issuing to Vox the Vox Fee Shares.

A payment of £48,000 will be required for year 2 invoiced quarterly in advance from 16 January 2021.

Thereafter the annual fee of £48,000 will be payable as per the terms and conditions of Vox.

Vox reserves the right to charge interest at a rate of 12.5% on any invoice remaining unpaid 28 days from the date of presentation, but no interest will be charged without prior written notice being given to the Company.

14.2 **Finance Fee Agreement**

The Company entered into a finance fee agreement on 19 June 2019 with David Angus of Commercial Money LLP under which the Company agreed to engage Commercial Money LLP as its sole and exclusive broker or introducer for funders/financiers for a period of 90 days for the date that the agreement was entered into in order to obtain from a lending source finance facilities for the Company on terms which are acceptable to the Company.

A fee of 1% of the funding line of facility was due and payable immediately upon acceptance of the facility (i.e. upon signing any offer letter from funders), an increase in the facility will also attract a pro-rata fee.

The agreement terminated on 19 September 2019.

Documents relating to Admission

14.3 **Engagement Letter - FSCF**

An engagement letter dated 23 March 2020 was signed by the Company with FSCF under which FSCF agreed to act as the Company's corporate adviser in connection with the Admission and the Company's corporate adviser for the purposes of the Aquis Stock Exchange Rules. In consideration for providing the services specified in the engagement letter, the Company agreed to pay FSCF a fee of £20,000 to be paid in two tranches: £10,000 upon signing of the agreement and £10,000 upon Admission (plus any applicable VAT, disbursements or charges incurred by reason of the timetable for Admission being extended). The Company also agreed to grant FSCF the right to acquire new Ordinary Shares pursuant to a warrant instrument to be entered into between FSCF and the Company and as detailed at paragraph 14.4 below.

In addition, FSCF shall be entitled to receive:

(a) a commission of 10% of the gross aggregate value of funds raised by FSCF;

(b) a commission of 1% of the gross aggregate value of the funds raised from investors introduced by the Company;

(c) warrants granted to FSCF over shares equivalent to 10% of the gross aggregate value of funds raised by FSCF, exercisable at the Issue Price for 3 years.

14.4 **Warrant Instrument - FSCF**

Pursuant to the terms of the engagement letter described above (paragraph 14.3), the Company entered into a warrant instrument on 22 May 2020 in which the Company agreed to grant FSCF 2,000,000 warrants (equal to 0.85 per cent. of the Company's issued share capital on Admission) to subscribe for Ordinary Shares in the Company. FSCF may exercise the warrants granted at an exercise price of £0.03 per Ordinary Share at any time from Admission until the date three years from the date of Admission.

14.5 **AQSE Corporate Adviser Agreement - FSCF**

On 22 May 2020, the Company entered into a corporate adviser agreement with FSCF pursuant to which, conditional upon Admission, the Company appointed FSCF to act as its corporate adviser for the purposes of the Aquis Stock Exchange Rules and as broker. The Company agreed to pay FSCF an annual retainer of £40,000 per annum (exclusive of VAT and disbursements) commencing on Admission (such fee being payable half yearly in advance) together with reasonable out-of-pocket expenses which are incurred in respect of such services. The amount of the annual retainer is subject to review each year on the anniversary of the date of the agreement. The agreement sets out the ongoing responsibilities of both parties and contains various undertakings, indemnities and warranties given by the Company to FSCF. The Company or FSCF may terminate the agreement at any time after the first anniversary of the date of the agreement by FSCF or the Company giving to the other not less than 3 months' prior written notice.

In addition, the Company shall pay to First Sentinel (on any funds raised by First Sentinel, payable from the proceeds of the fundraising) (1) a commission of 10% payable in cash, unless otherwise agreed in writing by the parties (2) warrants amounting to 10% of the gross funding, exercisable for a period of up to 3 years at the funding price (unless agreed otherwise in writing by the parties) (3) a commission payable in cash of 1% on any funds raised by parties other than First Sentinel (unless agreed otherwise in writing by the parties to reflect market practices).

14.6 **Placing Agreement**

On 22 May 2020, the Company, the Directors and FSCF entered into the Placing Agreement. Pursuant to the Placing Agreement:

(a) FSCF has agreed, subject to certain conditions, to use its reasonable endeavours to procure subscribers for New Shares at the Issue Price;

(b) the Company and the Directors provided certain warranties to FSCF and the Company provided an indemnity to FSCF in respect of customary matters of a transaction of this sort;

(c) the aggregate liability of each Director under the warranties in the Placing Agreement (save in the case of fraud or dishonesty on the part of that person) shall not exceed the figure specified against his name in the table below:

Directors	*Amount*
John Maxwell	£100,000
Ian Tordoff	£100,000
Kieran Vaughan	£36,000
Neil Clayton	£60,000

(d) the obligations of FSCF to use its reasonable endeavours to procure subscribers and at the Issue Price for New Shares are subject to certain conditions. These conditions include, among other things, the absence of any breach of warranty under the Placing Agreement and Admission occurring at or before 8.00 a.m. on 1 June 2020 (or such later time and/or date as FSCF and the Company may agree in writing, being not later than 8.00 a.m. on 30 June 2020); and

(e) FSCF has the right to terminate the Placing Agreement, exercisable in certain customary circumstances, prior to Admission (such circumstances including (amongst others) for material breach of the Placing Agreement and where a condition of the Placing Agreement has not been satisfied).

14.7 **Registrar Agreement**

The Registrar is responsible for providing share registration services to the Company under the terms of a letter of appointment dated 14 May 2020.

The Company has agreed to pay the Registrar's annual fees upfront.

14.8 **Directors' Lock-in Agreement**

A lock-in agreement dated 22 May 2020 was executed between the Company, the Locked-in Directors and FSCF pursuant to which each of the Locked-In Directors has undertaken, save in certain circumstances, not to sell or otherwise dispose of or agree to sell or dispose of any of their interests (direct or indirect) in the Ordinary Shares held by them (or subsequently acquired by them) for a period of twelve months commencing on the date of Admission. In addition, the Locked-In Directors shall be subject to orderly market arrangements during the twelve months after the initial one-year lock-in period. The Locked-In Directors hold 7,400,000 Ordinary Shares representing 3.18 per cent. of the Enlarged Share Capital.

14.9 **Controlling Shareholders Lock-In Agreement**

A lock-in agreement dated 22 May 2020 was executed between the Company, the Controlling Shareholders and FSCF pursuant to which each of the Controlling Shareholders has undertaken, save in certain circumstances, not to sell or otherwise dispose of or agree to sell or dispose of any of their interests (direct or indirect) in the Ordinary Shares held by them for a period of twelve months commencing on the date of Admission. In addition, the Controlling Shareholders shall be subject to orderly market arrangements during the six months after the initial one-year lock-in period. The Controlling Shareholders hold 111,000,000 Ordinary Shares representing 47.72 per cent. of the Enlarged Share Capital.

14.10 **Lock-In Agreement – Locked-In Shareholders**

A lock-in agreement dated 22 May 2020 was executed between the Company, the Locked-in Shareholders and FSCF pursuant to which each of the Locked-In Shareholders has undertaken, save in certain circumstances, not to sell or otherwise dispose of or agree to sell or dispose of any of their interests (direct or indirect) in the Ordinary Shares held by them for a period of 120 days commencing on the date of Admission. The Locked-In Shareholders hold 42,266,667 Ordinary Shares representing 18.17 per cent. of the Enlarged Share Capital. The Locked-In Shareholders are set out in the Definitions section of this Document.

