

THIS ADMISSION DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Admission Document, or the action you should take, you are recommended immediately to seek your own financial advice from an independent financial adviser, such as a stockbroker, solicitor, accountant or other adviser who specialises in advising on the acquisition of shares and securities and is authorised under the Financial Services and Markets Act 2000 ("FSMA") (or, if you are a person outside the UK, a person otherwise similarly qualified in your jurisdiction).

This Admission Document is an admission document drawn up in accordance with the Aquis Stock Exchange Access Rulebook (the "AQSE Exchange Rules") and has been prepared in connection with the proposed application for admission of the issued and to be issued ordinary share capital of the Company to trading on the Access Segment of the AQSE Growth Market. This Admission Document does not constitute a prospectus within the meaning of section 85 of FSMA and has not been drawn up in accordance with the Prospectus Regulation Rules published by the Financial Conduct Authority ("FCA") and a copy has not been, and will not be, approved or filed with the FCA. This Admission Document does not constitute, and the Company is not making, an offer of transferable securities to the public within the meaning of section 102B of FSMA or otherwise.

The Company and each of the Directors, whose names appear on page 4 of this Admission Document, individually and collectively accept full responsibility for the information contained in this Admission Document, including for its compliance with the AQSE Exchange Rules. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Admission Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The AQSE Growth Market, which is operated by Aquis Exchange PLC, a Recognised Investment Exchange, 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 applicable financial services law and AQSE Growth Market securities are not admitted to the Official List of the FCA. Investment in an unlisted company is speculative and involves 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.

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

Prospective investors should read the whole of this Admission Document. An investment in the Company is speculative and involves a high degree of risk. The attention of prospective investors is drawn in particular to Part II of this Admission Document which sets out certain risk factors relating to any investment in Ordinary Shares. All statements regarding the Company's business, financial position and prospects should be viewed in light of these risk factors.

Application will be made for the whole of the Company's issued and to be issued ordinary share capital to be admitted to trading on the AQSE Growth Market. It is expected that Admission (as defined on page 6 of this Admission Document) will become effective and dealings in the Ordinary Shares on the AQSE Growth Market will commence at 8.00 a.m. on 29 July 2022.

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## Macaulay Capital PLC

(Incorporated in England and Wales under the Companies Act 2006 with registration number 14105915)



**Placing and Subscription of an aggregate of 9,500,000 new Ordinary Shares at a Placing Price of 20p per new Ordinary Share and Admission of the Enlarged Share Capital to trading on the AQSE Growth Market**



**AQSE Growth Market Corporate Adviser**  
Cairn Financial Advisers LLP



**Broker**  
Oberon Capital Limited

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Cairn Financial Advisers LLP ("Cairn"), which is authorised and regulated by the Financial Conduct Authority, is the Company's Corporate Adviser for the purposes of Admission. Cairn 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. Cairn 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.

Oberon Capital ("Oberon"), (a trading name of Oberon Investments Limited), which is authorised and regulated by the FCA, is the Company's Broker for the purposes of Admission. Oberon 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 Admission Document, or for the omission of any material information, for which the Directors are solely responsible. Oberon is acting for the Company and no one else in relation to the arrangements proposed in this Admission 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 Admission Document.

This Admission Document contains forward-looking statements, including, without limitation, statements containing the words "believes", "expects", "estimates", "intends", "may", "plan", "will" and similar expressions (including the negative of those expressions). Forward-looking statements involve unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by those forward-looking statements. Factors that might cause such a difference include, but are not limited to, those discussed in Part II of this Admission Document, entitled "Risk Factors". Given these uncertainties, prospective investors are cautioned not to place any undue reliance on those forward-looking statements. The forward-looking statements contained in this Admission Document are made on the date of this Admission Document, and, except as otherwise required by law or the AQSE Exchange Rules, the Company, the Directors and Cairn are not under any obligation to update those forward-looking statements in this Admission Document to reflect actual future events or developments.

No legal, business, tax or other advice is provided in this Admission Document. Prospective investors should consult their professional advisers as needed on the potential consequences of subscribing for, purchasing, holding or selling Ordinary Shares under the laws of their country and/or state of citizenship, domicile or residence. This Admission Document does not constitute an offer to sell, or the solicitation of an offer to buy or subscribe for, Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful and, in particular, this Admission Document is not for distribution in or into the United States of America, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan. The distribution of this Admission Document in other jurisdictions may be restricted by law. The Ordinary Shares have not been and will not be registered under the applicable securities laws of the United States of America, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan and, subject to certain exceptions, may not be offered, sold, re-sold, renounced, taken up or delivered, directly or indirectly, in, into or from the United States of America, Canada, Australia, the Republic of South Africa or Japan or to any national of the United States of America, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan. This Admission 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, the Republic of Ireland or Japan. No action has been taken by the Company or Cairn that would permit an offer of Ordinary Shares or possession or distribution of this Admission Document where action for that purpose is required. Persons into whose possession this Admission 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 law or other laws of any such jurisdictions.

In making any investment decision in respect of Admission and/or the Fundraise, no information or representation should be relied upon in relation to Admission or in relation to the Ordinary Shares other than as contained in this Admission Document. No person has been authorised to give any information or make any representation other than that contained in this Admission Document and, if given or made, such information or representation must not be relied upon as having been authorised.

It should be remembered that the price of securities and the income from them can go down as well as up and this Admission Document contains references to past performance of the Company. Past performance is not a reliable indicator of future results.

There is information given in this Admission Document which relates to tax treatment. Tax treatment depends on the individual circumstances of each investor and is subject to change in the future.

#### **Third party information**

The data, statistics and information and other statements in this Document regarding the markets and industry in which the Company operates, or its market position therein, is based upon the Company's records or are taken or derived from statistical data and information derived from Company or third-party sources described in this Admission Document.

In relation to these sources, such information has been accurately reproduced from the published information, and, so far as the Directors are aware and are able to ascertain from the information provided by the suppliers of this information, no facts have been omitted which would render such information inaccurate or misleading.

#### **Presentation of financial information**

The financial information contained in this Admission Document, including that financial information presented in a number of tables in this Admission Document, has been rounded to the nearest whole number or the nearest decimal place. Therefore, the actual arithmetic total of the numbers in a column or row in a certain table may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in this Admission Document reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

#### **Time Zone**

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

#### **No Incorporation of Website**

The information of the Company's website (or any other website) does not form part of this Admission Document.

# CONTENTS

Directors, Secretary and Advisers	4
Admission Statistics	5
Expected Timetable of Principal Events	5
Definitions	6
Part I      Information on the Group	10
Part II     Risk Factors	19
Part III    Historical Financial Information on the Group	22
Part IV    Additional Information	31

## DIRECTORS, SECRETARY AND ADVISERS

Directors	Lindsay Keith Anderson Mair ACA, <i>Non-Executive Chairman</i> David Alistair Horner, <i>Managing Director</i> Richard Hywel Bucknell, <i>Chief Investment Officer</i>
Company Secretary	ISCA Administration Services Limited Suite 8 Bridge House Courtenay Street Newton Abbot TQ12 2QS
Registered office	11 Laura Place Bath BA2 4BL
Website	<a href="http://www.macaulaycapital.com">www.macaulaycapital.com</a>
Telephone number	01225 541904
AQSE Growth Market Corporate Adviser	Cairn Financial Advisers LLP Ninth Floor 107 Cheapside London EC2V 6DN
Legal Adviser to the Company	Roxburgh Milkins Limited Merchants House North Wapping Road Bristol BS1 4RW
Brokers to the Company	Oberon Capital Nightingale House 65 Curzon Street London W1J 8PE
Solicitor to the Corporate Adviser and Broker	RWK Goodman LLP 69 Carter Lane London EC4V 5EQ
Reporting Accountants and Auditors	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT
Registrar	Share Registrars Limited The Courtyard 17 West Street Farnham GU9 7DR

## ADMISSION STATISTICS

Placing Price per New Ordinary Share (pence)	20
Number of Ordinary Shares in issue prior to the Fundraise	500,000
Number of New Ordinary Shares being issued pursuant to the Fundraise	9,500,000
Number of Ordinary Shares in issue on Admission	10,000,000
Percentage of the Enlarged Share Capital subject to the Fundraise	95%
Total number of Ordinary Shares over which Share Options may be granted following Admission	5,000,000
Total number of Ordinary Shares which will be the subject of Founder Warrants immediately following Admission	11,000,000
Fully diluted number of Ordinary Shares following Admission, assuming exercise of all Founder Warrants, the grant of all the Share Options and the subsequent exercise of all such options	26,000,000
Gross proceeds of the Fundraise	£1,900,000
Market capitalisation on Admission at the Placing Price	£2,000,000
AQSE Symbol	MCAP
SEDOL	BNKBMF2
ISIN	GB00BNKBMF25
LEI	213800ZJXFVLJQC7OV11

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	<b>2022</b>
Publication and despatch of this Document	25 July
Admission becomes effective and commencement of dealings in the Enlarged Share Capital on the AQSE Growth Market	8.00 a.m. on 29 July
CREST accounts (where relevant) expected to be credited	29 July
Share certificates (where relevant) expected to be despatched no later than	5 August

*All of the above timings refer to London time unless otherwise stated. All future times and/or dates referred to in this Document are subject to change at the discretion of the Company and Cairn and if any of the above times or dates should change, the revised times and/or dates will be notified by an announcement on a RIS.*

## DEFINITIONS

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

<b>“Admission”</b>	admission of the Existing Ordinary Shares and the New Ordinary Shares to trading on the AQSE Growth Market becoming effective in accordance with the AQSE Exchange Rules
<b>“Admission Document” or “Document”</b>	this document dated 25 July 2022
<b>“AIM”</b>	the market of that name operated by the London Stock Exchange Group plc
<b>“AQSE”</b>	Aquis Stock Exchange PLC, a UK-based stock market providing primary and secondary markets for equity and debt products, and which is permissioned as a Recognised Investment Exchange
<b>“AQSE Corporate Adviser Agreement”</b>	the agreement between the Company and Cairn dated 25 July 2022 pursuant to which the Company has appointed Cairn to act as AQSE Corporate Adviser to the Company for the purposes of the AQSE Exchange Rules and for the purpose of making the application for Admission as summarised in paragraph 8.3 of Part IV of this Document
<b>“AQSE Corporate Adviser Rules”</b>	the AQSE Exchange Corporate Adviser Handbook published by AQSE and as amended or reissued from time to time
<b>“AQSE Growth Market”</b>	the Access Segment of the AQSE Exchange Growth Market operated by AQSE
<b>“Articles” or “Articles of Association”</b>	the Company’s articles of association as amended from time to time
<b>“Board” or “Directors”</b>	the directors of the Company, whose names and functions are set out on page 4 of this Document
<b>“Cairn”</b>	Cairn Financial Advisers LLP, incorporated as a limited liability partnership registered in England with partnership number OC351689, the Company’s corporate adviser for the purposes of the AQSE Corporate Adviser Rules, which is authorised and regulated by the FCA
<b>“Companies Act”</b>	the UK Companies Act 2006, as amended
<b>“Company”</b>	Macaulay Capital PLC, a company registered in England and Wales with company number 14105915 and whose registered office is 11 Laura Place, Bath BA2 4BL
<b>“Conditional Founder Warrants”</b>	the warrants constituted by the Conditional Founder Warrant Instrument, held by the Founder Warrant Holders
<b>“Conditional Founder Warrant Instrument”</b>	an instrument constituting 5,000,000 warrants, a summary of the terms of which is set out in paragraph 8.8 of Part IV of this Document
<b>“CREST”</b>	the computerised settlement system (as defined in the CREST Regulations) to facilitate the transfer of title to, and the holding of shares in uncertificated form, which is operated by Euroclear UK & Ireland Limited
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended from time to time)

