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This document comprises an AIM admission document and has been drawn up in accordance with the requirements of the AIM Rules. This document does not contain an offer of transferable securities to the public within the meaning of sections 85 and 102B of the FSMA or otherwise and is not a “Prospectus” (as defined in the AIM Rules). Accordingly, this document has not been prepared in accordance with the “Prospectus Rules” (as defined in the AIM Rules), nor has it been examined or preapproved by the Financial Conduct Authority (“FCA”) pursuant to section 85 of the FSMA and a copy has not been and will not be delivered to the FCA.

The Directors, whose names appear on page 5 of this document, and Science in Sport, accept individual and collective responsibility for the information contained in this document including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of Science in Sport and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application has been made for the entire issued and to be issued ordinary share capital of Science in Sport to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the ordinary share capital will commence on AIM on 9 August 2013. **AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two of the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document.**

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## Science in Sport plc

*(Incorporated and registered in England and Wales with registered number 08535116)*



**Placing of 4,018,000 ordinary shares of 10p each at 56p per share  
Admission to trading on AIM**

**Nominated Adviser and Broker  
Cenkos Securities plc**

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The Placing is conditional, *inter alia*, on Admission taking place on or before 9 August 2013 (or such later date as the Company and Cenkos may agree). The Placing Shares will, on Admission, rank *pari passu* in all respects with the Ordinary Shares including the right to receive all dividends or other distributions declared, paid or made after Admission.

Copies of this document will be available free of charge during normal business hours on any weekday (except Saturdays, Sundays and public holidays) at the offices of the Company at Kings Road House, 2 Kings Road, Windsor, Berkshire SL4 2AG, from the date of this document and for a period of one month from the date of Admission. This document is available to download from the Science in Sport website at [www.scienceinsport.com](http://www.scienceinsport.com).

The distribution of this document outside the United Kingdom may be restricted by law and therefore persons outside the United Kingdom into whose possession this document comes should inform themselves about and

observe any restrictions as to the Admission, the Ordinary Shares or the distribution of this document. Failure to comply with those restrictions may constitute a violation of the securities laws of such jurisdiction.

This document does not constitute an offer to sell or issue, or the solicitation of an offer to buy or an invitation to subscribe for, Ordinary Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful. This document should not be copied or distributed by recipients and, in particular, should not be taken, distributed, published, reproduced, sent or otherwise made available by any means, directly or indirectly, including electronic transmission, in, into or from the United States of America, Canada, Australia, the Republic of Ireland, the Republic of South Africa, or Japan or any other jurisdiction where to do so would be in breach of any other law and/or regulation. The Ordinary Shares have not been, and will not be, registered in the United States of America under the US Securities Act or under the securities laws of any state of the United States of America or under the applicable securities laws of Canada, Australia, the Republic of Ireland, the Republic of South Africa, or Japan and, subject to certain exemptions, may not be offered or sold, directly or indirectly, within or into the United States of America, Canada, Australia, the Republic of Ireland, the Republic of South Africa, or Japan or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the US Securities Act) or to any national, resident or citizen of Canada, Australia, the Republic of Ireland, the Republic of South Africa, or Japan. In addition, the securities to which this document relates must not be marketed into any jurisdiction where to do so would be unlawful.

The information contained in this document has been prepared solely for the purposes of the Admission and is not intended to inform or be relied upon by any subsequent purchaser of shares in Science in Sport and accordingly no duty of care is accepted in relation to them. Cenkos has not authorised the contents of any part of this document, and no liability is accepted by Cenkos for the accuracy of any information or opinions contained in this document, or the omission of any material information from this document, for which the Company and Directors are solely responsible.

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

Cenkos is authorised and regulated in the United Kingdom by the FCA and is advising the Company and no one else in connection with the Placing and Admission (whether or not a recipient of this document), and is acting exclusively for the Company as nominated adviser and broker for the purpose of the AIM Rules. Cenkos will not be responsible to any person other than the Company for providing the protections afforded to its customers, nor for providing advice in relation to the Placing and Admission or the contents of this document. In particular, the information contained in this document has been prepared solely for the purposes of the Placing and Admission and is not intended to inform or be relied upon by any subsequent purchasers of Ordinary Shares (whether on or off exchange) and accordingly no duty of care is accepted in relation to them. Without limiting the statutory rights of any person to whom this document is issued, no representation or warranty, express or implied, is made by Cenkos as to the contents of this document. No liability whatsoever is accepted by Cenkos for the accuracy of any information or opinions contained in this document, for which the Directors are solely responsible, or for the omission of any information from this document for which it is not responsible.

## **FORWARD-LOOKING STATEMENTS**

**This document contains forward looking statements relating to the Company's future prospects, developments and strategies, which have been made after due and careful enquiry and are based on the Directors' current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Forward-looking statements are identified by their use of terms and phrases such as "believe", "could", "envisage", "estimate", "intend", "may", "plan", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These forward-looking statements are subject to, *inter alia*, the risk factors described in Part II of this document. The Directors believe that the expectations reflected in these statements are reasonable, but may be affected by a number of variables which could cause actual results or trends to differ materially. Each forward-looking statement speaks only as of the date of the particular statement.**

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## PLACING STATISTICS

Placing Price	56 pence
Number of Placing Shares	4,018,000
Number of Ordinary Shares on Admission	19,380,225
Percentage of the issued Ordinary Share capital being placed pursuant to the Placing	20.7 per cent.
Estimated cash proceeds of the Placing receivable by the Company, net of Demerger and Placing expenses and a loan repayment to Provexis	£1.7 million
Market capitalisation on Admission (approximately)	£10.9 million
AIM 'ticker'	SIS
ISIN number	GB00BBPV5329
Ordinary Shares in public hands	80.2 per cent.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	28 June 2013
Admission and dealings in the Ordinary Shares to commence on AIM	9 August 2013
CREST accounts credited for Placing Shares in uncertificated form	9 August 2013
Despatch of definitive share certificates, where applicable	23 August 2013

References to time are to London time unless otherwise stated. Each of the dates in the above timetable is subject to change without further notice.

## DIRECTORS, SECRETARY AND ADVISERS

<b>Directors</b>	John Clarke Stephen Moon Dawson Buck	<i>Non-Executive Chairman</i> <i>Chief Executive Officer</i> <i>Non-Executive Director</i>
<b>Company Secretary</b>	Matthew Holloway	
<b>Registered Office of the Company</b>	Kings Road House 2 Kings Road Windsor Berkshire SL4 2AG United Kingdom	
<b>Nominated Adviser and Broker</b>	Cenkos Securities plc 6.7.8 Tokenhouse Yard London EC2R 7AS	
<b>Reporting Accountants</b>	Chantrey Vellacott DFK LLP Russell Square House 10-12 Russell Square London WC1B 5LF	
<b>Auditors to the Company</b>	Chantrey Vellacott DFK LLP Prospect House 58 Queens Road Reading RG1 4RP	
<b>Solicitors to the Company</b>	Shoosmiths LLP Apex Plaza, Forbury Road Reading RG1 1SH	
<b>Solicitors to the Nominated Adviser and Broker</b>	Causeway Law Third Floor, Tower 42 25 Old Broad Street London EC2N 1HQ	
<b>Financial PR</b>	Haggie Partners LLP 4 Sun Court 66-67 Cornhill London EC3V 3NB	
<b>Registrars</b>	Equiniti Limited Aspect House Spencer Road Lancing West Sussex BN99 6DA	

## DEFINITIONS

In this document, where the context permits, the expressions set out below shall bear the following meaning:

“Act”	the Companies Act 2006
“Admission”	the admission to trading on AIM of the Ordinary Shares
“Admission Document” or “this document”	this document dated 28 June 2013 relating to the Placing and Admission
“AIM”	the market of that name operated by London Stock Exchange
“AIM Rules”	the AIM Rules for Companies setting out the rules and responsibilities in relation to AIM companies published by the London Stock Exchange as amended from time to time
“AIM Rules for Nominated Advisers”	the AIM Rules for Nominated Advisers setting out the eligibility, ongoing obligations and certain disciplinary matters in relation to nominated advisers published by the London Stock Exchange as amended from time to time
“Articles”	the articles of association of Science in Sport in force at the date of this document
“Business Day”	a day other than a Saturday or Sunday on which banks are open for commercial business in the City of London
“certificated” or “certificated form”	in the description of a share or other security which is not in uncertificated form (that is not in CREST)
“Company” or “Science in Sport”	Science in Sport plc, a company incorporated in England and Wales with registered number 08535116
“CREST”	the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and the holding of shares in uncertificated form which is administered by Euroclear UK & Ireland Limited
“CREST Manual”	the Compendium of documents entitled CREST Manual issued by CRESTCo from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, the CREST Rules, CCSS Operations Manual, and the CREST Glossary of Terms
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended
“CREST Rules”	the rules from time to time issued by CRESTCo governing the admission of securities to and the operation of the CREST UK System
“CREST UK System”	the facilities and procedures of the relevant systems of which CRESTCo is the Approved Operator pursuant to the CREST Regulations
“CRESTCo”	Euroclear UK and Ireland Limited, the operator of the CREST UK System or such other person as may for the time being be approved by HM Treasury as operator under the CREST Regulations
“Demerger”	the proposed demerger of SiS from the Provexis Group
“Demerger Agreement”	the agreement between Provexis and Science in Sport relating to the Demerger entered into on 28 June 2013, a summary of the principal terms of which is set out in paragraph 10.1 of Part VI of this document
“Demerger Effective Date”	the time at which the Demerger becomes effective, expected 9 August 2013

“Directors” or “Board”	the directors of the Company whose names appear on page 5 of this document
“HMRC”	HM Revenue & Customs
“IFRS”	International Financial Reporting Standards, as adopted for use in the European Union
“London Stock Exchange”	London Stock Exchange plc
“Nelson Facility”	the manufacturing facilities of Science in Sport Group, located in Nelson, Lancashire
“Nominated Adviser”, “Nomad” or “Cenkos”	Cenkos Securities plc, a company incorporated in England and Wales with registered number 05210733 and having its registered office at 6.7.8. Tokenhouse Yard, London EC2R 7AS
“Overseas Shareholders”	Shareholders with registered addresses outside the UK or who are incorporated in, registered in or otherwise resident or located in, countries outside the UK
“Ordinary Shares” or “Shares”	ordinary shares of 10 pence each in the capital of the Company
“Placees”	purchasers of the Placing Shares, as procured by Cenkos on behalf of the Company pursuant to the Placing Agreement
“Placing”	the conditional placing of the Placing Shares to the Placees pursuant to the Placing Agreement
“Placing Agreement”	the conditional agreement dated 28 June 2013 between (i) Cenkos; (ii) the Company; and (iii) the Directors; relating to the Placing, further details of which are set out in paragraph 10.2 of Part VI of this document
“Placing Price”	56 pence per Placing Share
“Placing Shares”	the Ordinary Shares to be issued pursuant to the Placing
“Provexis”	Provexis plc registered with company number 05102907
“Provexis Group”	in respect of any period prior to the Demerger Effective Date, Provexis and its subsidiaries and subsidiary undertakings including those companies which form part of the Science in Sport Group and, in respect of any period following the Demerger Effective Date, the Provexis Group excluding those companies which will form part of the Science in Sport Group
“Redeemable Shares”	the 50,000 redeemable shares of £1 each to be allotted and issued in the Company
“Registrar”	Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA
“Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 01/3755)
“Regulatory Information Services”	has the same meaning as defined in the AIM Rules
“Science in Sport Group”	Science in Sport and its subsidiaries and subsidiary undertakings following the completion of the Demerger, excluding those companies which form part of the Provexis Group
“SiS”	S i S (Science in Sport) Limited, a company incorporated in England and Wales registered with company number 02742833
“SDRT”	stamp duty reserve tax
“Shareholders”	holders of Ordinary Shares from time to time
“Takeover Panel”	the Panel on Takeovers and Mergers
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland

“uncertificated” or “in uncertificated form”	an ordinary share recorded on a company’s share register as being held in uncertificated form in CREST and title to which, by virtue of the Uncertificated Securities Regulations 2001, as amended, may be transferred by means of CREST
“US” or “United States”	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
“US Securities Act”	the US Securities Act of 1933, as amended
“VAT”	value added tax.