14.11 **Relationship Agreement**

On 22 May 2020, the Controlling Shareholders, FSCF and the Company entered into a relationship agreement, to ensure that the Company is able to carry on its business independently of the Controlling Shareholders and that all transactions and relationships with the Controlling Shareholders shall be on an arms' length and normal commercial basis.

Under the relationship agreement, the Controlling Shareholders have agreed to use their reasonable endeavours to procure that they will, among other things:

(a) not take any action that is intended to preclude or inhibit the Company or any other member of the Group from operating independently of the Controlling Shareholders;

(b) make and conduct all transactions and arrangements between Company or any other member of the Group and each Controlling Shareholder on an arm's length and normal commercial basis;

(c) not take any action that would have the effect of preventing Company or any other member of the Group from complying with its obligations under MAR, the Aquis Stock Exchange Rules or any other applicable law

(d) not exercise any of its voting or other rights and powers as a shareholder of the Company (i) to procure or propose, or vote in favour of, any resolution for any amendment to the articles of association which would be inconsistent with or undermine any of the provisions of the Relationship Agreement or would be contrary to the principle of independence of Company from the Controlling Shareholders; (ii) in a manner which would be inconsistent with, or breach any of the provisions of, the Relationship Agreement or any applicable law; (iii) on any resolution required by applicable law to approve a related party transaction involving any member of the Group where a Controlling Shareholder is the related party, or otherwise in respect of any contract or arrangement (whether legally binding or not) in which any Controlling Shareholder has a material interest (other than by virtue of its interest in shares in the Company); or (iv) on any matter which is the subject of any such conflict or potential conflict of interest between the interests of any Controlling Shareholder, on the one hand, and the interests of any member of the Company's group on the other;

(e) not act in a way which any Controlling Shareholder knows (or should reasonably know) shall render Company' shares unsuitable for continued admission to Aquis Exchange or result in the Company being subject to regulatory censure or other adverse regulatory action;

The relationship agreement will terminate on the date on which the aggregate shareholding of the Controlling Shareholders in the Company falls below 20%. The relationship agreement may also be terminated by either the Company or the Controlling Shareholders if the Ordinary Shares cease to be admitted to the Aquis Exchange, certain steps are taken relating to the winding up of Company, arrangements with Company's creditors, or the appointment of a receiver in respect of Company's assets.

Acquisition Agreements

14.12 **Acquisition of IVI Metallics**

On 6 February 2019, the Company entered into an agreement with Zanete Fergusone pursuant to which the Company purchased the entire issued share capital of IVI Metallics from Zanete Fergusone, and IVI Metallics became a wholly owned subsidiary of the Company ("**IVI Metallics Acquisition Agreement**").

The purchase price payable by the Company for the sale and purchase of the entire issued share capital of IVI Metallics was the sum of £1,500,075 which was satisfied by the issue and allotment by the Company to Zanete Fergusone of 500,025 Shares at an issue price of £3.00 per Share.

The IVI Metallics Acquisition Agreement is governed by the laws of England and Wales.

14.13 **Acquisition of Time Rainham**

On 25 February 2019, IVI Metallics entered into an agreement with Certified Holdings Ltd pursuant to which IVI Metallics purchased the entire issued share capital of Time Rainham from Certified Holdings Ltd, and Time Rainham became a wholly owned subsidiary of IVI Metallics ("**Time Rainham Acquisition Agreement**").

The purchase price payable by IVI Metallics for the sale and purchase of the entire issued share capital of Time Rainham was satisfied by the assignment by IVI Metallics of an outstanding debt of £1,300,000 owed to IVI Metallics by Danfer Holdings Limited ("**Debt**").

As a condition precedent to the Time Rainham Acquisition Agreement, IVI Metallics and Certified Holdings Ltd entered into a separate deed of assignment dated 25 February 2019 under which IVI Metallics agreed to assign all of its legal and beneficial right, title and interest in the Debt to Certified Holdings Ltd under the terms set out in the deed of assignment ("**Deed of Assignment of Debt**").

The Time Rainham Acquisition Agreement and the Deed of Assignment of Debt are governed by the laws of England and Wales.

14.14 **Asset Sale Agreement re Time Engineers Limited (in Administration)**

On 21 December 2018, (prior to becoming a wholly owned subsidiary of IVI Metallics and therefore becoming a member of the Group), Time Rainham entered into an asset sale agreement with (1) Time Engineers Limited ("**Time Engineers**") (2) Craig Povey of CVR Global LLP and Richard Toone of CVR Global LLP (the "**Joint Administrators**") under which Time Engineers acting by the Joint Administrators agreed to sell and Time Rainham agreed to purchase such right, title and interest as Time Engineers had in its business as a manufacturer of CNC precision machined and laser cut components and in the assets as noted at clause 2.1 of the agreement.

The purchase price paid by Time Rainham was the sum of £51,000 in accordance with the terms of the agreement.

The asset sale agreement is governed by the laws of England.

14.15 **Asset Purchase Agreement re Manta BRC Limited (in Administration)**

On 6 February 2019, (prior to becoming a wholly owned subsidiary of the Company and therefore becoming a member of the Group), Orca Doors entered into an asset purchase agreement with (1) Manta BRC Limited (in administration) ("**Manta BRC**") (2) Orca Building Products Limited (in administration) ("**Orca Building Products**") and (3) Kerry Bailey of BDO LLP and Edward Kerr of BDO LLP (the "**Joint Administrators**") under which Manta BRC and Orca Building Products acting by the Joint Administrators agreed to sell and Orca Doors agreed to purchase such right, title and interest as Manta BRC and Orca Building Products had the businesses and the assets as noted under the agreement.

The purchase price paid by Orca Doors was the sum of £60,000 in accordance with the terms of the agreement.

The asset purchase agreement is governed by the laws of England.

14.16 **Acquisition agreement for Orca Doors**

On 29 April 2019 the Company entered into an agreement with James McCourt pursuant to which the Company purchased the entire issued share capital of Orca Doors from James McCourt (who was holding the shares in Orca Doors on behalf of Zanete Fergusone), and Orca

Doors became a wholly owned subsidiary of the Company ("**Orca Doors Acquisition Agreement**").

The purchase price payable by the Company for the sale and purchase of the entire issued share capital of Orca Doors was the sum of £300,000 which was satisfied by the issue and allotment by the Company to Zanete Fergusone of 3,000,000 Shares at an issue price of £0.10 per Share.

The Orca Doors Acquisition Agreement is governed by the laws of England and Wales.

14.17 **Acquisition agreement for M&G Olympic**

On 16 April 2019, the Company entered into an agreement with David Plummer, Dennis Frank Buck, Mark Winckle and Anthony Parkin to which the Company purchased the entire issued share capital of M&G and M&G became a wholly owned subsidiary of the Company (the "**M&G Acquisition Agreement**").

The purchase price payable by the Company for the sale and purchase of the entire issued capital of M&G was the sum of £950,000 which was satisfied by £820,000 in cash on completion and £130,000 as deferred consideration. The deferred consideration will become payable on the receipt by M&G Olympic of certain debtors of the business on a pound for pound basis. As at the date of this Document, no amounts had been received in respect of these debtors.