<b>“Diluted Share Capital”</b>	16,000,000 Ordinary Shares, being the enlarged issued share capital of the Company following the exercise in full of the Unconditional Founder Warrants
<b>“Disclosure and Transparency Rules”</b>	the Disclosure Guidance and Transparency Rules made by the FCA in accordance with section 73(A)(3) of FSMA relating to the disclosure of information in respect of financial instruments which have been admitted to trading on a regulated market
<b>“EIS” and “SEIS”</b>	Enterprise Investment Scheme and Seed Enterprise Investment Scheme; both schemes introduced by the UK tax authorities to help early-stage companies raise funds through individual investors by providing a series of tax reliefs on investments made into qualifying companies or funds
<b>“Enlarged Share Capital”</b>	the entire issued ordinary share capital of the Company immediately following Admission, comprising the Existing Ordinary Shares and the New Ordinary Shares
<b>“Enterprise Company”</b>	as defined in the AQSE Exchange Rules, an issuer whose predominant purpose or objective is to undertake an acquisition or merger, or a series of acquisitions or mergers, or to finance and/or invest in securities or businesses
<b>“Existing Ordinary Shares”</b>	the 500,000 Ordinary Shares in issue as at the date of this Document
<b>“FCA”</b>	the United Kingdom Financial Conduct Authority
<b>“Founder Warrants”</b>	the Unconditional Founder Warrants and the Conditional Founder Warrants
<b>“Founder Warrant Instruments”</b>	together, the Unconditional Founder Warrant Instrument and the Conditional Founder Warrant Instrument
<b>“Founder Warrant Holders”</b>	Harry Horner and Tom Horner
<b>“FSMA”</b>	the Financial Services and Markets Act 2000 (as amended)
<b>“Fully Diluted Share Capital”</b>	the total number of Ordinary Shares that would be in issue on the basis that all Founder Warrants are exercised and all Share Options are granted and exercised
<b>“Fundraise”</b>	in aggregate £1,900,000 (gross) raised, conditionally on Admission, through the Placing and Subscription at the Placing Price
<b>“Group” or “Macaulay Capital”</b>	Macaulay Capital PLC and Macaulay Management Limited
<b>“Horner Family Concert Party”</b>	the concert party in relation to the Company under Rule 9 of the Takeover Code comprising members of the Horner family, details of which are set out in paragraph 13.2.4 of Part IV of this Document
<b>“ISIN”</b>	International Securities Identification number
<b>“Lock-In Agreements”</b>	the lock-in agreements given by David Horner and the other members of the Horner Family Concert Party and Lindsay Mair, in favour of the Company, Cairn and Oberon, further details of which are set out in paragraph 12 of Part I of this Document
<b>“Lock-In Period”</b>	as defined in paragraph 12 of Part I and paragraph 8.7 of Part IV of this Document

<b>“Macaulay Management Limited” or “MML”</b>	Macaulay Management Limited, a company registered in England and Wales with registration number 13678875 and a wholly owned subsidiary of Macaulay Capital PLC
<b>“Main Market”</b>	London Stock Exchange Group plc’s main market for listed securities
<b>“MAR” or “Market Abuse Regulation”</b>	the UK version of Regulation (EU) 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time including by the Market Abuse (Amendment) (EU Exit) Regulations 2019
<b>“MBO” or “MBI”</b>	management buy-out or management buy-in
<b>“Net Proceeds”</b>	means the £1,796,100 received on closing of the Fundraise after deduction of all the expenses paid or payable in connection with Admission, the Fundraise and the incorporation and initial capitalisation of the Company
<b>“New Ordinary Shares”</b>	the 9,500,000 new Ordinary Shares to be issued by the Company pursuant to the Fundraise
<b>“Oberon”</b>	Oberon Capital, a trading name of Oberon Investments Limited, the Company’s broker
<b>“Official List”</b>	the Official List maintained by the FCA
<b>“Ordinary Shares”</b>	ordinary shares of £0.10 each in the capital of the Company
<b>“Persons Discharging Managerial Responsibility”</b>	as defined in MAR, as may be amended from time to time, and refers to any person fulfilling such function for the Company or any of its subsidiaries from time to time and as at the date of this Document
<b>“Placees”</b>	investors introduced to the Company by the Directors and by Oberon to whom the Placing Shares are issued pursuant to the Placing
<b>“Placing”</b>	the conditional placing of 7,900,000 Placing Shares by Oberon at the Placing Price pursuant to the Placing Agreement
<b>“Placing Agreement”</b>	the conditional agreement dated 25 July 2022 between (i) the Directors, (ii) the Company, (iii) Cairn and (iv) Oberon, relating to the Placing, details of which are set out in paragraph 8.5 of Part IV of this Document
<b>“Placing Price”</b>	£0.20 per Placing Share or Subscription Share
<b>“Placing Shares”</b>	the 7,900,000 new Ordinary Shares to be issued by the Company and subscribed for pursuant to the Placing by Placees
<b>“Prospectus Regulation Rules”</b>	the prospectus regulation rules of the FCA made pursuant to section 73A of the FSMA, as amended
<b>“QCA”</b>	the Quoted Companies Alliance
<b>“QCA Code”</b>	the Quoted Companies Alliance Corporate Governance Code
<b>“Registrars”</b>	Share Registrars Limited, the Company’s registrar

<b>“Regulatory Information Service” or “RIS”</b>	any channel recognised as a channel for the dissemination of information as defined in the glossary of terms in the AQSE Exchange Rules
<b>“Relationship Deed”</b>	an agreement between (i) the Company, (ii) Cairn and (iii) David Horner dated 25 July 2022 which regulates the continuing relationship between the Company, Cairn and David Horner
<b>“SEDOL”</b>	the Stock Exchange Daily Official List Identification Number
<b>“Shareholders”</b>	the persons who are registered as the holders of Ordinary Shares from time to time
<b>“Share Options”</b>	options to subscribe for up to 5,000,000 Ordinary Shares, which may be granted by the Company to certain existing and future employees and directors of, and consultants to, the Company, following Admission, as described in paragraph 9 of Part I of this Document
<b>“Significant Shareholders”</b>	those Shareholders who are interested and who, immediately following Admission, are expected to be interested, directly or indirectly, in three per cent. or more of the Company’s Ordinary Shares or voting rights
<b>“Subscribers”</b>	Harry Horner and Tom Horner, who are subscribing for New Ordinary Shares pursuant to the Subscription
<b>“Subscription”</b>	the conditional subscription by the Subscribers for the Subscription Shares at the Placing Price pursuant to and on the terms of the Subscription Letters
<b>“Subscription Letters”</b>	the letters issued by the Company to the Subscribers, on the terms of which each of the Subscribers agreed, on 25 July 2022, to subscribe, conditionally upon Admission, for the Subscription Shares at the Placing Price
<b>“Subscription Shares”</b>	the 1,600,000 New Ordinary Shares to be issued to Subscribers pursuant to the Subscription
<b>“Takeover Code”</b>	the City Code on Takeovers and Mergers, published by the Takeover Panel
<b>“Takeover Panel”</b>	the Panel on Takeovers and Mergers
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland
<b>“UK Legislation”</b>	the laws that are in force in England and Wales from time to time
<b>“uncertificated” or “in uncertificated form”</b>	recorded on the register of Ordinary Shares as being held in uncertificated form in CREST, entitlement to which by virtue of the CREST Regulations may be transferred by means of CREST
<b>“Unconditional Founder Warrants”</b>	the warrants constituted by the Unconditional Founder Warrant Instrument, held by the Founder Warrant Holders
<b>“Unconditional Founder Warrant Instrument”</b>	an instrument constituting warrants to subscribe for 6,000,000 Ordinary Shares, a summary of the terms of which is set out in paragraph 8.8 of Part IV of this Document
<b>“USA”</b>	the United States of America, its territories and possessions, any state of the United States of America and the district of Columbia and all other areas subject to its jurisdiction

## **PART I INFORMATION ON THE GROUP**

### **1. Background**

Macaulay Capital PLC was incorporated on 13 May 2022 as a UK public limited company for the purpose of acquiring Macaulay Management Limited (“MML”). MML was incorporated on 14 October 2021 and was formed to originate and manage corporate transactions, raise funds from third parties, invest the Group’s own funds alongside those of external investors and to manage the Group’s investment portfolio with the aim of maximising its value. Macaulay Capital PLC acquired the entire issued share capital of MML on 14 June 2022.

Accordingly, Macaulay Capital’s strategy is to build an investment origination business focused on unquoted companies, generating fees (transactions and ongoing) and participating in transactions alongside external investors in order to generate capital gains.

The Board believes that it has the necessary skills and professional experience in the sector but will mandate additional resource and expertise to assist them as necessary.

Following Macaulay Capital PLC's incorporation, on 13 May 2022, the Company raised £100,000, from David Horner, the sole subscriber for the 500,000 Ordinary Shares with which the Company was incorporated and who paid 20 pence per Ordinary Share for such shares.

The Company has also raised, in aggregate, conditional on Admission, a further £1,900,000 before expenses by way of the Fundraise at the Placing Price of 20p per New Ordinary Share.

### **2. The Market Opportunity**

The Company’s strategy is based on the Directors’ view of the market opportunity, which is summarised below.

Early stage, growth capital investing, generally with a heavy bias towards technology, is an identifiable segment of the private company investment market. Whilst angel investors have been active in this space for some time, more recent rule changes around EIS and VCT funds, together with various government initiatives focused on ensuring there are sufficient funding options for young, small and medium-sized enterprises (SMEs) with potential for high-growth, have led fund managers to focus on this sector of the market, as well as encouraging new entrants, such as crowd funding platforms, into the space.

Similarly, there is a pool of uninvested capital within private equity funds targeted towards acquisitions and other ‘change of control’ transactions. The Directors believe that the scale of their funding has meant that it is increasingly inefficient for such funds to invest in smaller companies. In addition, the desire to secure high returns for their investors means that private equity funds seek opportunities in demonstrably high growth sectors of the economy and in businesses that employ novel or disruptive business models, in order to differentiate their funds and to seek to meet aggressive growth forecasts.

This leaves a ‘middle ground’ of smaller companies, active in well-established markets. These businesses may not be seeking to raise capital to grow, as they are already profitable and generating positive cash-flows, as well as often being too long-established to qualify for the tax relief-driven capital on offer. However, many of these proven businesses have developed niches in their markets or other defensible qualities that enable them to maintain and grow their activities over an extended period of time.

Businesses such as these represent attractive investment opportunities to Macaulay Capital. Their longevity demonstrates an enduring demand for their products or services and provides an investor with a track record against which to make an assessment of likely future performance, taking into account the proven dynamics of the market in which they operate and an established competitive position compared to their peers.

Relatively few investors target these companies: their scale makes them too small for private equity investors to deploy the significant amounts of capital at their disposal, whilst their future growth prospects can look 'pedestrian' when compared to businesses operating in younger, more dynamic markets. This presents an opportunity for those investors who are willing to nurture companies over a period of time and be 'patient', rather than seeking short term capital appreciation and exits.

Macaulay Capital intends to focus on such investment opportunities. There is a distinct addressable market of UK SMEs, many of which are brought to market for sale through corporate finance or broker channels. A financial acquirer, such as those introduced by MML, can offer an interesting alternative to vendors who might otherwise only have the option of a sale to a trade competitor, with the benefit that management and staff can remain *in situ* and look to develop the business over future years, preserving the vendor's legacy. With limited interest in this market from other institutional investors or private capital, the Directors believe that there is sufficient potential to deliver a steady volume of high-quality investment opportunities which will enable Macaulay Capital to generate a consistent level of fee income, from both arranging the initial investments, as well as recurring income from managing the investments and from board roles in its portfolio of investee companies. Macaulay Capital also expects to participate in its own capacity in the transactions for which it secures third party funding, which should enable Shareholders to share in the capital appreciation that may accrue from successful portfolio company investments.

An investment in Macaulay Capital will also provide Shareholders with the opportunity to invest directly in this range of unquoted businesses, employing capital structures aimed at delivering a predictable income stream during the 'life' of the investment, as well as the potential for capital growth. This is in addition to Shareholders having the ability to trade Ordinary Shares on AQSE, subject to market liquidity.

### **3. Strategy**

Macaulay Capital was established in order to source attractive unquoted investment opportunities, and then procure the funding to invest in them, which may include MBOs/MBIs, replacement capital, growth funding, or funding for acquisitions.

Macaulay Capital intends to earn revenues as follows:

- an arrangement fee on completion of a transaction (typically a percentage of the funds raised, including funds invested by Macaulay Capital), payable by the client company;
- an annual director fee for providing a director to represent Macaulay Capital's and third-party investors' interests on the board of the client company;
- an annual management fee of 2 per cent. per annum for up to five years, once third-party investors have been repaid their initial investment, payable by the investors; and
- a performance fee, if returns exceed a predetermined threshold, also payable by the investors.