All quoted share prices contained in this document have been rounded to the nearest pence.

All references to share premium amounts in this document have been rounded to the nearest pound sterling.



# PART I

## INFORMATION ON THE SCIENCE IN SPORT GROUP

### Introduction

SiS is a manufacturer of sports nutrition products for use by consumers and professional and elite athletes. SiS products seek to provide nutrition, to enhance athletic performance and adaptation to exercise. SiS has four core product ranges: SiS GO isotonic powders and gels; SiS GO hydration powders and tablets; SiS GO food bars; and SiS REGO recovery powders. SiS products are sold in a range of retail channels, including specialist sport retailers, major grocers, high street retailers and e-commerce websites.

SiS is currently the official sports nutrition supplier to Rapha Condor JLT, Belkin Pro Cycling, Madison Genesis, Pro Team Astana and Team Katusha. SiS is also currently the official supplier of sports drinks and sports nutrition to the GB Rowing Team. In addition, SiS currently has Sir Chris Hoy and GB Triathlete Helen Jenkins as official brand ambassadors. SiS is recognised as a leader in endurance nutrition for professional and serious sports participants.

For the financial year ended 31 March 2013, SiS had net turnover of £5.5 million and an underlying operating profit of £0.1 million. As at 31 March 2013, SiS had total net assets of £0.7 million.

SiS has been a wholly-owned and controlled subsidiary of Provexis since June 2011. The Science in Sport Group will be formed pursuant to the Demerger of SiS from the Provexis Group and will be comprised of the Company and SiS. Further information regarding the Demerger can be found in the Provexis circular dated 28 June 2013 available from [www.provexis.com](http://www.provexis.com).

### SiS Product Overview

SiS products are focused on two broad areas: products for energy and hydration before and during exercise; and products for recovery and muscle repair after exercise and during rest periods between training and competition sessions.

The current main categories of products produced by SiS are:

- SiS GO isotonic powders and gels. These seek to deliver an easily digestible and quick supply of carbohydrates for athletes during exercise, via either powders which are mixed with water, or through a gel format. SiS GO Gel is SiS's lead product by revenue.
- SiS hydration products, including SiS GO Hydro tablets and SiS GO Electrolyte powders. The SiS hydration products have been designed for elite athletes undertaking strenuous exercise requiring electrolytes, to fit in with their training and race schedules.
- SiS GO Bars. SiS GO Bars offer a range of cereal based food bars, designed to provide sustenance and energy before, during and after exercise.
- SiS REGO. The SiS REGO range is focused on the provision of a blend of carbohydrate and protein and is dedicated to recovery, rebuilding and supporting the body's adaptation to training.

SiS also sells a number of ancillary products, such as drinks bottles and accessories, alongside its main product categories.

### Business Model

SiS seeks to maximise its product sales by undertaking the following actions:

- working closely with elite athletes and research partners to develop advocacy of SiS products by the elite sports community;
- investing in and developing SiS products with superior performance characteristics and quality;
- making SiS products available through both traditional retailers and e-commerce sales;
- effective marketing of SiS products, including advertising, sponsorship and social media; and
- efficiency of production in terms of both low cost and high customer service levels.

In maximising product sales, the Board closely monitors marketing and advertising spend in order to ensure any revenue growth is profitable and sustainable. The Board also seeks to maintain stringent controls on its manufacturing costs to maintain industry competitive operating margins.

### **Market Opportunity**

The Global Market for Sports Performance and Energy Products report by Leatherhead Food Research (April 2011) indicated the market for sports nutrition was worth £19.6bn globally in 2010 and £320m in the UK. Growth in the supplement category grew in the UK by 25 per cent. in the five years to 2010, with sports foods growing 300 per cent. and sports drinks growing 41 per cent. in the same period. This strong UK growth represents an opportunity for SiS. The US, the largest global sports nutrition market, grew 24 per cent. over the same period in sports supplements, 54 per cent. in sports foods and 16 per cent. in sports drinks.

The Directors believe that despite the downturn in the consumer spending environment since 2010, sports nutrition continues to show strong growth compared to traditional food categories.

### **Key Business Strengths**

The Directors believe that the key strengths of the Science in Sport Group will be:

- a strong management team and Board, with both the Chief Executive Officer and Chairman having extensive previous experience in sports nutrition;
- SiS has a strong brand within the elite athlete community and SiS supported athletes have achieved significant sporting success, for example, 24 SiS supported athletes or teams won medals at the 2012 London Olympics;
- SiS has a product range which the Directors believe is superior to its competitors in improving performance and adaptation to exercise through training;
- a healthy pipeline of new products underpinned by the scientific expertise within SiS;
- a strong and growing distribution network in specialist sport retailers, major grocers, e-commerce and high street outlets; and
- an established, low cost manufacturing capability with established quality systems and accreditations.

### **Sales, Manufacturing and Distribution of SiS Products**

#### ***Sales***

The commercial team of SiS is based in Windsor and comprises a sales team, marketing team and e-commerce team. SiS's sales team deal with customers through all channels including the wholesale sector, multiple grocers, high street retailers and e-commerce retailers. The majority of SiS sales are within the UK, however focus is being given to expanding current international markets such as Benelux, Denmark, France, Australia, Italy, Spain and Estonia, in addition to seeking partners in other markets.

A growing proportion of sales are made through the SiS's own e-commerce website [www.scienceinsport.com](http://www.scienceinsport.com).

#### ***Manufacturing***

SiS's manufacturing facilities are located within a 38,000 square foot manufacturing facility in Nelson. SiS has three years remaining on its lease at the Nelson Facility. SiS manufactures over 90 per cent. of its product by revenue using equipment located within the factory, with the remainder manufactured by a contractor. The Directors believe SiS's capability of manufacturing its own products allows a competitive cost of manufacture which in turn allows SiS to generate attractive gross margins.

The Directors believe maintaining high quality standards is crucial when supplying products to elite and professional athletes, including a well recognised banned substance regime. SiS has its own product development unit and staff on site, and this together with the range of manufacturing plant available, enables SiS to effectively develop innovative products for both elite athletes and the wider consumer base.

The Directors have recently been in discussions with the freehold owner of the Nelson Facility concerning potential subsidence at the Nelson Facility. The landlord has committed to a ground

investigation in order to determine the remedial measures that would be required to stabilise the position. The Directors do not believe any remedial action to remedy the subsidence will disrupt the day to day operations of the Nelson Facility. In the event that the landlord is unable to resolve the subsidence issue at the Nelson Facility to the satisfaction of the Company, the Directors believe there are number of alternative buildings in the local area available at competitive rates where the manufacturing facilities can be moved. The Directors anticipate that the cost of moving factory would be at the expense of the landlord.

### **Distribution**

The Nelson Facility handles all distribution for SiS.

In the UK, the Board believe there are growth opportunities for selling SiS products in a variety of retail channels, including independent retailers, major grocers and high street retailers. In addition, e-commerce is seen as a significant opportunity, both through direct sales from SiS's e-commerce platform and via indirect e-commerce retailers which are serviced through existing wholesale customers. SiS is working closely with its existing international distributors to develop the businesses in markets such as Benelux, Denmark, Australia, France, Italy, Spain and Estonia. The Company intends to explore the other potential international markets, including South Africa and the US.

### **Customers**

SiS believes that it has a strong relationships with its largest customers. On 1 May 2013 it was announced that SiS had been awarded the Tesco 2013 Healthcare Category Supplier of the Year. The ten largest customers by revenue accounted for 65 per cent. of revenues for the year ended 31 March 2013, with the largest customer accounting for 12 per cent.

For the year ended 31 March 2013, 87 per cent. of SiS's revenues were derived from UK based customers.

### **Competition**

The UK market for sports nutrition is broadly segmented into three areas: mass market sports drinks; protein-based products for strength sports; and products targeted at endurance sports, which is where the SiS range is targeted.

The endurance sector of the sports nutrition market is populated by a number of brands similar in size to SiS. Independently commissioned research, on behalf of SiS in August 2011, indicated that consumers regard SiS products as having a high benefit and being targeted effectively at elite athletes when compared to other brands in the market.

The Directors believe that the SiS brand is strongly competitive in the market versus the competition, as evidenced by recent sales growth. Advertising investment by competitors is monitored closely and management are satisfied that SiS allocates sufficient resources to advertising in order to compete effectively with similar brands.

### **Financial Information**

The table below summarises the audited financial results of SiS for the year ended 31 December 2010, the 15 months ended 31 March 2012 and the year ended 31 March 2013. The information set out below has been extracted or derived from the Financial Information on SiS set out in Section B Part III of this document. The Company will be the holding company for SiS and has not traded since its date of incorporation on 17 May 2013.

Prospective investors should read the whole of the information set out in this document and not rely solely on the summary information set out below.

	Year ended 31 December 2010 £	15 Months ended 31 March 2012 £	Year ended 31 March 2013 £
Revenues	4,633,318	6,113,880	5,522,240
Underlying operating profit	136,816	47,168	74,329
Profit/(loss) before taxation	126,490	(282,635)	(185,855)
Profit/(loss) and total comprehensive income/(expense) for the period	109,673	(189,824)	(97,238)
Total net assets	961,206	771,382	674,144

This information refers to past performance. Past performance is not a reliable indicator of future results.

### Current Trading and Prospects

Revenue for the financial year ended 31 March 2013 was £5.5 million, representing like for like revenue growth of 11 per cent. compared to the same period last year. Growth was constrained to 7 per cent. in the first half due to poor weather and adverse trading conditions. However trading in the second half of the financial year was much stronger as a range of initiatives took effect, resulting in second half revenue growth of 17 per cent. and final quarter revenue growth of 25 per cent. This momentum has been carried into the new financial year.

The outlook for SiS is positive as it continues to invest in marketing, sales and direct selling to drive revenue growth, underpinned by an increasingly effective supply chain. With current sales momentum and the continued resilience in the sports nutrition category, the Board believes SiS is well placed for strong growth in the coming year and beyond.

### Use of Proceeds and Reasons for Admission

The net proceeds of the Placing receivable by the Company are approximately £1.7 million. The net proceeds receivable by the Company will be used for the following purposes:

- increased working capital requirement as SiS revenues grow;
- capital investment in the factory to improve efficiencies and increase gross margin;
- costs related to the Demerger of SiS and admission of Science in Sport to market; and
- absorption of year one costs related to Science in Sport's plc status.

Alongside the Demerger and Placing expenses, SiS will be making a repayment of outstanding intercompany balances of £0.25 million to Provexis on Admission. Following this repayment, the Science in Sport Group will have no indebtedness to Provexis.

The Board believe that Admission will benefit the Company by:

- raising the Science in Sport Group's general profile;
- assisting the recruitment, retention and incentivising of skilled employees;
- providing the suppliers to the Company with added confidence;
- enabling the Science in Sport Group to access a wide range of investors and to be valued as a standalone business; and
- providing the Science in Sport Group with flexibility for further growth.