The Company is required to pay up to 10% of the acquisition cost as an introductory commission to Octopus Consultance. In the period the Company incurred £95,000 of commission, being 10% of the gross acquisition cost for M&G Olympic which will be payable after Admission.

On 19 May 2020, Octopus Consultancy sent a letter to the Company ("**Octopus Waiver Letter**") confirming that the payment of the £95,000 commission is to be satisfied by the issue of the Octopus Fee Shares.

The M&G Acquisition Agreement is governed by the laws of England and Wales.

14.18 **Proposed Acquisition of E Lowe**

On 11 September 2019, the Company entered into non-binding heads of agreement with Dlareme Acquisitions Limited, the shareholder of E Lowe relating to the proposed purchase by the Company of the entire issued share capital of E Lowe.

The Heads of Terms provide (amongst other things) that:

(a) E Lowe owns the entire issued ordinary share capital of Edwin Lowe and therefore as part of the Proposed Acquisition, the Company will acquire Edwin Lowe indirectly;

(b) E Lowe also has a beneficial interest in 5,850 cumulative preference shares in the share capital of Edwin Lowe, and there are another 9,050 cumulative preference shares in the share capital of Edwin Lowe that are held by various third parties;

(c) the Company will pay £525,000 at completion of the Proposed Acquisition as the purchase price to be satisfied through the issue of Ordinary Shares at a price to be agreed by the parties (being the Consideration Shares);

(d) the Proposed Acquisition is subject to various conditions, including:

- legal, financial, tax, technical, commercial and environmental due diligence into the affairs of E Lowe and Edwin Lowe being carried out by the Company to the Company's reasonable satisfaction; and

- no material adverse change occurring in the financial or trading position of E Lowe or Edwin Lowe;

(e) there is an exclusivity period starting on the date of the Heads of Terms and ending on 30 June 2020; and

(f) the governing law and jurisdiction of the Heads of Terms shall be English law with the courts of England having exclusive jurisdiction in relation to any claim or matter arising under of in connection with them.

E Lowe was incorporated on 11 April 2019 and has not traded save for the acquisition of the entire issued share capital of Edwin Lowe.

14.19 **Acquisition agreement for Time DMG**

On 4 July 2019, the Company entered into an agreement with Danfer Holdings Limited ("**Danfer**") pursuant to which the Company purchased the entire issued share capital of Time DMG ("**Time DMG Shares**") from Danfer, and Time DMG became a wholly owned subsidiary of the Company ("**Time DMG Acquisition Agreement**").

The purchase price payable by the Company for the sale and purchase of the entire issued share capital of Time DMG was the sum of £1,200, which was satisfied by the issue and allotment by the Company to Danfer of 3,000,000 Shares at an issue price of £0.0004 per Share ("**Danfer Consideration Shares**").

The Time DMG Acquisition Agreement is governed by the laws of England and Wales.

14.20 **Deed of Rescission relating to the Time DMG Acquisition Agreement**

On 7 August 2019, the parties to the Time DMG Acquisition Agreement entered into a Deed of Rescission to terminate the Time DMG Acquisition Agreement (and therefore unwind the transaction and restore the parties to the positions they were in before entering into the Time DMG Acquisition Agreement) ("**Rescission**").

Upon completion of the Time DMG Acquisition Agreement, the Company issued and allotted the Danfer Consideration Shares to Danfer in accordance with its terms, and Danfer was recorded on the Company's register of members as the legal holder of the Danfer Consideration Shares.

Pursuant to the terms of the Deed of Rescission, the Danfer Consideration Shares were gifted back to the Company by Danfer irrevocably and absolutely giving its legal and beneficial title to the Danfer Consideration Shares to the Company for nil consideration, relying on the rule under section 659(2)(c) of the Act. A Form SH07 to cancel the Danfer Consideration Shares from the Share Capital of the Company was filed at Companies House on 30 November 2019 with effect from 7 August 2019.

Finance agreements

<u>AbIrate</u>

14.21 **Loan Agreement dated 16 April 2019 made between the Company and AbIrate ("First AbIrate Loan Agreement")**

Ablrate operates an online peer-to-peer business lending platform at www.ablrate.com. The platform provides its registered members (i.e. the investors) with access to borrowing proposals which are submitted by corporate borrowers seeking debt finance. Investors can then choose to invest an amount (being a portion of the total loan amount) in relation to a specific borrowing proposal by depositing funds to an account controlled by Ablrate. Ablrate then advances the aggregate loan amount directly to the borrower. We understand that each individual loan or investment from an investor is treated as a separate and individual loan which is contractually between the investor and the borrower notwithstanding that Ablrate advances the aggregated amount of the loans as agent for the investors. Ablrate also operates a secondary market online to enable investors to buy and sell their loans, if investors require.

Pursuant to the terms of the First Ablrate Loan Agreement, the Company received £1,200,000 in order to fund its acquisition of M&G Olympic.

Ablrate is defined in the General Loan Conditions attached to the First Loan Agreement as the 'Lender's Agent'. However, the terms are not clear as to who the Lender actually is as the term 'Lender' is not defined in the definitions section of the General Loan Conditions. The First Loan Agreement further provides that the 'Lender's Agent shall make the Loan available to the Borrower on behalf of the Lender'.

Due to the nature of how the Ablrate online platform operates, this means that the 'Lender Member' (being 'a person who has completed the registration process to use the Lending Platform and has been accepted for membership by the Platform Operator1') is the Lender – i.e. the investor (the Lender Member) advances funds into an account controlled by Ablrate.

The total amount of the interest only loan under the First Ablrate Loan Agreement must be repaid by the Company to Ablrate within 24 months of the date of the agreement, with a final redemption date of 16 April 2021. . Interest will start accruing at a rate of 18% from 16 April 2019, meaning the Company has a monthly repayment liability of £18,000. In addition, there is an administration fee of £60,000 payable to Ablrate by the Company and a 0.333% monitoring fee which is payable monthly to Ablrate. On 2 April 2020, the Company received confirmation from Ablrate that due to Covid-19, the due date for the capital repayments under the First Ablrate Loan Agreement and the Second Ablrate Loan Agreement (see paragraph 14.22 below) will be pushed by mutual agreement on the understanding that no break is sought in interest payments in the meantime. This matter will be reviewed quarterly on an ongoing basis until a time when the loans can be repaid by the Company.

Other material terms of the First Ablrate Loan Agreement include the following:

(a) in the event that the Company does not pay any amount it is obliged to pay under the First Ablrate Loan Agreement when it is due, the Company shall pay interest at a default rate of 6% on such unpaid amount from time to time outstanding from the period beginning on the date which it became due and ending on the date that it is paid and received by Ablrate (as agent);

(b) the Company may prepay all (or part with Ablrate's written consent) of the loan by giving five business days' notice to Ablrate provided that:

(i) any prepayment made during the guaranteed interest period (12 months from the date of the First Ablrate Loan Agreement) includes an amount of interest and fees no less than the interest and fees that would have been payable during such guaranteed interest period; and

(ii) the prepayment does not result in an Event of Default or Potential Event of Default (as defined within the First Ablrate Loan Agreement).

The First Ablrate Loan Agreement is secured by the following:

(a) the Vulcan Debenture;

(b) the Orca Doors Debenture;

(c) the M&G Debenture;

(d) the IVI Chattels Mortgage;

(e) the Orca Doors Chattel Mortgage;

(f) the M&G Chattels Mortgage;

(g) the IVI Corporate Guarantee;

(h) the Orca Doors Corporate Guarantee;

(i) the Time Rainham Corporate Guarantee; and

(j) the M&G Corporate Guarantee.