In addition, the Group will also, on each transaction, participate directly in up to £200,000 in a mix of loan stock and equity share capital, as part of any fundraising necessary to enable the transaction to proceed.

Transaction values are initially expected to be in the range of £2m-£5m and it is anticipated that the Group will undertake between three and five transactions each year, once it reaches its expected run-rate. The Directors estimate that the typical length of time that an investment will be held before realisation will be approximately 5 years.

Funds introduced by the Group will be invested in client companies via a solicitor's client account. No third-party investors' funds will be collected or held by the Company or MML. The Group's own investments will also be made via the same solicitor's client account into the client company.

MML has agreed to take over the investment management of the unquoted investment portfolio of Chelverton Asset Management Limited ("CAM"), which David Horner, a director of the Company, founded and of which he is managing director. In line with its strategy, CAM's current and future focus is on quoted companies, rather than unquoted businesses, and therefore the unquoted portfolio is now insignificant, relative to CAM's quoted company portfolio.

CAM's unquoted business has sourced and led several MBO / acquisition transactions in the £2m-£5m value range, as well as securing EIS investment opportunities across a range of service-related companies.

Macaulay Capital's strategy is to focus on the following types of investment opportunities:

- acquisition finance, funded by equity and high-yielding loan stock;
- MBO/MBI finance, funded by equity and high-yielding loan stock; and
- development finance, funded by equity (potentially including EIS-qualifying opportunities) and high-yielding loan stock.

The Board expects that the Group's investment opportunities will be originated, structured and led by the team at MML and funding will be raised in the form of equity and shareholder loan stock, or EIS-qualifying equity, if applicable. In order to enable it to invest alongside other investors, the Company intends to allocate a proportion of the funds raised pursuant to the Fundraise, taking into account the ongoing working capital requirements of the Group, for investment in client businesses, thus sharing with investors the risk and reward of investing in portfolio businesses.

The Company expects that David Horner, as Managing Director, and Richard Bucknell, as Chief Investment Officer, will source investment opportunities for Macaulay Capital, using their extensive network of contacts. Following initial meetings, and if the target company is of interest and fits with the Group's investment strategy, they would seek to agree indicative terms for assisting it to find investment, and outline terms for the investment.

If in-principle agreement is reached, Macaulay Capital will undertake appropriate market, accounting and legal due diligence on the target company and its employees, some of which it will carry out itself, and some of which may be outsourced to advisers and consultants. The Group will, through its lawyers, prepare investment documentation. Following this, the team at Macaulay Capital will approach potential investors, using their network of contacts to identify those they believe will find the investment of interest.

Ahead of Admission, Macaulay Capital has recently completed its first transaction, raising £1 million to be invested in HC 1335 Limited, a newco vehicle used to acquire an established food manufacturing business. The total investment is represented by £86,000 in ordinary shares for 40% of the equity, alongside £914,000 in unsecured loan notes. The loan notes are scheduled to be redeemed in May 2027.

Of the £1 million, and in line with the Company's strategy, £200,000 was invested by the Group. This £200,000 was funded by a loan from CAM, the terms of which are set out in paragraph 9.6 of Part IV of this Document. The balance of £800,000 was invested by David Horner and it is intended that following Admission, approximately 95% of this will be sold on, at cost, to third party investors identified and introduced by the Group.

Other funding for the transaction came from incumbent and incoming management which invested £129,000 in ordinary shares for 60% of the equity, alongside £350,000 in vendor deferred consideration, loans and bank debt in the form of a term loan and invoice discounting facility. Related fees payable to the Group comprise an arrangement fee of £35,000 and an ongoing monitoring fee of £25,000 per annum.

The Board intends that potential and existing client companies and mandates will be discussed in regular all-team meetings with the approval of both executive directors required in order to take on new clients and mandates. Should the Group intend to invest its own funds, full Board approval will be required.

As well as arranging funding for transactions on an individual, deal-by-deal, basis, the Board intends in due course to establish a trading holding company, with a pool of committed capital which it can deploy in transactions on a discretionary basis. This may take the form of a private equity-style limited partnership arrangement, or via a separate company which over time will establish a portfolio of stand-alone trading businesses.

The model employed is likely to depend on the wishes of the underlying investor clients, with the former more likely to appeal to quasi-institutional investors, family offices and the like, whereas a company structure may be more attractive to individual investors, who would benefit from it being structured so as to be eligible for business relief and outside the scope of UK inheritance tax.

The Board intends that in time, the Group may broaden its product offering, potentially to include high coupon debt finance and rescue / restructuring finance, as well as possibly looking to acquire other entities that will complement its activities. These individuals or teams may manage debt finance, property investments or 'funds of funds'.

The Group's efforts in identifying opportunities will not be limited to a particular industry sector or geographic location. However, given the collective experience of the Directors, Macaulay Capital will initially focus on the United Kingdom.

#### **4. Management experience**

The Group will be managed by its two executive directors, David Horner and Richard Bucknell.

Both have been operating in the small cap private company market for many years and have, in aggregate, over sixty years' experience of identifying, originating, assessing, structuring, and financing transactions. During this time, they have established an extensive network of contacts which assist with the process of sourcing deals and investment.

Since qualifying as a chartered accountant in 1987, David Horner has spent his career advising and, as a fund manager, investing in, small companies, both quoted and unquoted. In 1997 he established CAM, which now has funds under management of approximately £1.9 billion, and of which he is the managing director. David Horner intends to dedicate approximately 50 per cent of his time to Macaulay Capital and will not receive any salary in relation to this role.

Richard Bucknell has more than 20 years' experience of investing in UK SMEs. Having initially opened and run a new Midlands office for Barclays Ventures, he went on to be a senior member of the team investing the Baronsmead VCTs on behalf of Livingbridge (previously ISIS Equity Partners), before assuming the Fund Principal role on the, largely Government-funded, £30m Catapult Growth Fund. In 2014, he joined CAM and has led the unquoted investment activities of the firm since that time, working closely with David Horner.

In addition to the Directors, details of the team at Macaulay Capital are set out below.

Rebecca Leigh is responsible for Sales and Marketing. Her background is in investment banking and she worked in Institutional Equities for Credit Suisse and Morgan Stanley from 2004 until 2016. Since then, she has worked with a number of early-stage businesses. Rebecca will lead the Group's fundraising activities.

Clive Milner is MML's Operations Manager. After graduating from Southampton University, he spent 4 years in industry then 13 years in the Army, during which time he completed an MBA. He then worked as a business adviser in two business start-ups and more recently in operational management roles. He is in charge of the day-to-day operations of the Group.

#### **5. FCA Approval**

FCA approval is required for the Group to undertake the activities outlined above and the FCA has confirmed that MML has been granted Appointed Representative status under the permissions granted to The Fund Incubator Limited, which itself has FCA permissions that include arranging deals in investments and making arrangements with a view to transactions in investments.

MML intends to apply for FCA approval in its own right and the Directors have no reason to believe that this will not be granted, at which point MML would cease to be an Appointed Representative of The Fund Incubator Limited.

## 6. Reasons for Admission to the AQSE Growth Market

The Directors believe that Admission will offer the following benefits to the Company:

- access to funding — Admission will enable the Company to access its initial capital and, in due course, additional capital for further investment more effectively than if it were an unquoted company;
- increased corporate profile — the status of being a company whose shares are traded publicly could benefit any investee company or fund by increasing its profile, and may attract approaches from potential investee companies; and
- the ability to attract and retain key staff — the ability to motivate personnel through share options will assist the Company to attract, retain and motivate high calibre personnel.

Given the nature of the Group's strategy, the Company does not intend to make additional regular and periodic disclosures or calculations of net asset value outside of the requirements for an AQSE Growth Market traded company.

## 7. Financial Information

The Company was incorporated on 13 May 2022 for the purpose of acquiring Macaulay Management Limited. MML was incorporated on 14 October 2021 and commenced trading in November 2021. Audited financial information on the Company from incorporation to 31 May 2022 and for MML from incorporation to 30 April 2022 is set out in Part III of this Document. The Company's current financial year end for statutory reporting purposes is 31 December.

## 8. Directors

**Lindsay Keith Anderson Mair, ACA** (Age 64), Non-Executive Chairman

Lindsay is a former investment banker with extensive capital markets experience acquired over a thirty year career in the City, advising small cap companies on transactions (capital markets and M&A) and on ongoing compliance with market regulations. Between 2000 and 2019 he was also an approved qualified executive for AIM listed companies and has held a number of company directorships. Lindsay is a chartered accountant having qualified with Touche Ross (now Deloitte) in 1987.

**David Alistair Horner** (Age 62), Managing Director

David qualified as a chartered accountant with Touche Ross (now Deloitte) and in 1986 joined 3i Corporate Finance Limited. In 1997, he formed CAM which specialises in managing portfolios of investments in private companies and small to medium sized public companies. He is the managing director of CAM. He set up and manages Chelverton Growth Trust plc, manages the Chelverton UK Dividend Trust plc and is Chairman of AIM listed CEPS plc. David Horner resigned his membership of the ICAEW as his work became focused on fund management.

**Richard Bucknell** (Age 52) Chief Investment Officer

Richard is an experienced private equity investment professional who has led over 30 investments into smaller companies since 1998. In most of those transactions he has represented investor interests on the board of the companies involved. He has helped shape the strategic development of the companies over time, through to managing the realisation process on behalf of investors. Prior to joining Macaulay Capital, Richard was Investment Director at CAM, responsible for its portfolio of unquoted investments, and previously held a number of senior investment management positions at firms that included Barclays Ventures, Livingbridge (previously ISIS Equity Partners) and Catapult Venture Managers.

## **9. Share Options and Founder Warrants**

The Directors believe that it is important for the success and growth of the Company that it employs and engages properly motivated personnel and that equity incentives are available to attract, retain and reward employees, directors and consultants. In order to achieve that objective, the Company may adopt a formal incentive plan under which it contemplates awarding Share Options to directors, employees and consultants pursuant to share option and incentive schemes approved by the Board. It is intended that any individual awards under any such scheme will be subject to vesting and/or performance conditions. The proportion of Ordinary Shares which will be made the subject of Share Options will not exceed 20 per cent. of the Company's issued Ordinary Share capital from time to time without the prior approval of the Shareholders and no Share Options are intended to be granted to David Horner.

Founder Warrants have been issued to Harry Horner and Tom Horner, David Horner's sons, pursuant to the Founder Warrant Instruments. These comprise:

- Unconditional Founder Warrants to subscribe for 6,000,000 Ordinary Shares exercisable at £0.25 per share and which the Founder Warrant Holders have irrevocably undertaken to exercise in full within two years of Admission; and
- Conditional Founder Warrants to subscribe for a further 5,000,000 Ordinary Shares, exercisable at the higher of £0.25 per share or the mid-market price of an Ordinary Share at the time of exercise, conditional on the exercise of Share Options and in numbers of up to a maximum of (but not exceeding) the numbers of Ordinary Shares issued following the exercise of such Share Options.

## **10. Details of the Fundraise**

Oberon has conditionally agreed, pursuant to the Placing Agreement and as agent for the Company, to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price. Additionally, pursuant to the Subscription Letters, the Subscribers have agreed, conditional on Admission, to subscribe for the Subscription Shares at the Placing Price. The Placing and Subscription will raise in aggregate, £1,900,000 for the Company. Both the Placing and Subscription, neither of which is underwritten, are conditional upon, inter alia, Admission becoming effective by not later than 8.00 a.m. on 29 July 2022 (or such date as the Company, Cairn and Oberon may agree, being not later than 5.00 p.m. on 12 August 2022) and on the Placing Agreement not being terminated.

Further details of the Placing Agreement and the Subscription Letters are set out in paragraph 8.5 and 8.6 respectively of Part IV (Additional Information) of this Document.

## **11. Application to the AQSE Growth Market**

Application has been made for the Enlarged Share Capital to be admitted to trading on the AQSE Growth Market. Dealings in the Ordinary Shares are expected to commence at 8.00 a.m. on 29 July 2022.