### The Placing and Admission

On Admission the Company will have 19,380,225 Ordinary Shares in issue and a market capitalisation of approximately £10.8 million. The Placing comprises the issue of 4,018,000 Placing Shares by the Company to raise (gross) £2.25 million.

Cenkos has agreed, pursuant to the Placing Agreement and conditional, *inter alia*, on Admission, to use its reasonable endeavours to place the Placing Shares, with institutional investors. The Placing, which is not being underwritten, is conditional, *inter alia*, upon:

- Admission having become effective in accordance with the AIM Rules for Companies by no later than 8.00 a.m. on 9 August 2013 (or by such later date as the Company and Cenkos may agree in writing but not later than 30 August 2013);
- the performance by the Company of its obligations under the Placing Agreement; and
- the satisfaction or, where appropriate, the waiver of certain other conditions set out in the Placing Agreement, including *inter alia* completion of the Demerger.

As part of the Placing each of the Directors will be subscribing for 178,500 Placing Shares. Further details on the Directors interests on the Ordinary Shares is set out in paragraph 5.2 of Part VI.

The Placing Shares rank *pari passu* in all respects with the Ordinary Shares including the right to receive all dividends and other distributions declared, paid or made after the date of issue.

None of the Placing Shares have been marketed to or will be made available in whole or in part to the public in conjunction with the application for Admission. Application has been made to the London Stock Exchange for the Ordinary Shares to be admitted to trading on AIM. Admission is expected to become effective and dealings in the issued Ordinary Shares are expected to commence on 9 August 2013.

Further details of the Placing Agreement are set out in paragraph 10.2 of Part VI of this document.

### **Lock-Ins and Orderly Market Agreements**

Each of the Directors has undertaken not to sell, transfer or dispose of any Ordinary Shares held by them at Admission for a period of 12 months following Admission. These restrictions are subject to certain exceptions including any sale or disposal with the prior consent of Cenkos.

In addition, each of the Directors has agreed not to dispose of any Ordinary Shares during the period of 12 months from the first anniversary of Admission other than through Cenkos, with a view to the maintenance of an orderly market for the Ordinary Shares.

At Admission, these restrictions will apply in respect of 685,172 Ordinary Shares, representing 3.5 per cent. of the issued Ordinary Share capital as at Admission.

### **Directors, Senior Management and Employees**

#### ***The Board***

At Admission, the Board of the Company shall comprise one executive Director, and two independent, non-executive Directors. The biographical details of the Board are set out below:

#### *Executive Director*

Stephen Moon, Chief Executive Officer, age 56

Stephen has over 25 years' senior cross-functional experience in the grocery brands industry. Stephen was formerly the Strategy Planning and Worldwide Business Development Director for GlaxoSmithKline's Nutritional Healthcare business. Since 2005, Stephen has been a director of Proxavis and since 2006 its Chief Executive Officer.

#### *Non-Executive Directors*

John Clarke, Chairman, age 64

John Clarke became a Non-Executive Director of Proxavis on 1 April 2012. John has extensive experience of the functional food and sports nutrition sectors, having worked at GlaxoSmithKline for more than 35 years. John was global President of GSK Consumer Healthcare from 2006 to 2011, and was a member of the GlaxoSmithKline plc Corporate Executive Team until March 2012.

Under John's leadership GSK Consumer Healthcare was the fastest-growing business in the industry, growing by 60 per cent. and reaching sales of £5 billion despite recessionary environments in the majority of the business' markets. The business added £2 billion in turnover from 2006. John was responsible for the Lucozade brand including strategy, innovation programme, portfolio and global expansion for 15 years from 1996 to 2011, Lucozade achieved growth of 13 per cent. CAGR throughout this period.

Dawson Buck, Non-Executive Director, age 66

Dawson has over twenty years' senior international experience within the electronic security, property, retail and IT industries. Dawson was a founder and the CEO of Automated Loss Prevention Ltd, which he led from its inception to its sale to the Sensormatic Electronic Corporation



Inc. in 1992. Until 2005 Dawson was Deputy Chief Executive of ANGLE plc. Since 2005, Dawson has been the non-executive Chairman of Provexis.

### ***Employees***

As at 31 March 2013, SiS had 51 employees.

### **Share Option Plan**

The Company intends to adopt a share option plan following Admission to incentivise and reward the Directors and other senior executives. The share option plan will also assist with key senior executive retention and the alignment of their interests with those of the Shareholders. To ensure that the share option plan is effective in all these respects, it will be administered and kept under review by the Remuneration Committee. Each option granted under the share option plan will be subject to detailed performance conditions, which will be linked to short-term, mid-term and long-term targets including sales growth, long term operating profits, and other targets specific to each individual.

The options granted will be a mixture of Enterprise Management Incentive options up to the maximum permitted by statute and to the extent that the maximum is exceeded that excess will be unapproved. No cash will be payable to exercise the options and acquire Ordinary Shares (subject to the attainment of the performance conditions). The maximum number of Ordinary Shares over which options may be granted is 3,876,045.

Further details of the share option plans of the Company are set out in paragraph 11 of Part VI of this document.

### **Corporate Governance**

The Company intends, following Admission, so far as is practicable and appropriate for a company of its size and nature, to comply with the provisions of the UK Corporate Governance Code. The Company has appointed two independent non-executive Directors to bring an independent view to the Board.

The Board is responsible for formulating, reviewing and approving the Science in Sport Group's strategy, budgets and corporate actions. The Directors intend to hold meetings of the Board four times per annum, and at other times as and when required. Conditional on Admission, the Science in Sport Group has established audit, remuneration and nomination committees with formally delegated duties and responsibilities.

#### ***(a) Audit Committee***

The audit committee will have the primary responsibility of monitoring the quality of internal controls and ensuring that the financial performance of the Science in Sport Group is properly measured and reported on. It will receive and review reports from the Science in Sport Group's management and external auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Science in Sport Group. The audit committee will meet not less than twice in each financial year and will have unrestricted access to the Science in Sport Group's external auditors. At Admission, the audit committee shall be chaired by John Clarke and shall also include Dawson Buck.

#### ***(b) Remuneration Committee***

The remuneration committee will review the performance of the executive directors and make recommendations to the Board on matters relating to their remuneration and terms of service. The remuneration committee will also make recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any employee share option scheme or equity incentive plans in operation from time to time. The remuneration committee will meet as and when necessary. In exercising this role, the Directors shall have regard to the recommendations put forward in the UK Corporate Governance Code. At Admission, the remuneration committee shall be chaired by John Clarke and shall also include Dawson Buck.

#### ***(c) Nomination Committee***

The nomination committee will consist of a committee chaired by John Clarke. The nomination committee will consider the selection and re-appointment of Directors. It will identify and nominate candidates to fill Board vacancies and review regularly the structure, size and composition

(including the skills, knowledge and experience) of the Board and make recommendations to the Board with regard to any changes.

**(d) Share Dealing Code**

The Board intends to comply, and to procure compliance, with Rule 21 of the AIM Rules for Companies relating to dealings in the Company's securities by the Directors and other applicable employees. To this end, the Company has adopted a code for directors' dealings appropriate for a company whose shares are admitted to trading on AIM and will take all reasonable steps to ensure compliance by the Directors and any relevant employees. The form of this code is substantially the same as the model code contained in the rules of the Official List.

**Dividend Policy**

The Directors do not anticipate declaring any dividends in the foreseeable future but may recommend distributions at some future date depending upon the generation of sustainable profits.

**Settlement and CREST**

Application has been made for all of the Ordinary Shares to be eligible for admission to CREST with effect from Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place in CREST if the relevant Shareholder so wishes. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a share certificate and transferred otherwise than by written instrument. The Articles permit the holding and transfer of Ordinary Shares under the CREST system. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so. Persons acquiring shares as a part of the Placing may elect to receive Ordinary Shares in uncertificated form if, but only if, that person is a "system-member" (as defined in the CREST Regulations) in relation to CREST.

It is expected that, subject to the satisfaction of the conditions of the Placing, the Placing Shares will be registered in the names of the placees subscribing for them and issued either in certificated form, where the placee so elects, with the relevant share certificate expected to be dispatched by post, at the placee's risk, or in CREST, where the placee so elects and only if the placee is a "system member" (as defined in the CREST Regulations) in relation to CREST, with delivery (to the designated CREST account) of the Ordinary Shares subscribed for expected to take place on 9 August 2013. Notwithstanding the election by placees as to the form of delivery of the Placing Shares, no temporary documents of title will be issued. All documents or remittances sent by or to a placee, or as they may direct, will be sent through the post at their risk. Pending the dispatch of definitive share certificates (as applicable), instruments of transfer will be certified against the Company's register of members.

**Taxation**

Your attention is drawn to the taxation section contained in Part V of this document. If you are in any doubt as to your tax position, you should consult your own independent financial adviser immediately.

**EIS and VCT Schemes**

The Company has applied for and obtained provisional advance assurance from HMRC that the Placing Shares placed with VCT Schemes are expected to constitute a qualifying holding for such VCT Schemes. HMRC has also confirmed that the Placing Shares should satisfy the requirements for tax relief under EIS. However, eligibility is also dependent on a Shareholder's own position and not just that of the Company. Accordingly, you should take your own independent advice and you are referred to Part V of this document.

**Further information**

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

## PART II

### RISK FACTORS

The Directors consider the following risks and other factors to be most significant for potential investors, but the risks listed below do not necessarily comprise all those associated with an investment in the Ordinary Shares and are not set out in any particular order of priority, and do not relate exclusively to the heading under which they appear. Potential investors should carefully consider the risks described below before making a decision to invest in the Ordinary Shares. If any of the following risks actually occurs, the Science in Sport Group's business, financial condition, results or future operations could be materially adversely affected. In such a case, the price of the Ordinary Shares could decline and investors may lose all or part of their investment.

#### 1. RISKS RELATING TO THE COMPANY AND ITS BUSINESS

##### ***Reliance on key customers***

The ten largest customers by revenue accounted for 65 per cent. of revenues for the year ended 31 March 2013, with the largest customer accounting for 12 per cent. The risks associated with the reliance on these main customers are recognised by the Directors and it is intended that SiS will continue to expand the number of retail outlets where SiS products can be bought and drive sales from e-commerce. Although no single retailer accounts for more than 12 per cent. of sales of SiS, the dominance of the large retail multiples could force an erosion of prices and, subsequently, profit margins.

##### ***Supply of faulty or contaminated products could have a material adverse effect on SiS***

SiS has control measures and systems in place to ensure that maximum safety and quality of its products is maintained. The consequences of not being able to do so, due to accidental or malicious ingredient or raw material contamination, or due to supply chain contamination caused by human error or equipment fault or due to manufacturing or design faults, could be severe. Such consequences may include adverse effects on consumer health, loss of market share, financial costs and loss of turnover.

Where there is a product recall as a result of accidental or malicious ingredient or raw material contamination, or due to supply chain contamination caused by human error or equipment fault or due to manufacturing or design faults, a subsequent product relaunch may not successfully return the relevant brand to its previous market position. This could result in a loss of market share and loss of turnover to SiS.

##### ***SiS relies on its brand ambassadors and elite athletes to promote its products***

SiS has entered into a number of brand ambassador agreements with elite athletes. As a result of these arrangements, SiS relies on the reputation and image of the elite athletes to promote its products to consumers. If any elite athlete associated with the SiS brand suffers reputational damage, for instance through drug use or adverse media, this could adversely affect SiS's results of operations, financial condition and/or prospects.