14.22 **Loan Agreement dated 4 July 2019 made between the Company and Ablrate ("Second Ablrate Loan Agreement")**

The Second Ablrate Loan Agreement was made on exactly the same terms as the First Ablrate Loan Agreement. Under the Second Ablrate Loan Agreement, the Company received £625,000 from investors in order to fund its acquisition of Time DMG. Notwithstanding that the Time DMG acquisition was rescinded by the parties (see paragraph 14.20 of this Part VI), the parties to the Second Ablrate Loan Agreement have agreed that the loan facility may remain in place for other purposes by the Company. The total amount of the interest only loan under the Second Ablrate Loan Agreement must be repaid by the Company to Ablrate within 24 months of the date of the agreement, with a final redemption date of 4 July 2021. Interest will start accruing at a rate of 18% from 4 July 2019, meaning the Company has a monthly repayment liability of £9,375. In addition, there is an administration fee of £31,250 payable to Ablrate by the Company and a 0.333% monitoring fee which is payable monthly to Ablrate. On 2 April 2020, Ablrate and the Company mutually agreed that, and subject to interest payments being paid in the interim, the capital repayments under the terms of the First Ablrate Loan Agreement (see paragraph 14.21 above) and the Second Ablrate Loan Agreement are deferred until such time as they can be repaid by the Company and this will be reviewed on a quarterly basis.

14.23 **Debenture dated 16 April 2019 in favour of Ablrate ("Vulcan Debenture")**

The Company acts as borrower under the Vulcan Debenture and provides security to Ablrate Assets Limited acting as security trustee for all of the Company's present and future liabilities under any loan agreement entered into between the Ablrate (or its agents) and the Company (i.e. the First Ablrate Loan Agreement and the Second Ablrate Loan Agreement).

Interest is chargeable on the secured liabilities at the Default Rate of 6% from day to day until full discharge (please see paragraph 14.21 above).

Under the Vulcan Debenture, the Company grants to Ablrate:

(a) each freehold or leasehold property, whether now or in the future, in which the Company holds an interest with full title guarantee by way of a first legal mortgage;

(b) a fixed charge over those properties and assets listed at clause 3.2(a) to (m), with full title guarantee;

(c) an assignment absolutely (subject to a proviso for reassignment on irrevocable discharge in full of the secured liabilities) in all its rights in each Insurance Policy (as defined in the Vulcan Debenture), including all claims, the proceeds of all claims and all returns of premium in connection with each Insurance Policy;

(d) the benefit of all other agreements, instruments and rights relating to the Secured Assets (as defined in the Vulcan Debenture); and

(e) a floating charge with full title guarantee, over all of the undertaking, property, assets and rights of Vulcan at any time not effectively mortgaged, charged or assigned pursuant to any other terms of the Vulcan Debenture.

Paragraph 14 of Schedule B1 to the Insolvency Act applied to the floating charge created under the Vulcan Debenture.

The floating charge will either crystallise automatically under the circumstances listed at clause 3.7 of the Vulcan Debenture, or crystallise by way of notice under clause 3.8.

The Company has given various representations and warranties to Ablrate in relation to the Secured Assets under clause 5 of the Vulcan Debenture.

The Vulcan Debenture contains a negative pledge provision at clause 6.1 under which the Company cannot (except with the prior written consent of Ablrate) create any other security in relation to any Secured Asset other than any security created by the Vulcan Debenture or any Permitted Security (as defined in the Vulcan Debenture); sell, assign, transfer, part with possession of or otherwise dispose of in any manner (or purport to do so) all or any part of, or any interest in, the Secured Assets (except in the ordinary course of business, Secured Assets that are only subject to an uncrystallised floating charge); or create or grant (or purport to create or grant) any interest in the Secured Assets in favour of a third party.

The Security will become immediately enforceable by Ablrate upon an Event of Default (as defined in the Vulcan Debenture).

Upon enforcement, Ablrate may, without further notice, appoint any one or more persons to be a Receiver (as defined in the Vulcan Debenture) of all or any part of the Secured Assets.

Upon the full satisfaction of the Secured Liabilities, Ablrate shall, at the request and cost of Vulcan, take whatever action is necessary to release the Secured Assets from the security created under the Vulcan Debenture, and reassign the Secured Assets to Vulcan.

Vulcan is not permitted to assign or transfer any of its rights, or obligations under the Vulcan Debenture.

Ablrate may at any time set-off any liability of the Company to Ablrate against any liability of Ablrate to the Company, whether present or future, liquidated or unliquidated, and whether or not such liability arises under the Vulcan Debenture.

The Vulcan Debenture is governed by the laws of England and Wales.

14.24 **Chattels Mortgage dated 16 April 2019 in favour of Ablrate ("IVI Chattels Mortgage")**

Ablrate has agreed to provide a loan to IVI and IVI has assigned the Chattels (as defined in the IVI Chattels Mortgage) to Ablrate by way of security.

IVI represents and warrants to Ablrate that it is the absolute owner of the Chattels free from all encumbrances and furthermore makes various covenants to Ablrate in relation to the Chattels throughout the continuance of the security.

Upon the security becoming enforceable under the IVI Chattels Mortgage, Ablrate may when it shall think fit with or without notice, do those things in respect of the Chattels as detailed at clause 9.1 to 9.6 of the IVI Chattels Mortgage (i.e. seize or take possession of the Chattels, sell the Chattels, appoint a receiver over the Chattels etc.).

The proceeds of sale derived from any sale of the Chattels shall be distributed in the following order of priority:

(a) in payment of all costs, charges and expenses (including legal costs on a full indemnity basis) of and incidental to the sale of the Chattels (as further detailed at clause 12 of the IVI Chattels Mortgage);

(b) in or towards payment to Ablrate of arrears of interest unpaid in respect of the IVI Chattels Mortgage;

(c) in or towards payment of the amounts remaining payable under the loan agreement;

(d) in or towards payment to Ablrate of all monies then owing or which will thereafter become owing; and

(e) any surplus shall be paid to IVI.

The IVI Chattels Mortgage is governed by the laws of England and Wales.

14.25 **Corporate Guarantee dated 16 April 2019 in favour of Ablrate ("IVI Corporate Guarantee")**

IVI entered into the IVI Corporate Guarantee, pursuant to which it has agreed to provide a continuing guarantee and indemnify the performance and obligation of the Company under the First Ablrate Loan Agreement and the Second Ablrate Loan Agreement.

The IVI Corporate Guarantee is governed by the laws of England and Wales.

14.26 **Chattels Mortgage dated 16 April 2019 in favour of Ablrate ("Orca Doors Chattels Mortgage")**

The Orca Doors Chattels Mortgage has been made between Orca Doors and Ablrate on exactly the same terms as the IVI Chattels Mortgage detailed at paragraph 14.24 above. The Asset Schedule in the Orca Doors Chattels Mortgage list assets of Orca Doors to which the Orca Doors Chattels Mortgage applies and total have an aggregate value of £247,950.

14.27 **Debenture dated 16 April 2019 in favour of Ablrate ("Orca Doors Debenture")**

The Orca Doors Debenture has been made between Orca Doors and Ablrate on exactly the same terms as the Vulcan Debenture detailed at paragraph 14.23 above.