The Company will be an Enterprise Company under the AQSE Exchange Rules because a significant proportion of its business and assets will comprise investments in other companies.

## **12. Lock-In Agreements**

On Admission, David Horner, together with the other members of the Horner Family Concert Party and Lindsay Mair and his wife will, in aggregate, hold 2,225,000 Ordinary Shares, representing 22.25 per cent. of the Enlarged Share Capital. These parties have agreed with the Company, Cairn and Oberon, save for certain standard exceptions, not to dispose of any interest in the Ordinary Shares held by them for a period of 12 months following Admission ("Lock-In Period") and, following expiry of the Lock-In Period, but prior to the date 24 months following Admission, not to make any such disposal other than by arrangement with Cairn.

### **13. Dividend Policy**

The Company expects that returns to Shareholders will be delivered primarily through an appreciation in the price of the Ordinary Shares rather than capital distribution through regular dividends. There may, however, be opportunities to contemplate returns through special dividends should companies in which the Company has an interest be subject to a sale or an initial public offering.

### **14. Corporate Governance**

The Directors are committed to maintaining high standards of corporate governance, and propose, so far as is practicable given the Company's size and nature, to comply with the QCA Code.

The Group has established a remuneration committee (the "Remuneration Committee") and an audit committee (the "Audit Committee") with formally delegated duties and responsibilities.

The Remuneration Committee comprises Lindsay Mair as Chairman and David Horner, and will meet not less than twice each year. The committee is responsible for the review and recommendation of the scale and structure of remuneration for management, including any bonus arrangements or the award of share options with due regard to the interests of the Shareholders and the performance of the Enlarged Group.

The Audit Committee comprises Lindsay Mair, as Chairman, and David Horner, and will meet not less than twice a year. The committee is responsible for making recommendations to the Board on the appointment of auditors and the audit fee and for ensuring that the financial performance of the Company is properly monitored and reported. In addition, the Audit Committee will receive and review reports from management and the auditors relating to the interim report, the annual report and accounts and the internal control systems of the Enlarged Group.

The Board has not established a nominations committee in view of the size of the Company.

David Horner is Chairman of, and has (including related interests), a 29.99 per cent. holding in, CEPS plc (which is listed on AIM). CEPS plc has a similar investment strategy to that of the Company.

However, on 13 December 2021, CEPS plc announced that it did not anticipate any further significant acquisitions in new segments over the next two years while it focuses on enhancing its existing portfolio companies through both organic growth and bolt-on acquisitions. Following this period, the Board anticipates that any potential conflict would be diminished by the broader range of activities being undertaken by Macaulay Capital.

In addition, in order to manage any conflict of interest (actual or perceived), the Company has established a conflict of interest policy, which is consistent with the terms of the Relationship Deed, referred to below, and which ensures that any potential transaction or investment by Macaulay Capital is approved by the Independent Non-Executive Director(s) and the Company's AQSE Corporate Adviser.

The Company has adopted a share dealing code for dealings in securities of the Company by the Directors and Persons Discharging Managerial Responsibility which is appropriate for a company whose shares are traded on the AQSE Growth Market. This will constitute the Company's share dealing policy for the purpose of compliance with UK Legislation including the Market Abuse Regulation and Rule 4.1 of the AQSE Exchange Rules. It should be noted that the insider dealing legislation set out in the UK Criminal Justice Act 1993 will apply to the Company and to dealings in Ordinary Shares.

The Company has implemented an anti-bribery and corruption policy and also implemented appropriate procedures to ensure that the Board, employees and consultants comply with the UK Bribery Act 2010.

The Directors have established financial controls and reporting procedures, which are considered appropriate given the size of and structure of the Company. These controls will be reviewed in light of an investment or acquisition and adjusted accordingly.

The Horner Family Concert Party will, on Admission, be the registered holders of 2,100,000 Ordinary Shares (of which David Horner will be beneficially interested in 50,000 such shares), representing 21 per cent. of the total number of votes capable of being cast on a poll at general meetings of the Company.

The Company, Cairn and David Horner have entered into the Relationship Deed which regulates the relationship between them to ensure that: (i) the Company will be capable at all times of carrying on its business independently of David Horner and the Horner Family Concert Party; and (ii) all transactions and relationships between the Company and the members of the Horner family Concert Party are on an arm's length basis.

Further details of the Relationship Deed are set out at paragraph 10 in Part IV of this Document.

## **15. The Takeover Code**

The Takeover Code applies to the Company.

Under Rule 9 of the Takeover Code, when (i) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which, taken together with shares in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company subject to the Takeover Code or (ii) any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of such voting rights, and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, then such person is normally required to make a general offer to all the holders of any class of equity share capital or other class of transferable securities carrying voting rights of that company to acquire the balance of their interests in the company. An offer under Rule 9 of the Takeover Code must be in cash (or with a cash alternative) and must be at not less than the highest price paid within the preceding 12 months for any shares in the company by the person required to make the offer or any person acting in concert with him.

The Takeover Panel and the Company have agreed that members of the Horner Family Concert Party are acting in concert in relation to the Company. Immediately following Admission and the subscription for 800,000 New Ordinary Shares by each of Harry Horner and Tom Horner, members of the Horner Family Concert Party will hold in aggregate, 2,100,000 Ordinary Shares, representing 21 per cent. of the Enlarged Share Capital at Admission. Further, as set out in paragraph 9 of this Part I, warrants have been issued to Harry Horner and Tom Horner to subscribe for 5,500,000 Ordinary Shares each, comprising 3,000,000 Unconditional Founder Warrants and 2,500,000 Conditional Founder Warrants each. Harry Horner and Tom Horner have irrevocably undertaken to exercise the Unconditional Founder Warrants within 24 months of Admission. Upon exercise of the Unconditional Founder Warrants by Tom Horner and Harry Horner, the maximum holding of the Horner Family Concert Party would be, in aggregate, 8,100,000 Ordinary Shares, representing approximately 50.6 per cent. of the issued share capital of the Company (assuming no other changes to the Company's issued share capital).

In addition, and separately to the Founder Warrants, there will be a pool of employee options ("Share Options") which may be granted over up to 5,000,000 new Ordinary Shares to employees and directors of, and consultants to, the Company (excluding any member of the Horner Family Concert Party). The identity of the recipients of the Share Options is yet to be determined; they are to be used as a means of incentivising such individuals after Admission.

Harry Horner and Tom Horner will be entitled and obliged to exercise the Conditional Founder Warrants over 5,000,000 new Ordinary Shares only upon and in parallel with the exercise of the Share Options. If the Unconditional Warrants, Conditional Warrants and Share Options were all exercised, the fully diluted maximum holding of the Horner Family Concert Party would be 50.4% of the so enlarged issued share capital of the Company.

As the members of the Horner Family Concert Party will potentially hold in excess of 50 per cent. of the issued share capital of the Company following exercise of the Founder Warrants, at the point they did hold in excess of 50 per cent. and for so long as they continue to be treated as acting in concert, the members of the Horner Family Concert Party would be entitled to increase their aggregate interest in the voting rights of the Company without incurring an obligation under Rule 9 of the Takeover Code to make a general offer. However, individual members of the Horner Family Concert Party will not be able to increase their percentage interests in Ordinary Shares through or between a Rule 9 threshold without Panel consent.

Further information on the provisions of the Takeover Code and the holdings of the Concert Party is set out in paragraph 13 of Part IV of this Document.

#### **16. CREST**

The Company's Articles of Association permit 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.

#### **17. Taxation**

The Ordinary Shares do not rank as a "qualifying investment" for the purposes of the Enterprise Investment Scheme nor as a "qualifying holding" for the purposes of investment by Venture Capital Trusts.

Information regarding UK taxation in relation to the Ordinary Shares is set out in paragraph 12 of Part IV 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 professional adviser immediately.

#### **18. 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 whether to invest in the Company.

## PART II

### RISK FACTORS

An investment in the Ordinary Shares involves a high degree of risk. Accordingly, prospective investors should carefully consider the specific risks set out below in addition to all of the other information set out in this Document before investing in the Ordinary Shares. The investment offered in this Document may not be suitable for all of its recipients. Before making any final investment decision, prospective investors should consider carefully whether an investment in the Company is suitable for them and, if they are in any doubt, should consult with an independent financial adviser authorised under FSMA who specialises in advising on the acquisition of shares and other securities in the UK or another appropriate financial adviser in the jurisdiction in which such investor is located who specialises in advising on the acquisition of shares and other securities. A prospective investor should consider carefully whether an investment in the Company is suitable in the light of their personal circumstances and the financial resources available to them.

The Board believes the following risks to be the most significant for potential investors. However, the risks listed do not necessarily comprise all of those associated with an investment in the Company and are not set out in any particular order of priority. Additional risks and uncertainties not currently known to the Board, or which the Board currently deem immaterial, may also have an adverse effect on the Company and the information set out below does not purport to be an exhaustive summary of the risks affecting the Company. In particular, the Company's performance may be affected by changes in market or economic conditions and in legal, regulatory and tax requirements.

If any of the following risks were to materialise, the Company's business, financial condition, results or future operations could be materially adversely affected. In such cases, the market price of the Ordinary Shares could decline and an investor may lose part or all of their investment.

#### RISKS RELATING TO THE COMPANY

##### Dependence on key personnel

The Group's business and future success is substantially dependent on the expertise and continued services and continuing contributions of its two executive directors and senior employees. The loss of the services of either of the executive directors or other employees could have a material adverse effect on the Group's business. The Company cannot guarantee the retention of the executive directors and senior employees.

The Group's future success and growth will also depend on its ability to attract and retain additional suitably qualified and experienced employees. There can be no guarantee that the Group will be able to continue to attract and retain such employees, and failure to do so could have a material adverse effect on the financial condition, results or operations of the Group.

##### Long-Term Investment

An investment in the Company is a long-term investment. The inherent nature of the type of investments which Macaulay Capital intends to undertake implies a significant length of time between the initial investment and realisation of gains, if any.

##### Illiquid investee companies

All of the companies in which the Group intends to make investments will initially be private. As a result, there will be no readily available secondary market for the Company's interests in such companies and those interests may be subject to legal restrictions on transfer. Therefore, there is no assurance that the Company will be able to realise liquidity for such investments in a timely manner, if at all.

## **Nature of investments**

There may be little or no publicly available information regarding the status and prospects of the companies in which Macaulay Capital intends to invest. Many investment decisions by the Group will be dependent upon the ability of its employees to obtain relevant information from non-public sources and they will sometimes be required to make decisions without complete information or in reliance upon information provided by third parties that is impossible or impracticable to verify.

## **The Company may not meet its investment objectives**

The Company may not meet its objective to generate attractive returns for Shareholders over the longer term. Capital appreciation will depend upon, amongst other things, the Group successfully pursuing its investment policy. There is no guarantee that the Company will achieve its return objectives.

## **Unspecified Use of Proceeds**

The Group has not yet selected any further target investments. Investors in the Company will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding the investments to be made by the Group, and accordingly, will be dependent upon the Group in investing and managing the funds available to it.

## **Dependence on The Fund Incubator Limited**

MML is reliant upon The Fund Incubator Limited in order to carry out its regulated activities, assisting companies and procuring investment for them. Should the agreement with The Fund Incubator Limited lapse for any reason, it could have a material adverse effect on the financial condition, results or operations of the Group.

## **Taxation**

This Document has been prepared in accordance with current UK tax legislation, practice and concessions and interpretation thereof. Any change in the Company's tax status or in taxation legislation could affect the Company's ability to provide returns to Shareholders or alter post tax returns to Shareholders. Statements in this Document concerning the taxation of holders of Ordinary Shares are based on current tax law and practice which is subject to change. The taxation of an investment in the Company depends on the individual circumstances of investors.

## **RISKS RELATING TO TARGET INVESTMENT COMPANIES AND OPPORTUNITIES**

### **Material Facts or Circumstances not Revealed in the Due Diligence Process**

Prior to making or proposing any material investment, the Group will undertake legal, financial and commercial due diligence on potential investments to a level considered reasonable and appropriate by the Group. However, these efforts may not reveal all material facts or circumstances that would have a material adverse effect upon the value of the investment. In undertaking due diligence, Macaulay Capital will use its own resources and may also instruct third parties to conduct certain aspects of the due diligence process. Any due diligence process involves subjective analysis and there can be no assurance that due diligence will reveal all material issues related to a potential investment. Any failure to reveal all material facts or circumstances relating to a potential investment may have a material adverse effect on the business, financial condition, results of operations and prospects of the Group.