The Directors seek to associate the SiS product range only with elite athletes who have the highest levels of personal and sporting integrity in order to protect the SiS brand.

##### ***Banned substances***

If it was found that an athlete had consumed a banned substance through the consumption of a SiS product, the Directors would expect this to have a material effect on SiS's financial results, reputation and/or prospects.

##### ***Substantially all of SiS's revenue is generated from sales in the UK***

For the year ended 31 March 2013, 87 per cent. of SiS's revenues were to UK based customers. Demand for products in the UK is influenced by a number of factors, including the strength of the economy, the weather, the level of consumer spending, competitive challenges and regulatory changes. Any negative change in economic conditions, weather patterns, the level of consumer spending, competitive challenges or regulatory changes in the UK may result in a lower growth rate or lower sales which may result in a material adverse effect on SiS's financial results and/or prospects.



### ***Effect of Demerger***

The Demerger may result in additional overhead costs and disruption to the day-to-day administration of the Science in Sport Group. Demerging SiS and the proposed Admission may result in increased administrative and regulatory costs and burdens that are not reflected in the historical financial statements of SiS. Further, the Science in Sport Group's infrastructure and day-to-day corporate governance regime will be required to operate on a stand-alone basis. Although the Demerger is being structured with a view to ensuring that the transition to a stand-alone entity will go smoothly, all the above could adversely affect SiS.

### ***SiS has no history operating as a plc and will experience increased costs after the Demerger which could adversely affect overall profitability***

Historically, Provexis performed and provided support for a number of important corporate functions for SiS's operations.

The Science in Sport Group will need to replicate certain facilities, systems, infrastructure and personnel to which the Science in Sport Group may no longer have access after the Demerger. The Science in Sport Group will incur costs associated with developing and implementing its own support functions in these areas. In addition, there may be an operational impact on the Science in Sport Group's business as a result of the significant time of the directors of the Science in Sport Group, senior management and other employees and internal resources that will need to be dedicated to building these capabilities during the period following the Demerger that otherwise would be available for other business initiatives and opportunities. If the Science in Sport Group does not have in place adequate systems and business functions, or obtain them from other providers, the Science in Sport Group may not be able to operate effectively and profitability may be affected as a consequence.

### ***The occurrence of major operational problems or failure or unavailability of the Nelson Facility could have a material adverse effect on the financial performance of SiS***

The revenues of SiS are dependent on the continued operation of its manufacturing facility. There are a number of operational risks, associated with operating a facility, which may disrupt production, including fire or other natural disasters, equipment failure (including any failure of information technology systems), ineffective production planning and raw material processes, failure to comply with applicable regulations and standards, raw material supply disruptions, labour force shortages or work stoppages, and events impeding, or increasing the cost of transport. The occurrence of major operational problems may adversely affect the SiS business, results of operations, financial condition and/or prospects.

The Directors have recently been in discussions with the freehold owner of the Nelson Facility concerning potential subsidence at the Nelson Facility. The landlord has committed to a ground investigation in order to determine the remedial measures that would be required to stabilise the position. The Directors do not believe any remedial action to remedy the subsidence will disrupt the day to day operations of the Nelson Facility. In the event that the landlord is unable to resolve the subsidence issue at the Nelson Facility to the satisfaction of the Company, the Directors believe there are number of alternative buildings in the local area available at competitive rates where the manufacturing facilities can be moved. The Directors anticipate that the cost of moving factory would be at the expense of the landlord.

### ***Future legislative restrictions***

Although not currently anticipated by the Directors, it may be the case that SiS products (now or in the future) could become subject to regulatory, legislative or other restrictions from regulatory or governmental bodies in particular industry sectors or with respect to particular applications. Should this occur, SiS may incur further research and/or development costs, or be required to apply for regulatory approvals, that could have a material adverse effect on its financial position or prospects. Further, any regulatory, legislative or other restrictions may cause consumers to negatively view SiS products and/or similar sports nutritional products and supplements which could have a material adverse effect on the Company's financial position or prospects.

### ***Reliance and focus of key personnel and management***

The success of the Science in Sport Group will be dependent on the services of key management and operating personnel.

The Directors believe that the Science in Sport Group's future success will depend largely on its ability to retain and attract highly skilled and qualified personnel, and to expand, train and manage its employee base. There can be no guarantee that suitably skilled and qualified individuals will be retained or identified and employed. If the Science in Sport Group fails to retain or recruit the necessary personnel, or if the Science in Sport Group loses the services of any of its key executives, its business could be materially and adversely affected.

Further to the above, if the Directors and senior management become distracted from the day to day management of the business, for instance due to a takeover approach or the management of overseas expansion, the business could be materially and adversely affected.

#### ***VAT on sports nutrition products***

In August 2012, HMRC released a VAT Notice that clarified VAT liability on sales of sports nutrition drinks following changes announced in the 2012 budget. The changes became effective on and after 1 October 2012. The VAT notice stated that certain sports products are not designed to be made into drinks and therefore no VAT is payable by consumers at the point of sale. If HMRC chooses to amend its position on the VAT liability of certain sports products this could have a material effect on the sales price of SiS products or the sales margin achievable by the Company if the Board choose not to pass on any VAT payable on the sale of a SiS product. The Directors anticipate that either of these two actions would negatively affect the financial performance of the Company.

#### ***Overseas expansion***

The Directors believe there are a number of growth opportunities for the Company overseas. While these opportunities could be significant, the Board recognises they present a number of financial and operational risks to the Company, including but not limited to distracting management focus on the UK operations of the business, stock control, working capital and the overall financial performance of the Group.

#### ***Future acquisitions***

The Board believes that there may be attractive acquisition opportunities for the Science in Sport Group. There can be no assurance that the Science in Sport Group will be able to conclude successfully agreements with any of the target businesses which may be identified. Further, there is no certainty that any acquisitions conducted will prove successful.

#### ***Competition***

SiS's competitors and potential competitors include companies which may have substantially greater resources than those of the Science in Sport Group. These competitors include multinational companies with product promotional and advertising budgets that are multiples of that spent by SiS. Competitors and potential competitors may also develop new products that are less costly and/or more effective than the SiS product range which may make those of SiS obsolete or uncompetitive. SiS's products may face competition from companies that have greater research, development, marketing, financial and personnel resources than SiS. In the event that a competitor brand to SiS decides to dedicate significant resources to promote a brand in the endurance sports market or, more generally, the sports nutrition market it could materially affect the financial performance of the Science in Sport Group.

Further to the above, the business model of SiS is based upon winning additional market share from competitors or maintaining an existing market share in a growing sports nutrition market. Competitors to SiS may be able to respond more quickly to opportunities within the sports nutrition sector or the general consumer environment, this could lead SiS losing key customers or reducing the price of its products which could adversely affect SiS's business, financial condition and operating results.

#### ***Promotional and marketing expenditure required to promote SiS may be more than currently anticipated***

There is a risk that the advertising and promotional investment that the Science in Sport Group anticipates will be needed to fund its growth will be insufficient or that the anticipated timing of such investment may prove incorrect. If the Science in Sport Group is unable to fund its growth then the Science in Sport Group may not be able to generate revenues at the times targeted or at

levels in line with the Board's forecasts. Costs may be greater than planned, or timings may vary from those targeted.

### ***Commodity pricing risk***

The SiS products are derived from various food and drink ingredients. All of these ingredients are subject to fluctuations in price due to uncontrollable factors. In some cases, due to the basis for pricing in sales contracts, or due to competitive markets, SiS may not be able to pass on to its customers the full amount of ingredient price increases or higher energy, freight or other operating costs and this could negatively impact profitability.

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

### ***Suitability***

Investment in the Ordinary Shares may not be suitable for all readers of this document. Readers are accordingly advised to consult a person authorised under FSMA who specialises in investments of this nature before making any investment decisions.

### ***Investment in AIM-traded securities***

Investment in shares traded on AIM involves a higher degree of risk, and such shares may be less liquid, than shares in companies which are listed on the Official List. The AIM Rules for Companies are less demanding than those of the Official List. It is emphasised that no application is being made for the admission of the Company's securities to the Official List. An investment in the Ordinary Shares may be difficult to realise. Prospective investors should be aware that the value of an investment in the Company may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Science in Sport Group. Investors may therefore realise less than, or lose all of, their investment.

### ***Share price volatility and liquidity***

The share price of quoted companies can be highly volatile and shareholdings can be illiquid. The price at which the Ordinary Shares are quoted and the price which investors may realise for their Ordinary Shares will be influenced by a large number of factors, some specific to the Science in Sport Group and its operations and others which may affect quoted companies generally. These factors could include the performance of the Science in Sport Group, large purchases or sales of the Ordinary Shares, currency fluctuations, legislative changes and general economic, political, regulatory or social conditions.

### ***Access to further capital***

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

### ***Future sale of Ordinary Shares***

The Company is unable to predict when and if substantial numbers of Ordinary Shares will be sold in the open market following Admission. Any such sales, or the perception that such sales might occur, could result in a material adverse effect on the market price of the Ordinary Shares. The Science in Sport Group may require additional capital in the future which may not be available to it. If available, future financings to provide this capital may dilute shareholders' proportionate ownership in the Company. The Company may raise capital in the future through public or private equity financings or by raising debt securities convertible into Ordinary Shares, or rights to acquire

these securities. Any such issues may exclude the pre-emption rights pertaining to the then outstanding shares. If the Company raises significant amounts of capital by these or other means, it could cause dilution for the Company's existing shareholders. Moreover, the further issue of Ordinary Shares could have a negative impact on the trading price and increase the volatility of the market price of the Ordinary Shares. The Company may also issue further Ordinary Shares, or create further options over Ordinary Shares, as part of its employee remuneration policy, which could in aggregate create a substantial dilution in the value of the Ordinary Shares and the proportion of the Company's share capital in which investors are interested.

### ***Forward-looking statements***

Some of the statements in this document include forward-looking statements which reflect the Company's or, as appropriate, the Directors' current views with respect to financial performance, business strategy, plans and objectives of management for future operations (including development plans relating to the Science in Sport Group's business). These statements include forward-looking statements both with respect to the Science in Sport Group and the sectors and industry in which the Science in Sport Group operates. All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause the Science in Sport Group's actual results to differ materially from those indicated in these statements. These factors include, but are not limited to, those described in this Part II of this document which should be read in conjunction with the other cautionary statements that are included in this document. Any forward-looking statements in this document reflect the Company's or, as appropriate, the Directors' current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Company's operations, results of operations, growth strategy and liquidity.

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

### ***No prior trading market for Ordinary Shares***

Prior to the admission to trading on AIM, there was no public market for the Ordinary Shares. There can be no assurance that an active market for (and hence strong liquidity in the trading of) the Ordinary Shares will develop upon the Company's admission to trading on AIM, or if developed, that such market will be sustained.

### ***EIS and Venture Capital Trust (VCT) Schemes***

Advance assurance has been sought and obtained from HMRC that the Company should be a qualifying company and the Ordinary Shares are eligible shares for the purposes of EIS provisions. Advance assurance has also been sought and obtained that the Ordinary Shares may form part of a qualifying holding for VCT Scheme purposes. The actual availability of relief under the EIS and qualifying status for VCT Scheme purposes will be contingent upon certain conditions being met by both the Company and the relevant investors. Neither the Company nor the Company's advisers give any warranties or undertakings that EIS relief or VCT Scheme qualifying status will be available or that, if initially available, such relief or status will not be withdrawn. Should the law regarding EIS or the VCT Scheme change then any reliefs or qualifying status previously obtained may be lost. Additional information on the EIS and on VCT Scheme qualifying status is included in Part V of this document.