14.28 **Corporate guarantee dated 16 April 2019 in favour of Ablrate ("Orca Doors Corporate Guarantee**")

Orca Doors entered into the Orca Doors Guarantee with Ablrate on exactly the same terms as the IVI Corporate Guarantee.

14.29 **Corporate guarantee dated 16 April 2019 in favour of Ablrate ("Time Rainham Corporate Guarantee**")

Time Rainham entered into the Time Rainham Corporate Guarantee with Ablrate on exactly the same terms as the IVI Corporate Guarantee.

14.30 **Chattels Mortgage dated 16 April 2019 in favour of Ablrate ("M&G Chattels Mortgage")**

The M&G Chattels Mortgage has been made between M&G and Ablrate on exactly the same terms as the IVI Chattels Mortgage detailed at paragraph 14.24 above. The Asset Schedule in the M&G Chattels Mortgage list assets of M&G to which the M&G Chattels Mortgage applies and total have an aggregate value of £121,000.

14.31 **Debenture dated 16 April 2019 in favour of Ablrate ("M&G Debenture")**

The M&G Debenture has been made between M&G and Ablrate on exactly the same terms as the Vulcan Debenture detailed at paragraph 14.23 above.

14.32 **Cross guarantee dated 16 April 2019 in favour of Ablrate ("M&G Corporate Guarantee**")

M&G entered into the M&G Corporate Guarantee with Ablrate on exactly the same terms as the IVI Corporate Guarantee.

Redd

14.33 **Loan Agreement dated 19 August 2019 made between the Company and Redd Factors Limited (the "Redd Loan Agreement") as superseded by a Convertible Loan Agreement made between the Company and Redd Factors Limited dated 19 May 2020 (the "Convertible Loan Agreement")**

Pursuant to the Redd Loan Agreement, Redd Factors Limited ("Redd") has agreed to advance a facility of up to £100,000 to the Company.

Redd will advance the sums upon the company entering into a debenture in favour of Redd and upon the Company paying all costs, fees and expenses in connection with the Redd Loan Agreement. We have been informed by the Company that Redd has advanced the loan as at the date of this Report, however, Redd has not yet requested the Company to enter into any debenture.

The Company is to use all monies borrowed by it under the Redd Loan Agreement for the purposes of working capital pending Admission.

The loan was originally to be repaid by the Company on or before 31 October 2019, together with all accrued and unpaid interest and all other fees, costs and expenses payable on the agreement. The repayment date has previously been extended to 30 November 2019 and then 31 December 2019. More recently, the Company and Redd entered into the Convertible Loan Agreement and agreed that the principal amount advanced under the Redd Loan Agreement to date is to be settled by the issue to Redd of the convertible loan note ("CLN") under the terms of the Convertible Loan Agreement. As at the date of this Report, the amount advanced under the Redd Loan was £552,808.34, including interest.

Interest shall be charged on the CLN at a rate of 5% per annum, payable monthly in arrears. If the Company fails to make any payment due on the due date for payment, interest on the unpaid amount (of capital and interest) shall accrue daily, from the date of non-payment to the date of actual payment at a rate of 1% per week.

Redd shall have the right to convert amounts due to it from the Company at any date from 1 January 2022 to 31 March 2022. Upon a conversion by Redd, the Company shall procure the conversion of the amount of the CLN outstanding into fully paid shares in the capital of the Company. In the event that Redd does not exercise its conversion rights by 31 March 2022, the CLN shall become immediately repayable by the Company.

The number of conversion shares will be calculated by dividing the amount outstanding on the CLN by 3 pence per ordinary share.

The Company may prepay all or part of the CLN (but if in part, in an amount not less than a multiple of £25,000) at any time without any premium or penalty.

The Convertible Loan Agreement is governed by the laws of England and Wales and replaces the Redd Loan Agreement.

14.34 **Factoring Agreement dated 16 August 2017 between IVI and Redd Factors Limited re Sterling Book Debts ("IVI Sterling Factoring Agreement")**

Under the IVI Sterling Factoring Agreement, Redd Factors Limited ("**Redd**") has agreed to provide IVI with a recourse factoring facility (subject to its Standard Factoring Terms and Conditions) for the sale and purchase of IVI's book debts, on the following terms:

(a) Factoring charge: £1,400 plus VAT per calendar month

(b) Discount Charge: 5% per annum above the Lloyds TSB base rate

(c) Minimum Annual Factoring Charge: £16,800 plus VAT

(d) Initial Payment Percentage: 80% of the approved debt

(e) Refer Limit: £180,000

(f) Late Payment Charge: 1% per month

(g) Factoring Payment Charge: £30 plus VAT for each payment by CHAPS, £10 plus VAT for payment by BACS, and nil for each payment by cheque.

(h) The minimum period of the IVI Sterling Factoring Agreement is twelve calendar months following the end of the month in which the agreement was entered into.

(i) The minimum notice period of the IVI Sterling Factoring Agreement is six calendar months following the end of the month in which notice is given.

(j) Termination charges which may be levied following a termination event comprise 20% of all collections made following the termination, plus a pro rata fee reflecting the shortfall on fees that would otherwise be levied if a termination event has not occurred.

(k) Security for the IVI Sterling Factoring Agreement will consist of an all assets debenture to include a first charge over all book debts, appropriate waivers and/or deed of priority where appropriate, corporate guarantees where appropriate, and directors' personal guarantees and fraud warranty.

14.35 **Factoring Agreement dated 16 August 2017 between IVI and Redd Factors Limited re Euro Book Debts ("IVI Euro Factoring Agreement")**

Under the IVI Euro Factoring Agreement, Redd has agreed to provide IVI with a recourse factoring facility (subject to its Standard Factoring Terms and Conditions) for the sale and purchase of IVI's book debts, on the following terms:

(a) Factoring charge: €1,000 plus VAT per calendar month

(b) Discount Charge: 5% per annum above the Lloyds TSB base rate

(c) Minimum Annual Factoring Charge: €12,000 plus VAT

(d) Initial Payment Percentage: 80% of the approved debt

(e) Refer Limit: €120,000

(f) Late Payment Charge: 1% per month

(g) Factoring Payment Charge: €30 plus VAT for each payment by CHAPS, €10 plus VAT for payment by BACS, and nil for each payment by cheque

(h) The minimum period of the IVI Euro Factoring Agreement is twelve calendar months following the end of the month in which the agreement was entered into.

(i) The minimum notice period of the IVI Euro Factoring Agreement is six calendar months following the end of the month in which notice is given.

(j) Termination charges which may be levied following a termination event comprise 20% of all collections made following the termination, plus a pro rata fee reflecting the shortfall on fees that would otherwise be levied if a termination event has not occurred.

(k) Security for the IVI Euro Factoring Agreement will consist of an all assets debenture to include a first charge over all book debts, appropriate waivers and/or deed of priority where appropriate, corporate guarantees where appropriate, and directors' personal guarantees and fraud warranty.

NB: The IVI Sterling Factoring Agreement and the IVI Euro Factoring Agreement together being the "**IVI Recourse Factoring Agreement**".

14.36 **Debenture dated 16 August 2017 in favour of Redd Factors Limited ("IVI Debenture")**

The Company acts as borrower under the IVI Debenture and provides security to Redd acting as the chargee for all of the Company's present and future liabilities under the IVI Recourse Factoring Agreement.

Interest is chargeable on the secured liabilities at the default rate of being a monthly facility fee of £1,400 and a discount fee of 5% over Lloyds TSB Base Rate from day to day until full discharge.