### **Investee Companies' Reliance on Management and Key Personnel**

Future success of investee companies will depend on their continuing ability to attract, develop, motivate and retain highly qualified and skilled employees. In addition, loss of any senior management or key employees could materially adversely affect an investee company's ability to execute its business plan and strategy, and it may not be able to find an adequate replacement on a timely basis, or at all.

## **RISKS RELATING TO THE ORDINARY SHARES**

### **Fluctuations in the price of Ordinary Shares**

The market price of the Ordinary Shares may be subject to fluctuations in response to many factors, including variations in the operating results of the Company, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Group's industry or target markets, additions or departures of the Group's management and/or key personnel and factors outside the Company's control, including, but not limited to, general economic conditions, the performance of the overall stock market, other Shareholders buying or selling large numbers of Ordinary Shares and changes in legislations or regulations.

Stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for Ordinary Shares.

The value of Ordinary Shares may go down as well as up. Investors may therefore realise less than, or lose all of, their original investment.

### **Realisation of Investment**

The market price of the Ordinary Shares may not reflect the underlying value of the Company's net assets. Potential investors should be aware that the value of Ordinary Shares can rise or fall and that there may not be proper information available for determining the market value of an investment in the Company at all times.

The market price of the Ordinary Shares following Admission may be significantly different from the Placing Price. Shareholders may be unable to dispose of their shareholdings at or above the Placing Price.

Admission should not be taken as implying that there will be a liquid market in the Ordinary Shares. An investment in the Ordinary Shares may be difficult to realise.

## **RISKS RELATING TO TRADING ON THE AQSE GROWTH MARKET**

### **Investment in Unlisted Securities**

Investments in shares traded on the AQSE Growth Market are perceived as involving a higher degree of risk and of being less liquid than investments in those companies admitted to trading on the Main Market or AIM.

The value of Ordinary Shares may go down as well as up. Investors may therefore realise less than, or lose all of, their original investment.

### **Market Risks**

Admission should not be taken as implying that there will be a liquid market in the Ordinary Shares. An investment in the Ordinary Shares may be difficult to realise.

Continued admission to the AQSE Growth Market is entirely at the discretion of AQSE.

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

**PART III**

**FINANCIAL INFORMATION**

**SECTION A**

**ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF MACAULAY CAPITAL PLC**

<p>The Directors Macaulay Capital PLC 11 Laura Place Bath BA2 4BL</p> <p>The Partners Cairn Financial Advisers LLP Ninth Floor, 107 Cheapside London EC2V 6DN</p>	<p>Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT</p>
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25 July 2022

Dear Sirs

**Macaulay Capital PLC (“the Company”)**

**Introduction**

We report on the historical financial information of the Company for the period from incorporation on 13 May 2022 to 31 May 2022 set out in Section B of Part III (the “Financial Information”).

**Opinion on Financial Information**

In our opinion the Financial Information gives, for the purposes of the Admission Document dated 25 July 2022, a true and fair view of the state of affairs of Macaulay Capital PLC as at 31 May 2022 and of its result and changes in equity for the period then ended in accordance with UK Generally Accepted Accounting Practice (“UK GAAP”).

**Responsibilities**

The Directors of the Company are responsible for preparing the Financial Information on the basis of preparation set out in the notes to the Financial Information and in accordance with UK GAAP.

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

Save for any responsibility arising under paragraph 6.3 of Table A of Appendix 1 to the AQSE Growth Market – Access Rulebook to any person as and to the extent provided, and save for any responsibility that we have expressly agreed in writing to assume, to the fullest extent permitted by law we do not assume responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with paragraph 6.3 of Table A of Appendix 1 to the AQSE Growth Market – Access Rulebook, consenting to its inclusion in the Admission Document.

## **Basis of Preparation**

This information has been prepared for inclusion in the AQSE Growth Market admission document dated 25 July 2022 (the "Admission Document") relating to the proposed admission to the AQSE Growth Market of the Company and on the basis of the accounting policies set out in note 1. This report is given for the purpose of complying with paragraph 6.3 of Table A of Appendix 1 to the AQSE Growth Market – Access Rulebook published by AQSE and for no other purpose.

## **Basis of opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Financial Reporting Council ("FRC") in the United Kingdom. We are independent of the Company in accordance with relevant ethical requirements. In the United Kingdom this is the FRC's Ethical Standard as applied to Investment Circular Reporting requirements.

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.

## **Conclusions in Relation to Going Concern**

In auditing the financial information, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial information is authorised for issue.

## **Declaration**

For the purposes of Appendix 1: Information for an admission document, paragraph 6.3 of Table A of Appendix 1 to the AQSE Growth Market – Access Rulebook, 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 paragraph 6.3 of Table A of Appendix 1 to the AQSE Growth Market – Access Rulebook.

Yours faithfully

Hazlewoods LLP  
Reporting Accountants

**SECTION B**  
**HISTORICAL FINANCIAL INFORMATION OF MACAULAY CAPITAL PLC**

**INCOME STATEMENT**

The Company has not received any income nor incurred any expenses and so no income statement has been prepared.

**STATEMENT OF CHANGES IN EQUITY**

For the period 13 May 2022 to 31 May 2022

	<b>Share capital £'000</b>	<b>Share Premium £'000</b>	<b>Total £'000</b>
Issue of shares	50	50	100
<b>As at 31 May 2022</b>	<b>50</b>	<b>50</b>	<b>100</b>

**STATEMENT OF FINANCIAL POSITION**

As at 31 May 2022

	Notes	£'000
<b>Current assets</b>		
Cash and bank		100
<b>Total and net assets</b>		<b>100</b>
<b>Capital and reserves</b>		
Share capital	2	50
Share premium	2	50
<b>Shareholder's funds</b>		<b>100</b>

## NOTES TO THE FINANCIAL INFORMATION

### 1. Accounting policies

#### Accounting convention

The financial statements are prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 (“FRS 102”) and the Companies Act 2006.

### 2. Shareholders’ funds

	£’000
Allotted and called up share capital	50
Share Premium	50

#### Capital structure

The Company issued 500,000 Ordinary Shares of 0.10p each for an aggregate consideration of £100,000 to David Horner, a Director of the Company, who by virtue of the issue of the shares is the ultimate controlling party.

### 3. Commitments and contingent liabilities

At 31 May 2022, there were no financial commitments outstanding.

### 4. Post balance sheet events

On 14 June 2022, the issued share capital Macaulay Management Limited was transferred by David Horner, a director and at that date only shareholder in the Company, for no consideration.

## SECTION C

### ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF MACAULAY MANAGEMENT LIMITED

The Directors  
Macaulay Capital PLC  
11 Laura Place  
Bath  
BA2 4BL

Hazlewoods LLP  
Windsor House  
Bayshill Road  
Cheltenham GL50 3AT

The Partners  
Cairn Financial Advisers LLP  
Ninth Floor, 107 Cheapside  
London  
EC2V 6DN

25 July 2022

Dear Sirs

#### **Macaulay Management Limited (“MML”)**

We report on the historical financial information of MML for the period from incorporation on 14 October 2021 to 30 April 2022 set out in Section D of Part III (the “Financial Information”).

#### **Opinion on Financial Information**

In our opinion, the Financial Information gives, for the purpose of the Admission Document of Macaulay Capital PLC dated 25 July 2022, a true and fair view of the state of affairs of MML as at 30 April 2022 and of its loss and changes in equity for the period then ended in accordance with UK Generally Accepted Accounting Practice (“UK GAAP”).

#### **Responsibilities**

The Directors of MML are responsible for preparing the Financial Information on the basis of preparation set out in the notes to the Financial Information and in accordance with UK GAAP.

It is our responsibility to form an opinion as to whether the Financial Information gives a true and fair view, for the purposes of the Admission Document of Macaulay Capital PLC, and to report our opinion to you.

Save for any responsibility arising under paragraph 6.3 of Table A of Appendix 1 to the AQSE Growth Market – Access Rulebook to any person as and to the extent provided, and save for any responsibility that we have expressly agreed in writing to assume, to the fullest extent permitted by law we do not assume responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with paragraph 6.3 of Table A of Appendix 1 to the AQSE Growth Market – Access Rulebook, consenting to its inclusion in the Admission Document.

#### **Basis of Preparation**

This information has been prepared for inclusion in the AQSE Growth Market admission document dated 25 July 2022 (the “Admission Document”) relating to the proposed admission to the AQSE Growth Market of the Macaulay Capital PLC and on the basis of the accounting policies set out in note 1. This report is given for the purpose of complying with paragraph 6.3 of Table A of Appendix 1 to the AQSE Growth Market – Access Rulebook published by AQSE and for no other purpose.

**Basis of opinion**

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

Our work included an assessment of evidence relevant to the amounts and disclosures in the 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 MML 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.

**Conclusions in Relation to Going Concern**

In auditing the financial information, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on MML's ability to continue as a going concern for a period of at least twelve months from when the financial information is authorised for issue.

**Declaration**

For the purposes of Appendix 1: Information for an admission document, paragraph 6.3 of Table A of Appendix 1 to the AQSE Growth Market – Access Rulebook, 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 paragraph 6.3 of Table A of Appendix 1 to the AQSE Growth Market – Access Rulebook.

Yours faithfully

Hazlewoods LLP  
Reporting Accountants

**SECTION D**  
**HISTORICAL FINANCIAL INFORMATION OF MACAULAY MANAGEMENT LIMITED**

**INCOME STATEMENT**

For the period from 14 October 2021 to 30 April 2022

	<b>Total £'000</b>
Administrative expenses	<u>(183)</u>
Operating Loss	<u>(183)</u>
Tax	<u>-</u>
<b>Loss after tax</b>	<b><u>(183)</u></b>

**STATEMENT OF CHANGES IN EQUITY**

For the period 14 October 2021 to 30 April 2022

	<b>Share capital £'000</b>	<b>Retained earnings £'000</b>	<b>Total £'000</b>
Total comprehensive loss for the period	-	(183)	<u>(183)</u>
<b>As at 30 April 2022</b>	<u>-</u>	<u>(183)</u>	<b><u>(183)</u></b>

**STATEMENT OF FINANCIAL POSITION**

As at 30 April 2022

	Notes	£'000
<b>Non-current assets</b>		
Plant and machinery		<u>5</u>
<b>Total assets</b>		<b><u>5</u></b>
<b>Current liabilities</b>		
Creditors: amounts falling due within one year	3	<u>(188)</u>
<b>Net liabilities</b>		<b><u>(183)</u></b>
<b>Capital and reserves</b>		
Share capital	4	-
Retained earnings		<u>(183)</u>
<b>Shareholder's funds</b>		<b><u>(183)</u></b>

## NOTES TO THE FINANCIAL INFORMATION

### 1. Accounting policies

#### Basis of Preparation

The financial statements are prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 ("FRS 102") and the Companies Act 2006 and have been prepared on a going concern basis under the historical cost convention. A cash flow statement is not presented as the Company did not have a bank account throughout the period and has no bank balance.

All the Company's activities are continuing.

#### Expenses

All expenses are accounted for on an accruals basis and charged through the Income Statement.

#### Current liabilities

Current liabilities are included at amortised cost include accruals and other creditors.

All current liabilities are due within one year.

#### Pensions

The Company operates a defined contribution scheme for its employees. Contributions are charged to the Income Statement as an expense with any unpaid contributions at the end of the period being shown as a current liability.

### 2. Staff costs

	<b>Total From 14 October 2021 to 30 April 2022 £'000</b>
Salaries	73
Employer's national insurance	3
Pension costs	2
	<hr/> <b>78</b> <hr/>

The number of employees throughout the period was 3.

### 3. Creditors – amounts falling due within one year

	<b>2022 £'000</b>
Loans (see note 6)	140
Other creditors	48
	<hr/> <b>188</b> <hr/>

#### 4. Share capital

	2022	£'000
Allotted and called up:		
1 Ordinary share of 0.01p issued during the period	1p	-
Balance at 30 April 2022	1p	-

#### Capital Structure

During the period the Company issued share capital of 1 Ordinary Shares of 0.01p upon incorporation for aggregate consideration of £0.01. At 30 April 2022, the Share Capital remains unpaid.