Circumstances may arise (which may include sale of the Company) where the Directors believe that the interests of the Company are not best served by acting in a way that preserves EIS tax relief (including capital gains tax reliefs) or VCT Scheme qualifying status. In such circumstances, the Company cannot undertake to conduct its activities in a way designed to secure or preserve any such relief or status claimed by any Shareholder. If the Company does not employ the proceeds of an EIS/VCT Scheme share issue for qualifying purposes within 24 months, the EIS

shares would cease to be eligible shares and all of the EIS tax reliefs of investors in respect of the Ordinary Shares would be withdrawn.

In respect of share subscriptions made by a VCT, the funds invested by the VCT would be apportioned *pro rata* and its qualifying holding would be equal to the VCT's funds that had been employed for qualifying trading purposes within the above time limits. Any remaining element of the VCT's investment would comprise part of its non-qualifying holdings.

The information in this document is based upon current tax law and practice and other legislation and any changes in the legislation or in the levels and bases of, and reliefs from, taxation may affect the value of an investment in the Company. If the Company or any qualifying subsidiary ceases to carry on the business outlined in this document or acquires or commences a business which is not insubstantial to the Company's activities and which is a non-qualifying trade for EIS and VCT Scheme purposes, this could prejudice the qualifying status of the Company (as referred to above) under the VCT Scheme or under the EIS if this occurred during the three year period from the last issue of shares to EIS investors. This situation will be monitored by the Directors with a view to preserving the Company's qualifying status but this cannot be guaranteed.

**PART III**  
**FINANCIAL INFORMATION**

**SECTION A – ACCOUNTANTS’ REPORT ON S i S (SCIENCE IN SPORT) LIMITED**

The following is the full text of a report on SiS (Science in Sport) Limited from Chantrey Vellacott DFK LLP, the Reporting Accountants, to the Directors of Science in Sport plc.

28 June 2013

The Directors  
Science in Sport plc  
Kings Road House  
2 Kings Road  
Windsor  
Berkshire  
SL4 2AG

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

Dear Sirs

**S i S (Science in Sport) Limited (“SiS”)**

**Introduction**

We report on the financial information set out in Section B of Part III relating to SiS. This financial information has been prepared for inclusion in the admission document dated 28 June 2013 (the “Admission Document”) relating to the proposed placing of 4,018,000 Ordinary Shares of 10 pence each in Science in Sport plc (the “Company”) at 56 pence per share and the admission of the Company’s enlarged share capital to trading on AIM and on the basis of the accounting policies set out in note 1 to the financial information. This report is given for the purpose of complying with Paragraph (a) of Schedule Two of the AIM Rules for Companies and for no other purpose.

**Responsibility**

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 International Financial Reporting Standards as adopted by the European Union (“IFRS”).

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 (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there 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 any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies.

**Basis of opinion**

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



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

### **Opinion**

In our opinion, the financial information set out in Section B of Part III of this document gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of SiS as at 31 March 2013 and of its comprehensive income, cash flows and changes in equity for the periods then ended in accordance with the basis of preparation and applicable financial reporting framework as set out in the notes to the financial information.

### **Declaration**

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies, 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 Schedule Two of the AIM Rules for Companies.

Yours faithfully

**CHANTREY VELLACOTT DFK LLP**

**PART III**

**FINANCIAL INFORMATION**

**SECTION B – FINANCIAL INFORMATION ON S I S (SCIENCE IN SPORT) LIMITED**

**STATEMENTS OF COMPREHENSIVE INCOME**

		Year ended 31 December 2010	15 Months ended 31 March 2012	Year ended 31 March 2013
	Note	£	£	£
<b>Revenue</b>		<b>4,633,318</b>	<b>6,113,880</b>	<b>5,522,240</b>
Cost of goods		(2,115,551)	(2,814,561)	(2,441,621)
		2,517,767	3,299,319	3,080,619
Selling and distribution costs		(1,320,415)	(1,477,482)	(1,792,232)
Administrative costs		(1,071,551)	(2,102,946)	(1,470,967)
Other operating income		6,568	—	—
<b>Underlying operating profit</b>		<b>136,816</b>	<b>47,168</b>	<b>74,330</b>
Amortisation and impairment charges		(4,447)	(7,510)	(17,224)
Restructuring costs		—	(320,767)	(239,686)
<b>Profit / (loss) from operations</b>	3	<b>132,369</b>	<b>(281,109)</b>	<b>(182,580)</b>
Finance costs	6	(5,879)	(1,526)	(3,275)
<b>Profit / (loss) before taxation</b>		<b>126,490</b>	<b>(282,635)</b>	<b>(185,855)</b>
Taxation	7	(16,817)	92,811	88,617
<b>Profit / (loss) and total comprehensive income / (expense) for the period</b>		<b>109,673</b>	<b>(189,824)</b>	<b>(97,238)</b>
<b>Profit / (loss) per share</b>				
<b>Basic and diluted</b>		<b>0.73</b>	<b>(1.25)</b>	<b>(0.64)</b>



## STATEMENTS OF FINANCIAL POSITION

		At 31 December 2010 £	At 31 March 2012 £	At 31 March 2013 £
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets	8	19,051	7,297	155,558
Property, plant and equipment	9	117,630	519,142	625,782
Deferred tax asset	13	—	128,948	110,348
<b>Total non-current assets</b>		<b>136,681</b>	<b>655,387</b>	<b>891,688</b>
<b>Current assets</b>				
Inventories	10	496,008	635,771	913,387
Trade and other receivables	11	455,471	763,178	1,080,854
Current tax asset		—	—	68,084
Cash and cash equivalents		226,464	250,363	138,841
<b>Total current assets</b>		<b>1,177,943</b>	<b>1,649,312</b>	<b>2,201,166</b>
<b>Total assets</b>		<b>1,314,624</b>	<b>2,304,699</b>	<b>3,092,854</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	12	(300,730)	(1,494,184)	(2,192,065)
Hire purchase liabilities and bank loans		(6,640)	—	(64,774)
Current tax liabilities		(40,137)	(39,133)	—
<b>Total current liabilities</b>		<b>(347,507)</b>	<b>(1,533,317)</b>	<b>(2,256,839)</b>
<b>Net current assets</b>		<b>830,436</b>	<b>115,995</b>	<b>(55,673)</b>
<b>Non-current liabilities</b>				
Bank loans		—	—	(161,871)
Deferred tax liabilities	13	(5,911)	—	—
<b>Total non-current liabilities</b>		<b>(5,911)</b>	<b>—</b>	<b>(161,871)</b>
<b>Total liabilities</b>		<b>(353,418)</b>	<b>(1,533,317)</b>	<b>(2,418,710)</b>
<b>Total net assets</b>		<b>961,206</b>	<b>771,382</b>	<b>674,144</b>
<b>Equity</b>				
Share capital		151,220	151,220	151,220
Retained earnings		809,986	620,162	522,924
<b>Shareholder's funds</b>		<b>961,206</b>	<b>771,382</b>	<b>674,144</b>

## STATEMENTS OF CHANGES IN EQUITY

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	Share capital	Retained earnings	Total equity
	£	£	£
<b>At 1 January 2010</b>	<b>151,220</b>	<b>750,313</b>	<b>901,533</b>
Total comprehensive income	—	109,673	109,673
Dividends paid	—	(50,000)	(50,000)
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2010</b>	<b>151,220</b>	<b>809,986</b>	<b>961,206</b>
Total comprehensive expense	—	(189,824)	(189,824)
	<hr/>	<hr/>	<hr/>
<b>At 31 March 2012</b>	<b>151,220</b>	<b>620,162</b>	<b>771,382</b>
Total comprehensive expense	—	(97,238)	(97,238)
	<hr/>	<hr/>	<hr/>
<b>At 31 March 2013</b>	<b>151,220</b>	<b>522,924</b>	<b>674,144</b>

## STATEMENTS OF CASH FLOWS

	Year ended 31 December 2010 £	15 Months ended 31 March 2012 £	Year ended 31 March 2013 £
<b>Cash flows from operating activities</b>			
Profit / (loss) after taxation	109,673	(189,824)	(97,238)
<b>Adjustments for:</b>			
Amortisation	4,447	7,510	17,224
Depreciation	71,483	82,351	152,684
Profit / (loss) on disposal of fixed assets	227	(4,750)	(4,077)
Loss on disposal of intangible assets	—	9,872	—
Finance costs	5,879	1,526	3,275
Taxation	16,817	(92,811)	(88,617)
<b>Operating profit / (loss) before changes in working capital</b>	<b>208,526</b>	<b>(186,126)</b>	<b>(16,749)</b>
Changes in inventories	54,165	(139,763)	(277,616)
Changes in receivables	4,890	(307,707)	(317,676)
Changes in payables	28,882	1,193,452	697,881
<b>Cash generated from operations</b>	<b>296,463</b>	<b>559,856</b>	<b>85,840</b>
Tax paid	(75,692)	(43,051)	—
Tax credits received	12,146	—	—
<b>Net cash inflow from operating activities</b>	<b>232,917</b>	<b>516,805</b>	<b>85,840</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	(79,699)	(483,863)	(260,597)
Proceeds from sale of property, plant and equipment	8,500	4,750	5,350
Purchase of intangible assets	(10,875)	(5,627)	(165,485)
<b>Cash outflow from investing activities</b>	<b>(82,074)</b>	<b>(484,740)</b>	<b>(420,732)</b>
<b>Cashflows from financing activities</b>			
HP Finance and bank loans	(27,505)	(6,640)	226,645
Dividends	(50,000)	—	—
Interest paid	(5,879)	(1,526)	(3,275)
<b>Cash (used in) / generated by financing activities</b>	<b>(83,384)</b>	<b>(8,166)</b>	<b>223,370</b>
<b>Increase / (decrease) in cash and cash equivalents</b>	<b>67,459</b>	<b>23,899</b>	<b>(111,522)</b>
<b>Opening cash and cash equivalents</b>	<b>159,005</b>	<b>226,464</b>	<b>250,363</b>
<b>Closing cash and cash equivalents</b>	<b>226,464</b>	<b>250,363</b>	<b>138,841</b>

## NOTES TO THE FINANCIAL INFORMATION

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### 1. Accounting policies

The financial information has been prepared in accordance with International Financial Reporting Standards and Interpretations (collectively IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Union and those parts of the Companies Act 2006 that are applicable to financial statements prepared in accordance with IFRS. The financial information does not constitute statutory accounts within the meaning of the Companies Act 2006.

The accounting policies set out below have been applied to all periods presented in this financial information:

#### ***Revenue***

Revenue comprises (i) sales to external customers at invoiced amounts and (ii) the fair value received or receivable for exclusivity arrangements and collaboration agreements. Revenue is shown net of value added tax or local taxes on sales.

Revenue from sales to external customers is recognised when the significant risks and rewards of ownership have been transferred to the buyer in accordance with the customer terms. This is normally when goods are dispatched to export customers and when the goods are delivered for UK customers. Sales rebates and discount reserves are established based on management's best estimate of the amounts necessary to meet claims by the company's customers in respect of these rebates and discounts. The provision is made at the time of sale and released, if unutilised, after assessment that the likelihood of such a claim being made has become remote. Exclusivity arrangements and related services are recognised as revenue in the accounting period in which the related services are rendered, or activities performed, by reference to completion of the specific transaction.

All revenue originates in the United Kingdom.