Under the IVI Debenture, the Company grants to Redd:

(a) with full title guarantee, the Legally Mortgaged Property (as defined in the IVI Debenture). As at the date of the IVI Debenture and the date of this Document, the Company does not own any properties however any properties that are acquired by the Company during the term of the IVI Debenture will be deemed to be a Legall Morgtgaged Property and will be a charged asset by way of security;

(b) a fixed charge over those properties and assets listed at clauses 3.2 to 3.11 and clause 4 of the IVI Debenture;

(c) by way of floating charge the undertaking and all other property, assets and rights of IVI whatsoever and wheresoever both present and future.

Paragraph 14 of Schedule B1 to the Insolvency Act applied to the floating charge created under the Vulcan Debenture.

The floating charge shall automatically and immediately (without notice) be converted into a fixed charge over the relevant Charged Assets (as defined in the IVI Debenture) if any of those matters listed at clause 5 of the IVI Debenture occurs.

The IVI Debenture contains a negative pledge provision at clause 7 under which IVI cannot (except with the prior written consent of Redd) create any other security in relation to any Charged Asset, sell, assign, transfer, part with possession of or otherwise dispose of in any manner (or purport to do so) all or any part of, or any interest in, the Charged Assets.

The security will become immediately enforceable by Redd upon any of those matters listed at clause 11 of the IVI Debenture having occurred.

Upon enforcement, Redd may, appoint any one or more persons to be a Receiver (as defined in the IVI Debenture) of all or any part of the Charged Assets.

IVI is not permitted to assign or transfer any of its rights, or obligations under the IVI Debenture.

The proceeds received by any Receiver shall be distributed in the following order of priority:

(a) in satisfaction of all costs, charges and expenses properly incurred and payments properly made by Redd or the Receiver and of the remuneration of the Receiver;

(b) in or towards satisfaction of the principal monies, interest and other monies outstanding and secured by the IVI Debenture; and

(c) as to the surplus (if any) to the person or persons entitled.

The IVI Debenture is governed by the laws of England.

14.37 **Debenture dated 18 January 2019 in favour of Redd ("Time Rainham Debenture")**

The Time Rainham Debenture has been made between Time Rainham and Redd on exactly the same terms as the IVI Debenture detailed at paragraph 14.36 above.

14.38 **Factoring Agreement dated 8 January 2019 between Time Rainham and Redd Factors Limited re Sterling Book Debts ("Time Rainham Factoring Agreement")**

Redd has agreed to provide Time Rainham with a recourse factoring facility (subject to its Standard Factoring Terms and Conditions), for the sale and purchase of Time Rainham's book debts, on the following terms:

(a) Factoring charge: 1% of the gross book debt value plus VAT

(b) Discount Charge: 5% per annum above the Lloyds TSB base rate

(c) Minimum Annual Factoring Charge: £24,000 plus VAT

(d) Initial Payment Percentage: 70% of the approved debt

(e) Refer Limit: £200,000

(f) Late Payment Charge: 1% per month

(g) Factoring Payment Charge: £30 plus VAT for each payment by CHAPS, £10 plus VAT for payment by BACS, and nil for each payment by cheque

(h) The minimum period of the Time Rainham Factoring Agreement is twelve calendar months following the end of the month in which the agreement was entered into.

(i) The minimum notice period of the Time Rainham Factoring Agreement is six calendar months following the end of the month in which notice is given.

(j) Termination charges which may be levied following a termination event comprise 20% of all collections made following the termination, plus a pro rata fee reflecting the shortfall on fees that would otherwise be levied if a termination event has not occurred.

(k) Security for the Time Rainham Factoring Agreement will consist of an all assets debenture to include a first charge over all book debts, appropriate waivers and/or deed of priority where appropriate, corporate guarantees where appropriate, and directors' personal guarantees and fraud warranty.

14.39 **Cross guarantee and indemnity dated 19 August 2019 in favour of Redd ("Guarantee and Indemnity")**

Each of IVI, M&G, Orca Doors, Orca Fire Doors, Time DMG and Time Rainham entered into the Guarantee and Indemnity under which they have agreed to guarantee the performance and obligations of the Company under the Redd Loan Agreement, along with indemnifying Redd against all losses, costs, liabilities, demands, expenses, damages, claims and interest Redd may suffer or incur by reason of any failure of the Company to comply with the terms of the Redd Loan Agreement.

The guarantee is a continuing guarantee and applies to the aggregate amount payable by the Company under the Redd Loan Agreement and shall not be reduced or discharged by any intermediate payment or satisfaction by the Company or the occurrence of a nil balance on any account.

The Guarantee and Indemnity is governed by English law.

14.40 **Loan Facility with First Sentinel Plc**

The Company has entered into a Loan Facility Agreement with First Sentinel Plc (lender) for the sum of up to £500,000 which can be drawn down in tranches of £50,000 as agreed by the parties. The Loan Facility Agreement is conditional, *inter alia*, on Admission. The loan will bear interest at a rate of 12% per annum. The Company shall repay the loan (or part of the loan advanced to the Company) together with all interest and other amounts payable under the agreement in cleared funds to the Lender's Account for value on or before the date falling 1 year from its effective date.

First Sentinel plc can convert part or all of the amounts due and outstanding from time to time into Shares at the market price. In event of the default, First Sentinel Plc will be able to convert the loan into Shares at 85% of lowest 10-day preceding the conversion notice. Whilst FSCF is the Company's appointed AQSE Corporate Adviser, such conversion rights together with existing shares and/or warrants owned by First Sentinel plc and FSCF shall not exceed 9.9% of the Company's share capital at the time of a conversion notice.

First Sentinel plc shall be entitled to an arrangement fee in the amount of 10% of the facility payable in Shares on Admission. The FS Fee Shares will be issued in connection with the arrangement fee.

Property Leases

14.41 **Lease dated 14 February 2014 made between (1) Amrik Singh Mahal, Surjeet Kaur Mahal, Inderit Singh Mahal and Amarjit Singh Mahal (as Landlord) and (2) IVI (as Tenant) ("IVI Lease")**

The IVI Lease is in relation to the ground floor factory, part ground floor offices and adjoining yard area of the property known as and located at St. Saviours Road, Leicester, LE5 4HF3 with HM Land Registry Title Number: LT266782 ("**IVI Property**").

The term of the IVI Lease is for a period of six years from 20 December 2013 to 19 December 2019. The current rent payable by IVI is £14,158.44 per month.

An agreement has been reached between the parties of the IVI Lease under which it is to be extended following its expiry on 19 December 2019 on the following terms:

(a) an annual rent of £121,000 plus VAT and to be paid monthly;

(b) building insurance to be paid at a rate of £4,000 per annum and to be paid in monthly instalments; and

(c) the IVI Lease is to be extended for a term of six years, with a three year rent review.

The permitted use of the IVI Property is for the manufacture of nails and tack products (Use Classes B1, B2 and B8 of the Town and Country Planning (Use Classes) Order 1987) - the IVI Property is used as offices as well.

The Landlord is responsible for insuring the IVI Property. IVI will reimburse the Landlord for the cost of insuring.

The Landlord may terminate the IVI Lease if:

(d) any rent remains unpaid for more than 21 days after becoming payable;

(e) IVI breaches any terms of the IVI Lease; or

(f) IVI becomes insolvent.

Either the Landlord or IVI may terminate the IVI Lease by giving the other party at least 2-months' written notice. After the expiry of the 2 months, the IVI Lease will come to an end.