#### 5. Post balance sheet events

On 20 May 2022, £200,000 was invested in the form of equity shares and loan notes in HC 1335 Limited, a new vehicle formed to acquire a food manufacturing business. This £200,000 was funded by a loan from CAM, repayable not later than the fifth business day following the admission of the whole of the Enlarged Share Capital of Macaulay Capital PLC, to trading on the AQSE Access Market. A further £800,000 was invested by David Horner and it is intended that following Admission, approximately 95% of David Horner's investment will be sold on, at cost, to third party investors identified and introduced by the Group.

On 14 June 2022, the only share in the Company was transferred by David Horner (who also owned the share at 30 April 2022) to Macaulay Capital PLC for no consideration.

#### 6. Related party transactions

During the period ended 30 April 2022, the expenses of the Company were settled by David Horner, a Director and by CAM, a company in which David Horner is a Director and shareholder. At the period end, £58,000 was due to David Horner and £82,000 to CAM. The loans were interest free and repayable on demand.

Since the end of the period, the Company has entered into formal agreements with David Horner and CAM. Each loan is repayable no later than the fifth business day following the admission of the whole of the Enlarged Share Capital of Macaulay Capital PLC, to trading on the AQSE Access Market. If there is any delay in repaying the loan then interest is payable at 9% per annum from the due date.

## PART IV

### ADDITIONAL INFORMATION

#### 1. The Company

1.1 The Company was incorporated in England and Wales as a public limited company on 13 May 2022 under the Companies Act under the name Macaulay Capital PLC with registered number 14105915. The registered office of the Company is at 11 Laura Place, Bath BA2 4BL. The Company's telephone number is 01225 541904.

1.2 The Company is a public limited company and accordingly the liability of its members is limited. The Company and its activities and operations are principally regulated by the Companies Act and the regulations made thereunder.

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

1.4 A trading certificate was issued to the Company by Companies House on 30 May 2022.

1.5 The Company acquired the one issued share of £0.01 in MML, for no consideration, from David Horner on 14 June 2022.

#### 2. Share capital of the Company

2.1 Since the date of the Company's incorporation on 13 May 2022, the changes to the Company's issued share capital which are described in paragraphs 2.2 to 2.4 have taken place.

2.2 The Company was incorporated with an issued share capital of £50,000, divided into 500,000 Ordinary Shares, all of which were subscribed by David Horner, fully paid, at a price of £0.20 per share, representing a premium of £0.10 per share.

2.3 On 15 July 2022, the Company passed resolutions of its Shareholders at a general meeting, duly convened and held, to the following effect:

2.3.1 That, by ordinary resolution, as permitted by article 59 of the Company's articles, the directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act to allot new Ordinary Shares or grant rights to subscribe for or to convert any security into Ordinary Shares up to an aggregate nominal amount of £2,550,000 (comprising 25,500,000 Ordinary Shares), such authority to expire on the date which is five years after the passing of the resolution, but so that the Company may, before the expiry of such period, make an offer or agreement which would or might require equity securities to be allotted after the expiry of such period and the directors may allot equity securities pursuant to such an offer or agreement as if the authority had not expired;

2.3.2 That, by special resolution, as permitted by article 60 of the Company's articles, the directors be empowered, pursuant to section 570 of the Companies Act, to allot equity securities (within the meaning of section 560 of the Companies Act) for cash pursuant to the authority conferred by the resolution described in paragraph 2.3.1 as if section 561(1) of the Companies Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities up to an aggregate nominal amount of £2,550,000 (comprising 25,500,000 Ordinary Shares), and shall expire on the date which is five years after the passing of this resolution, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offer or agreement as if the power had not expired,

2.4 On 15 July 2022, David Horner transferred the following numbers of Ordinary Shares for no consideration to the following members of his family, all of whom are connected persons of his and members of the Horner Concert Party:

2.4.1 50,000 Ordinary Shares to his wife, Mary Horner;

2.4.2 200,000 Ordinary Shares to his son, Harry Horner; and

2.4.3 200,000 Ordinary Shares to his son, Tom Horner.

2.5 Upon Admission, 9,500,000 New Ordinary Shares will be issued, fully paid, in connection with the Placing and the Subscription, at the Placing Price, representing a premium of £0.10 per share.

2.6 Immediately following Admission:

2.6.1 the Company will have an issued share capital of £1,000,000, divided into 10,000,000 Ordinary Shares, all of which will have been issued, fully paid, at a premium of £0.10 per share; and

2.6.2 the Founder Warrants will be in issue which confer on the Founder Warrant Holders the right to subscribe for a further 11,000,000 Ordinary Shares at subscription prices provided for in the Founder Warrant Instruments as described in paragraph 8.8 of this Part IV.

### **3. Constitution and summary of the Articles of Association**

3.1 Pursuant to section 31 of the Companies Act, the objects for which the Company is established are unrestricted and the Company has full power and authority to carry out any object permitted by law. The Articles with which the Company was incorporated contain provisions to the effect described in paragraphs 3.2 to 3.7 below.

3.2 Subject to the Companies Act, the Articles and to the rights conferred on the holders of any other shares, any share may be issued with or have attached to it such rights and restrictions as the Company may by ordinary resolution decide or, if no such resolution is in effect or so far as the resolution does not make specific provision, as the Board may decide.

3.3 Subject to the Companies Act, the Articles and any resolution of the Company, the Board may offer, allot (with or without conferring a right of renunciation), grant options over or otherwise deal with or dispose of any shares to such persons, at such times and generally on such terms as the Board may decide.

3.4 The Articles contain conventional provisions dealing with the matters of rights to share certificates, transfers of shares, the rights of the Company to require disclosures in respect of interests in shares, the holding of general meetings and voting at such meetings, the calling and holding of meetings of the Board, the appointment and retirement of directors, the appointment of alternate directors, disclosure of directors' interests and dividends and distributions.

3.5 At a meeting of the Board, if the numbers of votes for and against a proposal are equal, the chair or other director chairing the meeting does not have a casting vote.

3.6 The Articles do not contain provisions to the effect that a director must resign from office if all of the directors pass a resolution requiring the director to resign.

3.7 The Articles do not contain any provisions that would have an effect of delaying, deferring or preventing a change of control of the Company.

#### 4. Directors' interests

4.1 On Admission, the interests of the Directors and, so far as they are aware, having made due and careful enquiries, of persons connected with them, all of which interests are beneficial, unless otherwise stated (so far as is known to the Directors, or could with reasonable diligence be ascertained by them), within the meaning of sections 252 to 254 of the Companies Act, in the share capital of the Company, are and will be as follows:

Name	Number of Ordinary Shares on Admission	% of Enlarged Share Capital on Admission
David Horner	50,000	0.50%
Mary Horner	50,000	0.50%
Harry Horner**	1,000,000	10.00%
Tom Horner**	1,000,000	10.00%
Lindsay Mair*	125,000	1.25%

\* Lindsay Mair holds his shares jointly with his wife, Jane Paciello.

\*\* Each of Harry Horner and Tom Horner will also be interested in the share capital in their capacities as holders of 3,000,000 Unconditional Founder Warrants and 2,500,000 Conditional Founder Warrants, as further described in paragraphs 5.1 and 5.2 below.

4.2 The Company and the Directors are not aware of any arrangements or operations which may, at a subsequent date, result in a change in control of the Company, nor are they aware that the Company is owned or controlled directly or indirectly by any entity.

4.3 Save as disclosed in paragraphs 4.1 above and 5.1 below, as at the date of this Document, the Directors are not aware of any interest which will immediately following Admission represent 3 per cent. or more of the Enlarged Share Capital or voting rights of the Company or of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

4.4 There are no outstanding loans granted or guarantees provided by the Company to or for the benefit of any of the Directors.

4.5 No Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company during the current or immediately preceding financial year, or during any earlier financial year and which remains in any respect outstanding or unperformed.

#### 5. Significant shareholders

5.1 The Company is aware of the following persons who will, following Admission, directly or indirectly, have an interest in the Company's capital or voting rights which are equal to or above 3 per cent of the Company's capital or voting rights:

Name	Number of Ordinary Shares on Admission	% of Enlarged Share Capital (10,000,000 Ordinary Shares) on Admission	Numbers of Ordinary Shares which are the subject of Unconditional Founder Warrants*	Number of Ordinary Shares held following exercise of Unconditional Founder Warrants	% of Diluted Share Capital following exercise of Unconditional Founder Warrants
Harry Horner	1,000,000	10.0%	3,000,000	4,000,000	25.0%
Tom Horner	1,000,000	10.0%	3,000,000	4,000,000	25.0%

5.2 The exercise of Conditional Founder Warrants in parallel with the exercise of Share Options would maintain Harry Horner and Tom Horner's holdings of the issued share capital of the Company at 25% each (6,500,000 Ordinary Shares each out of the Fully Diluted Share Capital (26,000,000)), assuming no other change to the Company's issued share capital.

5.3 None of the significant shareholders in the Company enjoys voting rights which differ from those to which any other shareholder is entitled.

5.4 There is no arrangement known to the Company the operation of which may at a subsequent date result in or prevent a change in control of the Company.

## **6. Directors' terms of appointment**

6.1 David Horner is engaged by the Company as a part-time executive Director on the terms of a service agreement dated 25 July 2022, pursuant to which he has agreed to commit a minimum of 10 days per month to the affairs of the Company and under which he has no entitlement to remuneration. His appointment will continue until terminated by him or by the Company on not less than 12 months' notice, such notice not to be given before 12 months after the date of Admission.

6.2 Lindsay Mair is engaged by the Company as a Non-executive Director, on the terms of a letter of appointment dated 25 July 2022, pursuant to which he has agreed to commit such time as is required to the affairs of the Company and under which he is entitled to remuneration at the rate of £30,000 per annum, which will be subject to review in July 2023. His appointment will continue until terminated by him or by the Company on not less than three months' notice, such notice not to expire before the date 12 months after the date of Admission.

6.3 Richard Bucknell is employed by the Company on the terms of a service agreement dated 25 July 2022, under which he is entitled to remuneration at the rate of £130,000 per annum. His commencement date was 1 June 2022 and his appointment will continue until terminated by him or the Company on not less than six months' notice, such notice not to expire before the date 12 months after the date of Admission.

6.4 Save as referred to above, there are no service agreements or letters of appointment in existence between any of the Directors and the Company.

6.5 The aggregate remuneration paid (including any contingent or deferred compensation) and benefits in kind granted to the Directors by the Company during the financial period ended 31 May 2022 was nil.

## 7. Additional information in respect of the Directors

7.1 In addition to directorships of the Company, the Directors hold or have held the following directorships (including directorships of companies registered outside England and Wales) or have been partners in the following partnerships within the five years prior to the date of this Document:

Director	Current Directorships/Partnerships	Past Directorships/Partnerships
David Horner	Aford Awards Limited Aford Awards Group Holdings Limited Aford Awards (Holdings) Limited CEPS plc Chalfont Productions Limited Chelverton Asset Management Limited Chelverton Asset Management Holdings Limited Chelverton Growth Trust plc Chelverton UK Growth Opportunities plc Electric Bear Brewing Company Ltd Macaulay Management Limited Sunline Direct Mail Limited Vale Brothers Group Limited Youth Music Wessex CIC	CEM Group Limited C.E.M. Press Limited CEM Press Holdings Limited CEMTeal Limited Colinette Holdings Limited Davies Odell Limited
Richard Bucknell	Eagle Engineering Group Limited FibreCRM Limited HC1335 Limited Hickton Group Ltd Hickton Holdings Ltd Idefigo Group Limited Macaulay Management Limited Qualification Check Ltd	Tufwell Glass Limited Casual Dining Brands 1 Ltd Casual Dining Brands 2 Ltd Casual Dining Brands 3 Ltd Casual Dining Brands 4 Ltd SafeApps Limited Pedalling Forth Ltd
Lindsay Mair	Low 6 Finance Pty Limited Low 6 Limited Low 6 USA Inc Macaulay Management Limited Mila Resources plc PMPE Limited Ultimate Fan Entertainment plc	Bidstack Group plc DPEM Limited HGC Investco 1 Limited Ignis Capital plc Low 6 Australia Pty Limited Low 6 Security Trustee Limited Mesh Holdings plc New Generation Minerals Limited

7.2 None of the Directors has:

7.2.1 had any previous names;

7.2.2 any convictions in relation to fraudulent offences;

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

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

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

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

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

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

7.3 None of the Directors has, or has had, any conflict of interest between any duties to the Company and their private interests or any duties they owe. Should the Company make investments which involve related parties, any such investments will be concluded on a basis which complies with the requirements related to such transactions under the AQSE Exchange Rules from time to time.