#### ***Use of non-GAAP profit measure – underlying operating profit***

The directors believe that the operating profit before amortisation and impairment of acquired intangibles and exceptional items measure provides additional useful information for shareholders on underlying trends and performance. This measure is used for internal performance analysis. Underlying operating profit is not defined by IFRS and therefore may not be directly comparable with other companies' adjusted profit measures. It is not intended to be a substitute for, or superior to IFRS measurements of profit.

Exceptional items are those material items which, by virtue of their size or incidence, are presented separately in the Statement of Comprehensive Income to give a full understanding of the company's underlying financial performance. Transactions which may give rise to exceptional items include the restructuring of business activities. A reconciliation of underlying operating profit to statutory operating profit is set out on the face of the Statements of Comprehensive Income on page 24 of this document.

#### ***Research and development***

Expenditure on research and development is written off as incurred and includes a proportion of salaries and other expenses relating thereto.

#### ***Leased assets***

Leases, which contain terms whereby the company does not assume substantially all the risks and rewards incidental to ownership of the leased item are classified as operating leases. Operating lease rentals are charged to the Statement of Comprehensive Income on a straight line basis over the lease term. The company does not hold any assets under finance leases.

### ***Intangible assets***

Externally acquired intangible assets are initially recognised at cost and subsequently amortised on a straight line basis over their expected useful economic lives as follows:

Website design costs	–	5 years
Computer software	–	5 years

### ***Property, plant and equipment***

Plant and equipment assets are stated at cost. Cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is charged to Statement of Comprehensive Income on all plant and equipment at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight line basis over their estimated useful lives, which is:

Leasehold improvements	–	Over the length of the lease
Plant and machinery	–	8 years
Fixtures and fittings	–	4 years
Motor vehicles	–	4 years

The assets' residual values and useful lives are determined by the directors and reviewed and adjusted if appropriate at each balance sheet date in accordance with the company policy for impairment of assets.

### ***Impairment of assets***

Assets that have a finite useful life but that are not yet in use and are therefore not subject to amortisation or depreciation are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment annually and when events or circumstances suggest that the carrying amount may not be recoverable, an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the relevant asset is carried at a revalued amount in which case the reversal of the impairment loss is treated as a revaluation increase.

The gain or loss on the disposal of an asset is accounted for in the Statement of Comprehensive Income of the period in which the disposal occurs as the difference between the net sale proceeds and the carrying amount.

### ***Inventories***

Inventories are stated at the lower of cost and net realisable value. Cost is calculated as follows:

Raw materials – cost of purchase on first in, first out basis.

Work in progress and finished goods – cost of raw materials and labour, together with attributable overheads based on the normal level of activity.

Net realisable value is based on estimated selling price less further costs to completion and disposal. A charge is made to the income statement for slow moving inventories. The charge is reviewed at each balance sheet date.

## **Financial instruments**

### *Financial assets*

The company's financial assets are comprised of 'trade and other receivables' and 'cash and cash equivalents'. They are recognised at their fair value. The company will assess at each balance sheet date whether there is objective evidence that the financial asset is impaired. If an asset is judged to be impaired the carrying amount of the asset will be adjusted to its impaired valuation

### *Financial liabilities*

The company's financial liabilities comprise 'trade and other payables'. These are recognised at their fair value.

## **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand.

## **Government grants**

Government grants are recognised when there is reasonable assurance that the grant will be received and the company will comply with all attached conditions. Government grants are recognised in the Statement of Comprehensive Income in the same period to which the costs that they are intended to compensate are expensed.

## **Taxation**

Current tax is provided at amounts expected to be recovered or to be paid using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. When research and development tax credits are claimed they are recognised on an accruals basis and are included as a taxation credit.

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability on the balance sheet differs from its tax base, except for differences arising on:

- The initial recognition of goodwill
- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profits will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered). Deferred tax balances are not discounted.

## **Foreign currency translation**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

## **Employee benefits**

### *(i) Defined contribution plans*

The company provides retirement benefits to all employees and Executive directors. The assets of these schemes are held separately from those of the company in independently administered funds. Contributions made by the company are charged to the Statement of Comprehensive Income in the period in which they become payable.

### *(ii) Accrued holiday pay*

Provision has been made at the balance sheet date for holidays accrued but not taken at the salary of the relevant employee at that date.

### ***Interest income***

Interest income is recognised on a time-proportion basis using the effective interest rate method.

### ***Critical accounting estimates and judgements***

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Estimates and judgements are continually made and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances.

As the use of estimates is inherent in financial reporting, actual results could differ from these estimates. The directors believe the following to be the key areas of estimation and judgement:

#### **(i) Valuation of inventories**

Inventories are valued at the lower of cost and net realisable value. Cost comprises direct materials, labour and, where appropriate, overheads that have been incurred in bringing the inventory to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

#### **(ii) Useful economic lives of intangible asset and property, plant and equipment**

In relation to the company's finite life intangible assets and property, plant and equipment, useful economic lives and residual values of assets have been established using historical experience and an assessment of the nature of the assets involved. Assets are assessed on an ongoing basis to determine whether circumstances exist that could lead to potential impairment of the carrying value of such assets.

## **2. Financial risk management**

### ***2.1 Financial risk factors***

The company's activities inevitably expose it to a variety of financial risks: market risk (including currency risk, cash flow interest rate risk and fair value interest rate risk), credit risk and liquidity risk.

It is company policy not to enter into speculative positions using complex financial instruments. The company's primary treasury objective is to minimise exposure to potential capital losses whilst at the same time securing favourable market rates of interest on company cash deposits using money market deposits with banks. Cash balances used to settle the liabilities from operating activities are also maintained in current accounts which earn interest at variable rates.

#### ***(a) Market risk***

##### **Foreign exchange risk**

The company primarily enters into contracts which are to be settled in UK pounds. However, some contracts involve other major world currencies including the US Dollar and the Euro. Where large contracts of more than £50,000 total value are to be settled in foreign currencies consideration is given to converting the appropriate amounts to or from UK pounds at the outset of the contract to minimise the risk of adverse currency fluctuations.

The company incurred minimal expenditure in foreign currencies during the year, and the prior year, and consequently there is no material exposure to foreign currency rate risk.

##### **Cash flow and fair value interest rate risk**

The company's interest rate risk arises from medium term and short term money market deposits. Deposits which earn variable rates of interest expose the company to cash flow interest rate risk. Deposits at fixed rates expose the company to fair value interest rate risk.

The company analyses its interest rate exposure on a dynamic basis throughout the year.

*(b) Credit risk*

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions as well as credit exposure in relation to outstanding receivables. Company policy is to place deposits with institutions with investment grade A2 or better (Moody's credit rating) and deposits are made in sterling only. The company does not expect any losses from non-performance by these institutions. Management believes that the carrying value of outstanding receivables and deposits with banks represents the company's maximum exposure to credit risk.

*(c) Liquidity risk*

Liquidity risk arises from the company's management of working capital, it is the risk that the company will encounter difficulty in meeting its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and management monitors rolling forecasts of the company's liquidity on the basis of expected cash flow.

The company had trade and other payables at 31 March 2013 of £2,192,065 (2012: £1,494,184; 2010: £300,730) as disclosed in note 12.

## **2.2 Capital risk management**

The Company considers its capital to comprise its ordinary share capital and accumulated retained earnings as disclosed in the statement of financial position.

The Company remains funded primarily by equity capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for equity holders of the Company and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

### **3. Profit / (loss) from operations**

	<b>2010</b>	<b>2012</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Profit / (loss) from operations is stated after charging:</b>			
Depreciation of plant and equipment	65,093	82,351	152,684
Depreciation of plant and equipment on hire purchase contracts	6,390	—	—
Loss / (profit) on disposal of property, plant and equipment	227	(4,750)	(4,077)
Amortisation of intangible assets	4,447	7,509	17,224
Operating lease costs	75,585	128,565	124,045
Research and development costs	13,345	19,779	151,085
Forex (gains)	—	(785)	(5,054)
Auditor's remuneration – audit services	—	15,000	10,000
– non audit services	—	3,000	2,000



#### 4. Wages and salaries

	2010 £	2012 £	2013 £
Staff costs consist of:			
Wages and salaries	991,016	1,431,686	1,309,994
Social security costs	117,997	134,541	122,444
Pension costs	—	10,627	20,180
Accrued holiday pay	—	8,880	—
<b>Total wages and salaries</b>	<b>1,109,013</b>	<b>1,585,734</b>	<b>1,452,618</b>
Average number of employees	49	48	48

#### 5. Key management remuneration

	2010 £	2012 £	2013 £
Aggregate emoluments	214,658	268,740	158,554
Compensation for loss of office	—	105,820	30,000
Company pension contributions	—	8,877	7,021
<b>Total emoluments</b>	<b>214,658</b>	<b>383,437</b>	<b>195,575</b>

During the year ended 31 March 2013 2 directors (2012: 3 directors, 2010: NIL directors) participated in defined contribution pension schemes.

Emoluments to the highest paid director during the year ended 31 March 2013 amounted to £82,404 (2012: £83,333, 2010: £46,578), excluding company contributions to the highest paid director's defined contribution pension scheme. Company contributions to the defined contribution pension scheme for the highest paid director amounted to £4,116 (2012: £4,286, 2010: £NIL).

#### 6. Finance costs

	2010 £	2012 £	2013 £
Hire purchase contracts and bank loans	5,879	1,526	3,275
<b>Total finance costs</b>	<b>5,879</b>	<b>1,526</b>	<b>3,275</b>

#### 7. Taxation

	2010 £	2012 £	2013 £
<b>Current tax</b>			
United Kingdom corporation tax	(40,131)	—	—
<b>Adjustment in respect of prior period</b>			
United Kingdom corporation tax	33,586	(36,137)	107,217
<b>Total current tax (charge) / credit</b>	<b>(6,545)</b>	<b>(36,137)</b>	<b>107,217</b>
<b>Deferred tax</b>			
Origination and reversal of temporary differences	(10,272)	128,948	(18,600)
<b>Tax credit on profit / (loss) for the period</b>	<b>(16,817)</b>	<b>92,811</b>	<b>88,617</b>

The tax assessed for the period is different from the standard rate of corporation tax in the UK. The differences are explained below:

	<b>2010</b>	<b>2012</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Profit / (loss) before taxation	126,490	(282,635)	(185,855)
Profit / (loss) before taxation at the standard rate of corporation tax in the UK of 24% (2012: 26%; 2010 28%)	(35,417)	73,485	44,605
<b>Effects of:</b>			
Expenses not deductible for tax purposes	(28,306)	392	(750)
Difference between depreciation and capital allowances	8,316	26,873	11,435
Unutilised tax losses and other deductions arising in the period	(11,997)	(128,948)	(129,892)
Additional deduction for R&D expenditure	12,003	39,727	74,602
Adjustments in respect of prior periods	33,586	(36,137)	107,217
Rate change	15,270	(11,529)	—
<b>Current tax (charge) / credit for the period</b>	<b>(6,545)</b>	<b>(36,137)</b>	<b>107,217</b>

***Factors that may affect future tax charge***

Unrelieved trading losses of £566,393 (2012: £25,175, 2010: £NIL) are carried forward and are available to reduce the tax liability in respect of future profits.