The IVI Lease is contracted out of the protection of security of tenure under the Landlord and Tenant Act 1954. IVI will therefore not be able to rely on a statutory right to renew the IVI Lease following expiry of the term.

14.42 **Lease dated 6 February 2019 made between (1) Manta BRC (as Landlord) and (2) Orca Doors (as Tenant) ("Orca Doors Lease")**

The Orca Doors Lease is in relation to the ground floor factory, part ground floor offices and adjoining yard area of the property known as and located at 9 Limber Road, Kirmington, DN39 6YB ("**Orca Doors Property**").

The original term of the Orca Doors Lease is for a period of one year from 1 February 2019 to 31 January 2020. The current rent payable by Orca Doors is £2,666.67 per month with an initial rate of £32,000 per annum.

The permitted use of the Orca Doors Property is for the manufacture of nails and tack products (Use Classes B1, B2 and B8 of the Town and Country Planning (Use Classes) Order 1987) - the Orca Doors Property is used as offices as well.

The Landlord is responsible for insuring the Orca Doors Property. Orca Doors will reimburse the Landlord for the cost of insuring.

Orca Doors must reimburse the Landlord for any expenses necessary for the maintenance, repair, lighting and cleaning of all service media (i.e. pipes, drains, sewers etc.), the structures of the building and all common parts of the building.

The Landlord may terminate the Orca Doors Lease if:

(a) any rent remains unpaid for more than 21 days after becoming payable;

(b) Orca Doors breaches any terms of the Orca Doors Lease; or

(c) Orca Doors becomes insolvent.

Either the Landlord or Orca Doors may terminate the Orca Doors Lease by giving the other party at least one month's written notice. After the expiry of the one month period, the Orca Doors Lease will come to an end.

The Orca Doors Lease is contracted out of the protection of security of tenure under the Landlord and Tenant Act 1954. Orca Doors will therefore not be able to rely on a statutory right to renew its lease following expiry of the term.

On 31 January 2020, the Orca Doors lease term was extended to 31 March 2020, after which Orca Doors can continue to occupy the property under a lease with no fixed term.

14.43 **Lease related to M&G Olympic's commercial premises and lease related to M&G Olympic's car park dated 30 April 2018 and made between (1) M&G Olympic (as Tenant) and (2) Randall Street Properties Ltd (as Landlord) ("M&G Car Park Lease")**

M&G Olympic's manufacturing facility is a leased commercial premises at 109-111 Randall Street, Sheffield S2 4SJ ("**M&G Property**"). M&G Olympic has been unable to locate a copy of the lease relating to the M&G Property ("**M&G Lease**") which it continues to occupy and pay rent on. Accordingly, the Company has been unable to ascertain certain terms of the M&G Lease, in particular in relation to its duration and termination provisions. Land Registry searches against the relevant title have returned the superior freehold and superior long leasehold titles but not the lease under which M&G Olympic occupies the M&G Property. This may be because the M&G Lease is for a term of less than 7 years and therefore there is no obligation to register it. Please see the related risk factor in Part II of this Document.

The M&G Car Park Lease is in relation to an adjacent property at Albury Works 84, 86 and 90 Randall Street, Sheffield S2 4SJ with HM Land Registry Title Number SYK64043 and is known as 88 Randall Street, Sheffield S2 4SJ ("**M&G Car Park**").

The term of the M&G Car Park Lease is for a period of five years from 30 April 2018 to 29 April 2023. The current rent payable by M&G to the Landlord is £14,500 per annum.

The M&G Car Park must not be used for any purpose other than a car park.

The Landlord is responsible for insuring the M&G Car Park. M&G will reimburse the Landlord for the cost of insuring.

The Landlord may terminate the M&G Car Park Lease if:

(a) any rent remains unpaid for more than 14 days after becoming payable;

(b) M&G breaches any terms of the M&G Cark Park Lease; or

(c) M&G becomes insolvent.

M&G cannot terminate the M&G Car Park Lease before the end of the term. The Landlord does not have the benefit of a break clause and can only rely on the "forfeiture" provisions above.

The M&G Car Park Lease is silent on the exclusion of security of tenure which implies that it is not contracted out of the security of tenure protection under the Landlord and Tenant Act 1954. M&G will have a statutory right to renew the M&G Car Park Lease at the end of the term.

Other Material Contracts

14.44 **Commission Agreement**

On 18 September 2019, the Company and Dlareme Acquisitions Limited ("**Introducer**") entered into a commission agreement ("**Commission Agreement**"). Pursuant to the Commission Agreement, the Company appoints the Introducer to identify prospective business (a "**Prospective Business**") acquisition opportunities for the Company and to make introductions of prospective sellers to the Company. The Introducer shall be entitled to receive a commission equal to 10% of the total consideration payable by the Company (or any member of its Group) for the acquisition of a Prospective Business. Any commission due to the Introducer shall be exclusive of any tax or deductions. The Commission Agreement shall continue unless terminated by either party giving to the other party 3 months' written notice to terminate. The Commission Agreement may be terminated immediately in the event of a material breach by one party or a party being subject to an insolvency event.

14.45 **Corporate Services Agreement with MSP Secreatries Limited**

The Company entered into a Corporate Services Agreement with MSP Secretaries Limited ("**MSP**") dated 11 December 2019, pursuant to which MSP (via one of its group companies MSP Corporate Services Limited) agreed to provide company secretarial, legal, payroll and accounting support services to the Company.

The fees for the services are £1,600 per annum, subject to any increases in respect of optional extra services which may be requested by the Company. The Company agrees to pay invoices under the Corporate Services Agreement within 30 days of receipt. The agreement is for an indefinite term, until terminated by either party giving not less than 6 months' written notice to the other party.

15 Related party transactions

The Company is not party to any transactions with related parties other than as set out in "*Part V (Historic Audited and Unaudited Information on the Company, The Subsidiaries and the Proposed Acquistion)*" of this Document, for the period covered by the historical financial information up to the date of this Document.

16 Employees

The following table provides a breakdown of the Group's employees (all of whom are based in the UK) by entity as at 25 May 2020:

Entity	**No. of employees**
Vulcan Industries plc	4
IVI Metallics Limited	25
Orca Doors Limited	11
Time Rainham Limited	9
M&G Olympic Products Limited	44
Total	**93**

* and two consultants.

17 Pensions

IVI, Orca Doors, Time Rainham and M&G each operate pension schemes that employees of those Subsidiaries are entitled to participate in. The pension schemes are defined contribution in nature. No pension scheme is currently in operation for the Company but the Directors intend to implement a pension scheme following Admission.

18 Management / Employee Incentives

Under the terms of their Service Agreements, John Maxwell and Neil Clayton are eligible to participate in a bonus plan with bonuses to be awarded by the Company at such intervals and subject to such conditions as the Board may in its absolute discretion determine from time to time (see paragraph 10.2 of this Part VI for further details).

The Directors intend to establish an equity incentive scheme for senior management and employees following Admission (see paragraph 19 of Part I of this Document for further details).