## 8. Material Contracts

8.1 Neither the Company nor MML is party to any material contract which is not entered into in the ordinary course of business and which could result in either the Company or MML being under an obligation or entitlement that is material to the Company's ability to meet its obligations to Shareholders.

8.2 **Cairn Engagement letter** - an engagement letter dated 6 December 2022 between the Company and Cairn pursuant to which the Company has appointed Cairn to act as the AQSE Corporate Adviser to the Company in relation to Admission. In consideration of the services to be provided by Cairn, Cairn shall be entitled to receive a transaction fee. On Admission, Cairn will be retained as the Company's AQSE Corporate Adviser on an annual retainer.

8.3 **AQSE Corporate Adviser Agreement** - an AQSE Corporate Adviser agreement dated 25 July 2022 between the Company and Cairn pursuant to which the Company has appointed Cairn to act as corporate adviser to the Company on an ongoing basis following Admission for which the Company agreed to pay a fee per annum, payable quarterly in advance. The agreement contains certain undertakings and indemnities given by the Company in respect of, inter alia, compliance with all applicable laws and regulations.

8.4 **Oberon Engagement Letter** – an engagement letter dated 24 May 2022 pursuant to which the Company appointed Oberon to act as broker to the Company in relation to the Admission and thereafter until terminated. The Oberon Engagement Letter contains certain undertakings, warranties and indemnities given by the Company to Oberon. Under the Oberon Engagement Letter, the Company shall pay to Oberon, in addition to the commissions and fee referred to in paragraph 8.5 below a monthly retainer of £1,500 (plus VAT).

8.5 **Placing Agreement** - a Placing Agreement dated 25 July 2022 between the Company (1), the Directors (2), Cairn (3) and Oberon (4), pursuant to which Cairn, as the Company's AQSE Corporate Adviser, and Oberon, as the Company's broker, have been granted certain powers and authorities in connection with the Placing and the application for Admission. Under the terms of the Placing Agreement, which is conditional on Admission, the Company and the Directors have jointly and severally given certain customary representations and warranties to Cairn and Oberon and the Company has given certain customary indemnities to Cairn and Oberon in connection with Admission and other matters relating to the Group and its affairs. The liability of the Directors in respect of the warranties is capped at an aggregate amount of £100,000. Cairn may terminate the Placing Agreement in certain specified circumstances prior to Admission, including the occurrence of certain customary "force majeure" events, breaches of warranties or of the Placing Agreement and the occurrence of certain other specified events which are material in the context of Admission. The Placing Agreement provides for (1) a fee to be paid to Cairn, (2) a fee to be paid to Oberon, (3) a commission, calculated by reference to the Placing Price multiplied by the number of Placing Shares allotted to Placees, to be paid to Oberon and (4) a commission calculated by reference to the Placing Price multiplied by the number of Subscription Shares allotted to the Subscribers, the Subscription having been processed by Oberon, to be paid to Oberon.

8.6 **Subscription Letters** - The Company has issued subscription letters to the Subscribers, in connection with which, each of the Subscribers has conditionally subscribed for 800,000 Subscription Shares at the Placing Price on the terms of the Subscription Letters.

8.7 **Lock-in Agreements** - pursuant to lock-in agreements 25 July 2022, each of David Horner, Mary Horner, Harry Horner, Tom Horner and Lindsay Mair have agreed with the Company, Cairn and Oberon not to dispose of any Ordinary Shares held by them for a period of 12 months from Admission (the "Lock-In Period"). Certain disposals are excluded from the Lock-In Agreements, including disposals to a connected person, provided that such connected person enters into a lock-in agreement in a substantially similar form to the Lock-in Agreements, and disposals relating to acceptance of a general offer in accordance with the Takeover Code, pursuant to a court order or as otherwise agreed to by the Company, Cairn and Oberon.

The above parties to the Lock-In Agreements have also undertaken that (subject to certain limited exceptions) they shall and their connected persons shall, for the period of 12 months following the end of the Lock-in Period, only dispose of Ordinary Shares held by them on a basis where Cairn arranges the disposal and if, and to the extent that, Cairn, acting in good faith, determines that such disposal will not impair an orderly market in the Ordinary Shares.

8.8 **Founder Warrant Instruments** – the two instruments in accordance with which the Founder Warrants have been granted, which provide a right for Harry and Tom Horner to subscribe, in aggregate, for 11,000,000 Ordinary Shares, of which; (i) 6,000,000 will be issued at a subscription price of £0.25 per share by the date two years from Admission upon exercise of the Unconditional Founder Warrants; and (ii) up to 5,000,000 will be issued at a subscription price of the higher of £0.25 per share and the mid-market price of an Ordinary Share at the time of exercise, upon exercise of the Conditional Founder Warrants on condition that an equal number of Ordinary Shares are issued upon the exercise of Share Options.

## 9. Related Party transactions

9.1 For the purposes of the AQSE Growth Market Access Rulebook the parties referred to in paragraphs 9.2 to 9.5 below are related parties of the Company for the reasons set out in those paragraphs.

9.2 David Horner is a related party of the Company because he is a director of the Company; and Mary Horner, who is David Horner's wife, is for that reason an associate of David Horner and thereby a related party to the Company.

9.3 CAM, a company of which David Horner is a director and significant shareholder, is a related party of the Company because CAM is an associate of David Horner.

9.4 Each of Harry and Tom Horner is a related party of the Company for the following two reasons:

9.4.1 each of them will be entitled to exercise, or to control the exercise of, 10 per cent or more of the votes able to be cast on all or substantially all matters at general meetings of the Company; and

9.4.2 each of them is a son of David Horner and, as a result, an associate of his and therefore is a related party.

9.5 The loan transactions described in paragraphs 9.7 to 9.9 below to which the Company is a party, each of which was formalised on the terms of loan agreements with the Company on 25 July 2022, are related party transactions, for the purposes of the AQSE Growth Market Access Rulebook, because the lender in each case was either David Horner or CAM.

9.6 A loan from CAM to MML in the principal amount of £200,000 made to the Company on 18 May 2022 in order to enable the Group to make the recent investment described in paragraph 3 of Part I of this document. The benefit to the Company of receipt of the loan was that the Company would not have been in a position to fund the investment if the loan had not been made available. The loan is repayable to CAM by the Company no later than the fifth business day following Admission and its terms include a guarantee from David Horner in respect of MML's liabilities to CAM in respect of the loan. The loan bears interest at the rate of 5 per cent per annum from the date of drawdown to the date of repayment.

9.7 A loan facility from David Horner to MML in the aggregate principal amount of £100,000, of which £85,545.11 has, at the date of this Document, been drawn, representing the aggregate amount of sums paid by him on behalf of MML during the period from 1 November 2022 to 20 July 2022 in respect of payroll expenses incurred by MML. This was of benefit to the Company because MML did not have available funds to meet these liabilities itself. The loan is repayable to David Horner by the Company no later than the fifth business day following Admission. The loan does not bear interest provided that repayment of the loan is made by no later than that day.

9.8 A loan facility from CAM to MML in the aggregate principal amount of £150,000.00, of which £124,975.51 has, at the date of this Document, been drawn down, representing the aggregate amount of sums paid by CAM on behalf of the Company or MML during the period from 14 October 2021, the date of incorporation of MML to 20 July 2022 in respect of various invoiced liabilities of the Company or of MML. This was of benefit to the Company because the Company and MML did not have available funds to meet these liabilities themselves. The loan is repayable to CAM by the Company no later than the fifth business day following Admission and its terms include a guarantee from David Horner in respect of MML's liabilities to CAM in respect of the loan. The loan does not bear interest provided that repayment of the loan is made by no later than that day.

9.9 A capital contribution of £9,475 or such amount required to be made by David Horner in respect of costs and expenses payable by the Company in relation to Admission so as to limit such costs and expenses to the amount of £175,000 net of VAT referred to in paragraph 14.1 of this Part IV. This contribution has been set against the balance of the loan described in paragraph 9.7 of this Part IV and paid by MML to the Company in accordance with a letter of direction from David Horner to MML to that effect, reducing the amount owed to David Horner by the Company.

## **10. Relationship Deed**

10.1 On 25 July 2022, a relationship agreement was entered into between the Company (1), Cairn (2) and David Horner (3) (the "Relationship Deed") to regulate the relationship between each of them from Admission, as, from Admission, the Horner Concert Party will be the registered holders of 2,100,000 Ordinary Shares representing approximately 21 per cent. of the Ordinary Shares on Admission, and will hold the Conditional and Unconditional Founder Warrants such that they will hold up to 50.6 per cent. of the Fully Diluted Share Capital. The Relationship Agreement will be binding for as long as (a) the Ordinary Shares are admitted to trading on AQSE (including for any period of suspension of trading) and (b) the Horner Concert Party is interested in 20 per cent. or more of the rights to vote at a general meeting of the Company. Amongst other things, the Relationship Agreement provides that the Horner Concert Party, as far as it is able to as a Shareholder, shall (a) procure that all arrangements between the Company and the Horner Concert Party shall be on an arm's length basis and on normal commercial terms, (b) ensure that the Company will at all times be capable of carrying on the business of the Company independently of the Horner Concert Party and (c) ensure that the majority of the Board shall at all times, for the duration of the Relationship Agreement, be independent.

## **11. Legal and arbitration proceedings**

Neither the Company nor MML has been involved in any legal, governmental or arbitration proceedings which may have or have had, since the date of incorporation of MML, in either case, a significant effect on its financial position or profitability and, so far as the Directors are aware, there are no such proceedings pending or threatened against the Company or MML.

## 12. United Kingdom Taxation

### General

The following summary is intended as a general guide for UK tax resident Shareholders as to their tax position under current UK tax legislation and HMRC practice as at the date of this Document. Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time. The Company is at the date of this Document resident for tax purposes in the United Kingdom and the following is based on that status. It should be noted that a number of the UK tax treatments referred to below relate to unquoted shares as shares quoted on the AQSE Growth Market are generally treated as unquoted for these purposes.

This summary is not a complete and exhaustive analysis of all the potential UK tax consequences for holders of Ordinary Shares. It addresses certain limited aspects of the UK taxation position applicable to Shareholders resident and domiciled for tax purposes in the UK (except in so far as express reference is made to the treatment of non-UK residents) and who are absolute beneficial owners of their Ordinary Shares and who hold their Ordinary Shares as an investment. This summary does not address the position of certain classes of Shareholders who (together with associates) have a 5% or greater interest in the Company, or, such as dealers in securities, market makers, brokers, intermediaries, collective investment schemes, pension funds, charities or UK insurance companies or whose shares are held under a personal equity plan or an individual savings account or are "employment related securities" as defined in section 421B of the Income Tax (Earnings and Pensions) Act 2003. Any person who is in any doubt as to his tax position or who is subject to taxation in a jurisdiction other than the UK should consult his professional advisers immediately as to the taxation consequences of their purchase, ownership and disposition of Ordinary Shares.

This summary is based on current United Kingdom tax legislation. Shareholders should be aware that future legislative, administrative and judicial changes could affect the taxation consequences described below.

### Taxation of dividends

#### United Kingdom resident shareholders

UK resident individuals are entitled to a £2,000 annual dividend allowance. Dividends received and not exceeding this allowance will not be subject to income tax. Dividends received in excess of this allowance will be taxed at 8.75% up to the limit of the basic rate income tax band. Dividends received in excess of the basic tax income tax band will be taxed at 33.75% up to the limit of the higher rate income tax band. Where dividends are received in excess of the higher rate income tax band, then the excess will be taxed at 39.35% being at the additional rate of income tax.