**8. Intangible assets**

	<b>2010</b>	<b>2012</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At start of the period	18,610	29,485	19,187
Additions	10,875	5,627	165,485
Disposals	—	(15,925)	—
<b>At end of the period</b>	<b>29,485</b>	<b>19,187</b>	<b>184,672</b>
<b>Depreciation</b>			
At start of the period	5,987	10,434	11,890
Charge for period	4,447	7,509	17,224
Disposals	—	(6,053)	—
<b>At end of the period</b>	<b>10,434</b>	<b>11,890</b>	<b>29,114</b>
<b>Net book value</b>			
<b>At end of the period</b>	<b>19,051</b>	<b>7,297</b>	<b>155,558</b>
At start of the period	12,623	19,051	7,297

## 9. Property, plant and equipment

	Leasehold improvements	Plant and machinery	Fixtures, fittings and computer equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2010	—	266,983	105,904	172,729	545,616
Additions	—	33,040	46,659	—	79,699
Disposals	—	(8,616)	—	(20,946)	(29,562)
<b>At 31 December 2010</b>	<b>—</b>	<b>291,407</b>	<b>152,563</b>	<b>151,783</b>	<b>595,753</b>
<b>Depreciation</b>					
At 1 January 2010	—	234,900	76,606	115,969	427,475
Charge for period	—	21,818	21,789	27,876	71,483
Disposals	—	(8,616)	—	(12,219)	(20,835)
<b>At 31 December 2010</b>	<b>—</b>	<b>248,102</b>	<b>98,395</b>	<b>131,626</b>	<b>478,123</b>
<b>Net book value</b>					
<b>At 31 December 2010</b>	<b>—</b>	<b>43,305</b>	<b>54,168</b>	<b>20,157</b>	<b>117,630</b>
At 31 December 2009	—	32,083	29,298	56,760	118,141
<b>NBV of assets under HP</b>					
<b>At 31 December 2010</b>	<b>—</b>	<b>8,313</b>	<b>—</b>	<b>3,784</b>	<b>12,097</b>
At 31 December 2009	—	19,977	—	18,189	38,166

  

	Leasehold improvements	Plant and machinery	Fixtures, fittings and computer equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2011	—	291,407	152,563	151,783	595,753
Additions	219,247	246,595	18,021	—	483,863
Disposals	—	—	—	(48,612)	(48,612)
<b>At 31 March 2012</b>	<b>219,247</b>	<b>538,002</b>	<b>170,584</b>	<b>103,171</b>	<b>1,031,004</b>
<b>Depreciation</b>					
At 1 January 2011	—	248,102	98,395	131,626	478,123
Charge for period	10,707	31,520	27,288	12,836	82,351
Disposals	—	—	—	(48,612)	(48,612)
<b>At 31 March 2012</b>	<b>10,707</b>	<b>279,622</b>	<b>125,683</b>	<b>95,850</b>	<b>511,862</b>
<b>Net book value</b>					
<b>At 31 March 2012</b>	<b>208,540</b>	<b>258,380</b>	<b>44,901</b>	<b>7,321</b>	<b>519,142</b>
At 31 December 2010	—	43,305	54,168	20,157	117,630
<b>NBV of assets under HP</b>					
<b>At 31 March 2012</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
At 31 December 2010	—	8,313	—	3,784	12,097

	Leasehold improvements	Plant and machinery	Fixtures, fittings and computer equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 April 2012	219,247	538,002	170,584	103,171	1,031,004
Additions	11,709	146,626	102,262	—	260,597
Disposals	—	(4,700)	—	(59,332)	(64,032)
<b>At 31 March 2013</b>	<b>230,956</b>	<b>679,928</b>	<b>272,846</b>	<b>43,839</b>	<b>1,227,569</b>
<b>Depreciation</b>					
At 1 April 2012	10,707	279,622	125,683	95,850	511,862
Charge for period	48,000	71,047	28,469	5,168	152,684
Disposals	—	(3,427)	—	(59,332)	(62,759)
<b>At 31 March 2013</b>	<b>58,707</b>	<b>347,242</b>	<b>154,152</b>	<b>41,686</b>	<b>601,787</b>
<b>Net book value</b>					
<b>At 31 March 2013</b>	<b>172,249</b>	<b>332,686</b>	<b>118,694</b>	<b>2,153</b>	<b>625,782</b>
At 31 March 2012	208,540	258,380	44,901	7,321	519,142
<b>NBV of assets under HP</b>					
<b>At 31 March 2013</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
At 31 March 2012	—	—	—	—	—

## 10. Inventories

	2010	2012	2013
	£	£	£
Raw materials and consumables	282,084	351,744	503,093
Finished goods and goods for resale	213,924	284,027	410,294
<b>Total inventories</b>	<b>496,008</b>	<b>635,771</b>	<b>913,387</b>

As at 31 March 2013 there is a provision of £27,328 included within inventories in relation to the impairment of inventories (2012 – £Nil; 2010 – £Nil). During the year inventories of £1,798,486 were recognised as an expense within cost of sales (2012 – £2,175,525; 2010 £1,511,403)

## 11. Trade and other receivables

	2010	2012	2013
	£	£	£
<b>Amounts receivable within one year:</b>			
Trade receivables	278,482	600,649	755,106
Less: provision for the impairment of trade receivables	(32,101)	(32,101)	(32,233)
Trade receivables – net	246,381	568,548	722,873
Other receivables	56,457	131,347	72,596
Total financial assets other than cash and cash equivalents classified as loans and receivables	302,838	699,895	795,469
Prepayments and accrued income	152,633	63,283	285,385
<b>Total debtors</b>	<b>455,471</b>	<b>763,178</b>	<b>1,080,854</b>

Trade receivables represent debts due for the sale of goods to customers. The provision for impairment of receivables is estimated by the Company's management based on prior experience.

Trade receivables are denominated in Sterling. The directors consider that the carrying amount of these receivables approximates to their fair value. Trade and other receivables are categorised as loans and receivables under IAS 39.

All amounts shown under receivables fall due for payment within one year.

At 31 March 2013 none of the trade receivables had been sold to a provider of invoice discounting and debt factoring services (March 2012 – £476,551; December 2010: £163,542). This facility was ceased in September 2012.

The Company does not hold any collateral as security.

As at 31 March 2013 trade receivables of £125,319 (March 2012: £154,902 December 2010: £133,539) were past due but not impaired. They relate to customers with no default history.

As at 31 March 2013 trade receivables of £32,233 (March 2012: £32,101; December 2010: £32,101) were past due and impaired. The amount of the provision as at 31 March 2013 was £32,223 (March 2012: £32,101; December 2010: £32,101).

Movements on the Company provision for impairment of trade receivables are as follows:

	2010 £	2012 £	2013 £
At beginning of the year	450	32,101	32,101
Provided during the year	31,651	—	5,750
Receivable written off during the year as uncollectible	—	—	(5,618)
	<u>32,101</u>	<u>32,101</u>	<u>32,233</u>

The movement on the provision for impaired receivables has been included in administrative expenses in the consolidated statement of comprehensive income.

Other classes of financial assets included within trade and other receivables do not contain impaired assets.

## 12. Trade and other payables

	2010 £	2012 £	2013 £
Trade payables	151,403	820,053	889,541
Other payables	33,696	315,745	742,573
Accruals	92,352	330,847	523,540
<b>Total financial liabilities</b>	<b>277,451</b>	<b>1,466,645</b>	<b>2,155,654</b>
Other taxes and social security	23,279	27,539	36,411
	<u>300,730</u>	<u>1,494,184</u>	<u>2,192,065</u>

The directors consider that the carrying amount of these liabilities approximates to their fair value.

All amounts shown fall due within one year.

### 13. Deferred taxation

Deferred taxation is calculated in full on temporary differences under the liability method using a tax rate of 24% (2012: 24%; 2010; 28%).

	2010	2012	2013
	£	£	£
At start of the year	—	(5,911)	128,948
Depreciation in excess of capital allowances	(5,911)	5,911	(34,696)
Other short term timing differences	—	—	13,547
Unutilised tax losses	—	128,948	2,549
Deferred taxation	<u>(5,911)</u>	<u>128,948</u>	<u>110,348</u>

### 14. Share capital

#### Class

	2010	2012	2013	2010	2012	2013
	Number	Number	Number	£	£	£
Ordinary shares of £1 each	151,215	151,215	151,215	151,215	151,215	151,215
C Ordinary shares of £1 each	1	1	1	1	1	1
D Ordinary shares of £1 each	1	1	1	1	1	1
E Ordinary shares of £1 each	1	1	1	1	1	1
F Ordinary shares of £1 each	1	1	1	1	1	1
G Ordinary shares of £1 each	1	1	1	1	1	1
	<u>151,220</u>	<u>151,220</u>	<u>151,220</u>	<u>151,220</u>	<u>151,220</u>	<u>151,220</u>

The rights of the different classes of shares are detailed in SiS's articles of association. As part of the Demerger process, on 27 June 2013 the C, D, E, F and G ordinary shares were cancelled, and Provexis converted intercompany debt of £448,168 into share capital..

### 15. Pension costs

The pension charge represents contributions payable by the company to independently administered funds which during the period ended 31 March 2013 amounted to £23,351 (2012: £10,627; 2010: £Nil). Pension contributions payable but not yet paid at 31 March 2013 totalled £2,363, in respect of pension contribution entitlements where employees had not yet provided details of the funds to which the contributions should be made (2012: £Nil; 2010: £Nil).

### 16. Operating lease commitments

Future minimum rentals payable under non-cancellable operating leases are as follows:

	2010	2012	2013
	£	£	£
Due within one year	46,360	84,087	152,406
Due between one year and two years	—	135,962	143,175
Due between two years and five years	—	302,981	186,762
Total operating lease commitments	<u>46,360</u>	<u>523,030</u>	<u>482,343</u>

**17. Related party disclosures**

***Key management compensation***

The Directors represent the key management personnel. Details of their compensation and share options are given in note 5 of this section B of Part III.

SiS was a wholly owned and controlled subsidiary of Provexis from 24 June 2011.

**PART III**  
**FINANCIAL INFORMATION**

**SECTION C – ACCOUNTANTS’ REPORT ON SCIENCE IN SPORT PLC**

The following is the full text of a report on Science in Sport plc from Chantrey Vellacott DFK LLP, the Reporting Accountants, to the Directors of Science in Sport plc.

28 June 2013

The Directors  
Science in Sport plc  
Kings Road House  
2 Kings Road  
Windsor  
Berkshire  
SL4 2AG

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

Dear Sirs

**Science in Sport plc (the “Company” or “Science in Sport”)**

**Introduction**

We report on the financial information set out in Section D of Part III relating to Science in Sport. This financial information has been prepared for inclusion in the admission document dated 28 June 2013 (the “Admission Document”) relating to the proposed placing of 4,018,000 Ordinary Shares of 10 pence each in Science in Sport at 56 pence per share and the admission of the Company’s enlarged share capital to trading on AIM and on the basis of the accounting policies set out in note 1 to the financial information. This report is given for the purpose of complying with Paragraph (a) of Schedule Two of the AIM Rules for Companies and for no other purpose.

**Responsibility**

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 International Financial Reporting Standards as adopted by the European Union (“IFRS”).

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 (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there 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 any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies.

**Basis of opinion**

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



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

**Opinion**

In our opinion, the financial information set out in Section D of Part III gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of Science in Sport as at 31 May 2013 in accordance with the basis of preparation and applicable financial reporting framework as set out in the notes to the financial information.

**Declaration**

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies, 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 Schedule Two of the AIM Rules for Companies.