19 United Kingdom Taxation

General

The comments below are of a general and non-exhaustive nature based on the Directors' understanding of the current revenue law and published practice in the UK, and proposals announced in the 2020 Budget, which are subject to change, possibly with retrospective effect. Please note that the announcements in the Budget are only proposals and have not yet been enacted in UK legislation. The following summary does not constitute legal or tax advice and applies only to persons subscribing for New Shares in the Fundraising as an investment (rather than as securities to be realised in the course of a trade) who are the absolute and direct beneficial owners of their Shares (and the shares are not held through an Individual Savings Account or a Self-Invested Personal Pension) and who have not acquired their Shares by reason of their or another person's employment. These comments may not apply to certain classes of person, including dealers in securities, insurance companies and collective investment schemes.

An investment in the Company involves a number of complex tax considerations. Changes in tax legislation the UK or in any of the countries in which the Company has assets (or in any other country in which a subsidiary of the Company is located), or changes in tax treaties negotiated by those countries, could adversely affect the returns from the Company to Investors.

Prospective Investors should consult their own independent professional advisers on the potential tax consequences of subscribing for, purchasing, holding or selling Shares under the laws of their country and/or state of citizenship, domicile or residence including the consequences of distributions by the Company, either on a liquidation or distribution or otherwise.

This summary is for general information only and it is not intended to be, nor should it be construed to be, legal advice to any Shareholder or prospective Investor.

19.1 COMPANY

General

The following summary is intended as a general guide only and relates only to certain limited aspects of UK tax consequences of holding and disposing of Shares in the Company. It is based on current UK tax law and the current practice of HMRC, both of which are subject to change, possibly with retrospective effect.

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

19.2 SHAREHOLDERS

19.2.1 Taxation of dividends – individuals

The Company is not required to withhold UK tax when paying a dividend on the Shares. UK resident individual Shareholders will be liable to income tax on the amount of any dividends received. Such individual Shareholders will be entitled to a £2,000 annual tax-free dividend allowance for the tax year 2020/21. Dividends received in excess of this threshold will be taxed, for the tax year 2020/21 and subsequent years, at 7.5 per cent. (basic rate taxpayers), 32.5 per cent. (higher rate taxpayers) and 38.1 per cent. (additional rate taxpayers).

19.2.2 Taxation of dividends – companies

Shareholders within the charge to UK corporation tax which are "small companies" (for the purposes of UK taxation of dividends) will not generally be subject to UK corporation tax on dividends paid by the Company on the Shares.

Other Shareholders within the charge to UK corporation tax will not be subject to corporation tax on dividends paid by the Company on the Shares so long as the dividends fall within an exempt class and certain conditions are met. Although it is likely that dividends paid by the Company on the Shares would qualify for exemption from corporation tax, it should be noted that the exemption is not comprehensive and is subject to anti-avoidance rules. Shareholders should therefore consult their own professional advisers where necessary.

19.2.3 Taxation of disposals

General

A disposal of Shares by a Shareholder who is resident in the UK for tax purposes may, depending on the Shareholder's circumstances, and subject to any available exemption or relief, give rise to a chargeable gain (or allowable loss) for the purposes of UK taxation of chargeable gains.

UK resident individuals are, for each tax year, entitled to an exemption from capital gains tax for a specified amount of gains realised in that tax year. The current annual exempt amount for the tax year 2020/21 is £12,300.

For Shareholders within the charge to corporation tax, indexation allowance may reduce the amount of any chargeable gain arising on a disposal of Shares (but cannot give rise to or increase the amount of an allowable loss).

19.2.4 Stamp Duty and Stamp Duty Reserve Tax (SDRT)

The statements below (which apply whether or not a Shareholder is resident or domiciled in the UK) summarise the current position and are intended as a general guide only to stamp duty and SDRT. Certain categories of person are not liable to stamp duty or SDRT, and special rules apply to agreements made by broker dealers and market makers in the ordinary course of their business and to certain categories of person (such as depositaries and clearance services) who may be liable to stamp duty or SDRT at a higher rate or who may, although not primarily liable for tax, be required to notify and account for SDRT under the Stamp Duty Reserve Tax Regulations 1986.

The Aquis Stock Exchange Growth Market is a designated a Recognised Growth Market by HMRC which means that trades executed in UK companies on this market are exempt from UK Stamp Duty and Stamp Duty Reserve Tax.

19.2.5 Inheritance tax

Shareholders regardless of their tax status should seek independent professional advice when considering any event which may give rise to an inheritance tax charge.

Ordinary Shares beneficially owned by an individual Shareholder will be subject to UK inheritance tax on the death of the Shareholder (even if the Shareholder is not domiciled or deemed domiciled in the UK); although the availability of exemptions and reliefs may mean that in some circumstances there is no actual tax liability. A lifetime transfer of assets to another individual or trust may also be subject to UK inheritance tax based on the loss of value to the donor, although again exemptions and reliefs may be relevant. Particular rules apply to gifts where the donor reserves or retains some benefit.

The above is a summary of certain aspects of current law and practice in the UK, which does not constitute legal advice. Therefore, a Shareholder who is in any doubt as to his tax position, or who is subject to tax in a jurisdiction other than the UK, should consult his or her professional adviser immediately.

19.2.6 Information reporting

The UK has entered into international agreements with a number of jurisdictions which provide for the exchange of information in order to combat tax evasion and improve tax compliance. These include, but are not limited to, an Inter-governmental Agreement with the US in relation to FATCA and International Tax Compliance Agreements with Guernsey, Jersey, the Isle of Man and Gibraltar. In connection with such international agreements the Company may, among other things, be required to collect and report to HMRC certain information regarding Shareholders and other account holders of the Company and HMRC may pass this information on to tax authorities in other jurisdictions in accordance with the relevant international agreements.

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.

20 General

20.1 The fees and expenses to be borne by the Company in connection with Admission are estimated to amount to approximately £238,667 (excluding VAT).

20.2 PKF Littlejohn LLP, whose address is 15 Westferry Circus, Canary Wharf, London, E14 4HD, have been appointed as the first auditors of the Company and are registered to carry out audit work by the Institute of Chartered Accountants in England and Wales. The Company's year end is 31 March.

20.3 The financial information set out in this Document relating to the Group does not constitute statutory accounts.

20.4 The Company's annual report and accounts will be made up to 31 March in each year. The Company will prepare its first annual report and accounts following Admission covering the period from 1 January 2019 to 31 March 2020. It is expected that the Company will make public its annual report and accounts within four months of each financial year end (or earlier if possible) and that copies of the annual report and accounts will be sent to Shareholders within six months of each financial year end (or earlier if possible). The Company will prepare its unaudited interim report for each six month period ending 31 September thereafter.

20.5 It is expected that the Company will make public its unaudited interim reports within three months of the end of each interim period.

20.6 The Company shall hold its next annual general meeting within six months of the end of its next accounting period, being 31 March 2020. Further details on annual general meetings are contained in paragraph 6 above.

21 Consents

21.1 Where third party information has been referenced in this Document, the source of that third party information has been disclosed. Where information contained in this Document has been sourced from a third party, the Company confirms that such information has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

21.2 PKF Littlejohn LLP has given and has not withdrawn its consent to the inclusion in this Document of the reports in Part IV (Pro Forma Financial Information), Part V (Historic Audited and Unaudited Information on the Company, The Subsidiaries and the Proposed Acquistion), and has authorised the contents of such reports for the purposes of this Document.

21.3 FSCF has given and not withdrawn its consent to the inclusion in this Document of its name in the form and in the context in which it appears.

22 Availability of this Document

22.1 This Document will be published in electronic form and be available on the Company's website at https://vulcanplc.com subject to certain access restrictions applicable to persons located or resident outside the United Kingdom.

The date of this Document is 25 May 2020.