Dividends received by the trustees of discretionary or accumulation trusts and not exceeding the first band will be taxed at 8.75%. The first band is established by taking £1,000 and dividing this amount by the number of settlements formed by the settlor up to a maximum of 5. The minimum first band is £200. Any dividends received by such trusts in excess of the first band will be taxed at 39.35%. If the shareholder is in doubt as to the amount of the first band, then independent professional advice should be sought.

United Kingdom pension funds and charities are generally exempt from tax on dividends which they receive.

#### Companies

Subject to UK dividend exemption rules, a corporate Shareholder resident in the UK (for tax purposes) should generally not be subject to corporation tax or income tax on dividend payments received from the Company.

## Non-residents

Non-UK resident shareholders may be liable to tax on the dividend income under the tax law of their jurisdiction of residence and should consult their own tax advisers in respect of their liabilities on dividend payments.

### **Taxation of chargeable gains**

#### United Kingdom resident shareholders

A disposal of Ordinary Shares by a Shareholder, who is resident for tax purposes in the UK, will in general be subject to UK taxation on the chargeable gain arising on a disposal of Ordinary Shares.

UK resident individuals are entitled to an annual allowance to be deducted from any chargeable gain that would otherwise be taxable in the relevant tax year. The annual allowance for the tax year to 5 April 2023 is £12,300. Generally speaking, where the individual's taxable chargeable gains exceed the allowance, then these gains will be taxed at 10%, but only to the extent that the individual's taxable income and chargeable gains do not exceed the basic rate income tax band. Where the individual's taxable income and chargeable gains exceeds the basic rate income tax band and then the remaining chargeable gain will be taxed at 20%.

The trustees of discretionary or accumulation trusts may be able to claim an annual allowance being one-half of the allowance available to individuals. For the tax year ended 5 April 2023 the allowance is £6,150. Independent professional advice should be sought before claiming this allowance. Where the allowance is claimed then chargeable gains in excess of this amount will be liable to tax at 20%. Where the allowance is not claimed then the whole chargeable gain will be liable to tax at 20%.

#### Non-residents

A Shareholder who is not resident in the UK for tax purposes, but who carries on a trade, profession or vocation in the UK through a permanent establishment (where the Shareholder is a company) or through a branch or agency (where the Shareholder is not a company) and has used, held or acquired the Ordinary Shares for the purposes of such trade, profession or vocation through such permanent establishment, branch or agency (as appropriate) will be subject to UK tax on capital gains on the disposal of Ordinary Shares.

In addition, any holders of Ordinary Shares who are individuals and who dispose of shares while they are temporarily non-resident may be treated as disposing of them in the tax year in which they again become resident in the UK.

All non-resident or non-domiciled shareholders should seek professional advice before considering a transaction which will be considered a chargeable gain.

#### Companies

For UK corporates that are not unit trusts or open ended investment companies, chargeable gains are currently chargeable at the Corporation Tax rate of 19% for the Corporation Tax Year starting 1 April 2022. The UK government has announced that with effect from 1 April 2023 the Corporation Tax rate will be increased to 25% for companies with profits over £250,000, with a small profits rate of 19% applying to companies with profits of not more than £50,000, with marginal relief available for profits up to £250,000. The thresholds for small company and marginal rates are reduced proportionately by the number of associated companies under common control. Reliefs may be relevant and professional advice should be sought.

## **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 AQSE 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.

## **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.

## **13. Public Takeover Bids**

### **13.1 City Code on Takeovers and Mergers**

The Company will be subject to the provisions of the Takeover Code, including the rules regarding mandatory takeover offers set out in the Takeover Code. Brief details of the Takeover Panel, the Takeover Code and the protections they afford are described below. The Takeover Code is issued and administered by the Takeover Panel. The Takeover Code applies to all takeover and merger transactions, however effected, where the offeree company is, inter alia, a listed public company resident in the United Kingdom. The Company is a public company resident in the United Kingdom and its Shareholders are therefore entitled to the protections afforded by the Takeover Code. For the purpose of the Takeover Code, a takeover will include any transaction which has its objective or potential effect (directly or indirectly) obtaining or consolidating control of the Company. For this purpose, control is defined as an interest or interests in shares carrying more than 30 per cent. of the voting rights of a company, irrespective of whether such interest or interests give de facto control.

## 13.2 Mandatory bids, Squeeze-Out, Sell-Out and Concert Party Rules Relating to the Ordinary Shares

### 13.2.1 Mandatory Bids

Under Rule 9 of the Takeover Code, when (i) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which, taken together with shares in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company subject to the Takeover Code or (ii) any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of such voting rights, and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, then such person is normally required to make a general offer to all the holders of any class of equity share capital or other class of transferable securities carrying voting rights of that company to acquire the balance of their interests in the company. An offer under Rule 9 of the Takeover Code must be in cash (or with a cash alternative) and must be at not less than the highest price paid within the preceding 12 months for any shares in the company by the person required to make the offer or any person acting in concert with him. Rule 9 of the Takeover Code further provides, among other things, that where any person who, together with persons acting in concert with him, holds over 50 per cent. of the voting rights of a company, acquires an interest in shares which carry additional voting rights, then they will not generally be required to make a general offer to the other shareholders to acquire the balance of their shares. However, individual members of a concert party will not be able to increase their percentage interest in shares through or between a Rule 9 threshold without Takeover Panel consent. For the purposes of the Takeover Code, persons acting in concert comprise persons who, pursuant to an agreement or understanding (whether formal or informal), cooperate to obtain or consolidate control of a company. Paragraph (2) of the definition of 'acting in concert' also presumes that a company is acting in concert with its directors (together with their close relatives and the related trusts of any of them) for the purposes of the Takeover Code unless the contrary is established.

### 13.2.2 Squeeze-out Rules

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

### 13.2.3 Sell-out Rules

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

### 13.2.4 Concert Party

As described in paragraph 13.2.1 above, a concert party arises when persons acting together pursuant to an agreement or understanding (whether formal or informal) cooperate to obtain or consolidate control of, or frustrate the successful outcome of an offer for, a company subject to the Takeover Code. Control means an interest, or interests in, shares carrying in aggregate 30 per cent. or more of the voting rights of a company, irrespective of whether such interest or interests give de facto control.

Under Rule 9 of the Takeover Code there is a presumption that close family members are deemed to be acting in concert with one another unless the contrary is established. The Takeover Panel and the Company have agreed that the members of the Horner Family are acting in concert in relation to the Company. The interests of the Horner Family Concert Party (all of which, unless otherwise stated, are beneficial) in the issued share capital of the Company 1) as at the date of this Document, 2) immediately following Admission, 3) the maximum holding following Admission and upon exercise of all of the Founder Warrants held by Harry Horner and Tom Horner and assuming no other changes to the Company's issued share capital and 4) the maximum holding following Admission and upon exercise of all of the Founder Warrants held by Harry Horner and Tom Horner as well as exercise of the Share Options and assuming no other changes to the Company's issued share capital will be as follows:

#### Horner Family Concert Party

Name	Number of Shares at Admission	% of Share Capital at Admission
David Horner	50,000	0.5%
Mary Horner	50,000	0.5%
Harry Horner	1,000,000	10.0%
Tom Horner	1,000,000	10.0%
<b>Total</b>	<b>2,100,000</b>	<b>21.0%</b>

Name	Number of Ordinary Shares the subject of Unconditional Founder Warrants	Maximum potential Shareholding assuming no Share Options exercised and no other share issues	Maximum potential % shareholding assuming no Share Options exercised and no other share issues	Number of Ordinary Shares the subject of Conditional Founder Warrants	Maximum potential shareholding assuming Share Options are exercised and no other share issues	Maximum potential % shareholding assuming Share Options are exercised and no other share issues
David Horner	-	50,000	0.3%	-	50,000	0.2%
Mary Horner	-	50,000	0.3%	-	50,000	0.2%
Harry Horner	3,000,000	4,000,000	25.0%	2,500,000	6,500,000	25.0%
Tom Horner	3,000,000	4,000,000	25.0%	2,500,000	6,500,000	25.0%
<b>Total</b>	<b>6,000,000</b>	<b>8,100,000</b>	<b>50.6%</b>	<b>5,000,000</b>	<b>13,100,000</b>	<b>50.4%</b>

As the members of the Horner Family Concert Party will potentially hold in excess of 50 per cent. of the issued share capital of the Company following exercise of the Founder Warrants, at the point they did hold in excess of 50 per cent. and for so long as they continue to be treated as acting in concert, the members of the Horner Family Concert Party would be entitled to increase their aggregate interest in the voting rights of the Company without incurring an obligation under Rule 9 of the Takeover Code to make a general offer. However, individual members of the Horner Family Concert Party will not be able to increase their percentage interests in Ordinary Shares through or between a Rule 9 threshold without Panel consent.

## 14. General

14.1 The total costs and expenses in relation to Admission payable by the Company are estimated to amount to approximately £175,000 (excluding VAT).

14.2 Except as disclosed in this Document and for the advisers named on page 4 of this Document, no person has received, directly or indirectly, from the Company during the twelve months preceding the date of this Document or has entered into any contractual arrangements to receive, directly or indirectly, from the Company on or after the start of trading on the AQSE Growth Market, fees totalling £10,000 or more or securities in the Company with a value of £10,000 or more (calculated by reference to the price) or any other benefit to a value of £10,000 or more.

14.3 Other than the Fundraise and the investment disclosed in note 5 to the Historical Financial information of MML, there has been no significant change in the financial or trading position of MML since 30 April 2022, the date to which the Historical Financial Information in Section D of Part III of this Document was prepared.

14.4 Hazlewoods LLP has been appointed as the auditor of the Company for the financial year ending 31 December 2022. Hazlewoods LLP is registered to carry out audit work by the Institute of Chartered Accountants in England and Wales. Hazlewoods LLP's business address is at Windsor House, Bayshill Road, Cheltenham GL50 3AT.

14.5 Hazlewoods LLP has given and has not withdrawn its written consent to the issue of this Document with the inclusion herein of their report as set out in Part III of this Document and the references thereto. Hazlewoods LLP also accepts responsibility for its report.

14.6 Cairn, which is authorised and regulated by the FCA, has given and not withdrawn its written consent to the inclusion in this Document of references to its name in the form and context in which it appears. Cairn is acting exclusively for the Company in connection with Admission and not for any other persons. Cairn will not be responsible to any other persons other than the Company for providing the protections afforded to customers of Cairn or for advising any such person in connection with Admission. Cairn is registered in England and Wales under company number: OC351689 and with registered address at 9<sup>th</sup> Floor, 107 Cheapside, London EC2V 6DN.

14.7 Oberon, which is authorised and regulated by the Financial Conduct Authority has given and not withdrawn its written consent to the inclusion in this Document of references to its name in the form and context in which they appear.

14.8 There are no investments in progress and there are no future investments in respect of which the Directors have already made firm commitments which are significant to the Company.

14.9 No financial information contained in this Document is intended by the Company to represent nor constitute a forecast of profits by the Company nor constitute publication of accounts by it.

14.10 The Directors accept responsibility for the financial information contained in Part III of this Document which has been prepared in accordance with the law applicable to the Company.

14.11 On Admission, the Company will have cash resources of £1,796,100 after expenses. The current funds are sufficient to fund the proposed uses stated in Part I of this Document.

14.12 Save for the Company's domain name at [www.macaulaycapital.com](http://www.macaulaycapital.com) and as set out in this Document, there are no patents or intellectual property rights, licences or particular contracts, which are of material importance to the Company's business or profitability.

14.13 As far as the Directors are aware, there are no environmental issues that may affect Company's utilisation of any tangible fixed assets.

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

**15. Working capital**

The Directors are of the opinion, having made due and careful enquiry, that the working capital available to the Company (including the Net Proceeds of the Fundraise) on Admission will be sufficient for the present requirements of the Company, that is, for the period of twelve months following Admission.

**16. Availability of this Document**

Copies of this Document will be available free of charge to the public during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the registered office of the Company and from the offices of Cairn and shall remain available for at least one month after the date of Admission. The Document is also available on the Company's website ([www.macaulaycapital.com](http://www.macaulaycapital.com)). Please note that information on the website does not form part of the Admission Document unless that information is incorporated by reference into the Admission Document.