Yours faithfully

**CHANTREY VELLACOTT DFK LLP**

## PART III

### SECTION D – FINANCIAL INFORMATION ON SCIENCE IN SPORT PLC

#### STATEMENT OF FINANCIAL POSITION

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	Note	At 26 June 2013 £
<b>Assets</b>		
<b>Current assets</b>		
Trade and other receivables	2	12,501
<b>Total current assets</b>		<u>12,501</u>
<b>Total assets</b>		<u>12,501</u>
<b>Total net assets</b>		<u>12,501</u>
<b>Equity</b>		
Share capital	3	12,501
Retained earnings		—
<b>Shareholders' funds</b>		<u>12,501</u>

## STATEMENTS OF CHANGES IN EQUITY

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	Share capital	Retained earnings	Total equity
	£	£	£
<b>On incorporation at 17 May 2013</b>	1	—	1
Redeemable shares issued	12,500	—	12,500
Total comprehensive income	—	—	—
	<hr/>	<hr/>	<hr/>
<b>At 26 June 2013</b>	<b>12,501</b>	<b>—</b>	<b>12,501</b>
	<hr/>	<hr/>	<hr/>

## NOTES TO THE FINANCIAL INFORMATION

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### 1 Accounting policies

The Company was incorporated on 17 May 2013.

The financial information has been prepared in accordance with International Financial Reporting Standards and Interpretations (collectively IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Union and those parts of the Companies Act 2006 that are applicable to financial statements prepared in accordance with IFRS. The financial information does not constitute statutory accounts within the meaning of the Companies Act 2006.

The accounting policies applied by the Company are consistent with those set out in the financial information of SiS in Section B of Part III and have been applied to the whole of the period presented in this financial information.

### 2 Trade and other receivables

	<b>26 June 2013 £</b>
<b>Amounts receivable within one year:</b>	
Other receivables	12,501
<b>Total debtors</b>	<b>12,501</b>

### 3 Share capital

Class	<b>26 June 2013 Number</b>	<b>26 June 2013 £</b>
	Ordinary shares of 10p each	10
Redeemable shares of £1 each	50,000	12,500
	<u>50,010</u>	<u>12,501</u>

On incorporation on 17 May 2013 one subscriber £1 Ordinary share was issued and fully paid up.

On 20 June 2013, the Ordinary share was subdivided into ten shares of 10p each and 50,000 £1 Redeemable Shares were issued, of which £12,500 was paid up.

The Redeemable Shares hold no rights other than redemption at par, and £37,500 remains unpaid in respect of these shares at the balance sheet date.

### 4 Related party disclosures

Included in other receivables is an amount of £12,501 receivable from Stephen Moon, a director of the Company.

## PART IV

### UNAUDITED PRO FORMA FINANCIAL INFORMATION

#### SECTION A – ACCOUNTANT’S REPORT ON SCIENCE IN SPORT

### UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the full text of a report on Science in Sport from Chantrey Vellacott DFK LLP, the Reporting Accountants to the Directors of Science in Sport

28 June 2013

The Directors  
Science in Sport plc  
Kings Road House  
2 Kings Road  
Windsor  
Berkshire  
SL4 2AG

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

Dear Sirs

#### **Science in Sport plc (the “Company” or “Science in Sport”)**

We report on the unaudited *pro forma* consolidated statement of net assets set out in Section B of this Part IV, which has been prepared for inclusion in the admission document issued by the Company and dated 28 June 2013 (the “Admission Document”) relating to the proposed placing of 4,018,000 Ordinary Shares of 10 pence at 56 pence per share and the admission of the enlarged share capital to trading on AIM. The statement has been prepared for illustrative purposes only on the basis set out therein to provide information about how the proposed acquisition of SiS by the Company, an additional investment by Provexis plc in SiS and the repayment of a loan owed by SiS to Provexis plc might have affected the financial information on the Company as at 26 June 2013. This report is required by paragraph 20.2 of Annex I of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules and is given for the purpose of complying with the AIM Rules and no other purpose.

#### **Responsibilities**

It is the responsibility of the Directors of the Company to prepare the *pro forma* consolidated statement of net assets in accordance with paragraph 20.2 of Annex I of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules.

It is our responsibility to form an opinion, as required by paragraph 7 of Annex II of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules, as to the proper compilation of the *pro forma* consolidated statement of net assets and to report that opinion to you.

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

#### **Basis of opinion**

We conducted our work in accordance with the Standards for of Investment Reporting Standards issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the

source documents, considering the evidence supporting the adjustments and discussing the *pro forma* consolidated statement of net assets with the Directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the *pro forma* consolidated statement of net assets has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

### **Opinion**

In our opinion:

- (a) the *pro forma* consolidated statement of net assets has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company.

### **Declaration**

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

Yours faithfully

**CHANTREY VELLACOTT DFK LLP**  
**Chartered Accountants**

## **PART IV**

### **UNAUDITED PRO FORMA FINANCIAL INFORMATION**

#### **SECTION B – SCIENCE IN SPORT**

### **UNAUDITED PRO FORMA FINANCIAL INFORMATION**

Set out below is an unaudited consolidated *pro forma* statement of net assets of Science in Sport, which has been prepared by the Directors on the basis of the notes set out below.

It is solely the responsibility of the Directors to prepare the consolidated *pro forma* statement of net assets. The consolidated *pro forma* statement of net assets has been prepared by the Directors to illustrate how the proposed acquisition of SiS by the Company, an additional investment by Provexis in SiS and the repayment of a loan owed by SiS to Provexis, would have affected the financial information on the Company as at 26 June 2013.

The consolidated *pro forma* statement of net assets has been prepared for illustrative purposes only and, because it addresses a hypothetical situation, does not represent the Company's actual consolidated financial position either prior to or following the proposed transactions.

	Science in Sport as at 26 June 2013 £	Adjustment 1 SiS as at 31 March 2013 £	Adjustment 2 Placing £	Adjustment 3 Placing and Demerger costs payable in cash £	Adjustment 4 Investment and inter company £	Pro forma £
<b>Assets</b>						
<b>Non-current assets</b>						
Intangible assets	—	155,558	—	—	—	155,558
Plant and equipment	—	625,782	—	—	—	625,782
Deferred tax	—	110,348	—	—	—	110,348
<b>Total non-current assets</b>	<b>—</b>	<b>891,688</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>891,688</b>
<b>Current assets</b>						
Inventories	—	913,387	—	—	—	913,387
Trade and other receivables	12,501	1,080,854	(12,501)	—	—	1,080,854
Inter company receivable	—	(738,168)	—	—	738,168	—
Corporation tax asset	—	68,084	—	—	—	68,084
Cash and cash equivalents	—	138,841	2,250,000	(302,000)	(250,000)	1,836,841
<b>Total current assets</b>	<b>12,501</b>	<b>1,462,998</b>	<b>2,237,499</b>	<b>(302,000)</b>	<b>488,168</b>	<b>3,899,166</b>
<b>Total assets</b>	<b>12,501</b>	<b>2,354,686</b>	<b>2,237,499</b>	<b>(302,000)</b>	<b>488,168</b>	<b>4,790,854</b>
<b>Liabilities</b>						
<b>Current liabilities</b>						
Trade and other payables	—	(1,453,897)	—	—	—	(1,453,897)
Borrowings	—	(64,774)	—	—	—	(64,774)
<b>Total current liabilities</b>	<b>—</b>	<b>(1,518,671)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(1,518,671)</b>
<b>Net current assets</b>	<b>12,501</b>	<b>(55,673)</b>	<b>2,237,499</b>	<b>(302,000)</b>	<b>488,168</b>	<b>2,380,495</b>
<b>Non-current liabilities</b>						
Borrowings	—	(161,871)	—	—	—	(161,871)
Deferred tax	—	—	—	—	—	—
<b>Total non-current liabilities</b>	<b>—</b>	<b>(161,871)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(161,871)</b>
<b>Total liabilities</b>	<b>—</b>	<b>(1,680,542)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(1,680,542)</b>
<b>Total net assets</b>	<b>12,501</b>	<b>674,144</b>	<b>2,237,499</b>	<b>(302,000)</b>	<b>488,168</b>	<b>3,110,312</b>

#### Adjustments

1. Net assets of SiS at 31 March 2013.
2. The Placing which comprises the issue of 4,018,000 Placing Shares by the Company to raise (gross) £2.25 million, as further detailed in Part I of this document.
3. The one-off costs of the Demerger and Placing which are expected to be approximately £399,500 comprising accountancy, legal, financial and corporate broking advice, and other related transaction costs. It is anticipated that £302,000 of these costs will be payable in cash.
4. An additional investment by Provexis in SiS in June 2013, and the proposed repayment of a £250,000 loan owed by SiS to Provexis.

#### Notes

1. The net assets of the Company as at 26 June 2013 have been extracted without adjustment from the financial information on Science in Sport set out in Section D of Part III of this document.
2. The net assets of SiS as at 31 March 2013 have been extracted without adjustment from the financial information on SiS set out in Section B of Part III of this document.
3. Save as set out above, no account has been taken of trading or other transactions of SiS since 31 March 2013, or the Company since 26 June 2013.



## PART V

### TAXATION

#### 1. General

The following information is intended only as a general guide to the position under current UK taxation law and HMRC practice as at the date of this Document. It is intended for Shareholders who are beneficial owners of shares, who are resident or ordinarily resident in the UK for UK tax purposes and who hold shares as an investment and not as securities to be realised as an asset in the course of a financial trade. The guidance is not exhaustive and does not consider reliefs or exemptions. This is not a substitute for professional advice. Its applicability will depend upon the particular circumstances of Shareholders and in particular may not apply to Shareholders who are also employees of the Company or persons who may be subject to taxation in a jurisdiction other than the UK. Any person who is in any doubt as to their tax position should consult their own professional adviser immediately.

#### 2. Dividends

Dividends paid by the Company will carry an associated tax credit of one-ninth of the cash dividend or ten per cent. of the aggregate of the cash dividend and associated tax credit. Individual shareholders resident in the UK receiving such dividends will be liable to income tax on the aggregate of the dividend and associated tax credit at the dividend ordinary rate (10 per cent.) or the dividend upper rate (32.5 per cent.).

The effect will be that taxpayers who are otherwise liable to pay tax at only the lower rate or basic rate of income tax will have no further liability to income tax in respect of such a dividend. Higher rate taxpayers will have an additional tax liability (after taking into account the tax credit) of 22.5 per cent. of the aggregate of the cash dividend and associated tax credit. This will be equivalent to 25 per cent. of the cash dividend received. Individual shareholders whose income tax liability is less than the tax credit will not be entitled to claim a repayment of all or part of the tax credit associated with such dividends.

A tax rate of 37.5 per cent will be imposed on dividend income where the individual's income exceeds £150,000 (and where the dividend comprising the top slice of the shareholders' income, exceeds £150,000). The one-ninth tax credit will continue to be available, resulting in an effective tax rate on a cash dividend received of approximately 30.6 per cent.

A UK resident corporate shareholder will not generally be liable to corporation tax or income tax in respect of dividends received from the Company. However, the tax treatment of a dividend received by a corporate shareholder from the Company may vary depending on whether the recipient is a "small" company (broadly, a small company is one that has fewer than 50 employees and whose annual balance sheet total does not exceed €10m) or is some other company. Dividends received from the Company may be taxable in the hands of a corporate shareholder if they do not fall within one of the exempt categories set out in Corporation Tax Act 2009 S931E-S931I, or they fall within specific anti-avoidance provisions.

Trustees who are liable to account for income tax at the rate applicable to trusts on the trust's income and are required to account for tax at the dividend trust rate of 37.5 per cent. against which they can get the tax credit.

Persons who are not resident in the UK should consult their own tax advisers on the possible application of such provisions and on what relief or credit may be claimed for any such tax credit in the jurisdiction in which they are resident. These comments are intended only as a general guide to the current tax position in the UK as at the date of this document. The comments assume that Ordinary Shares are held as an investment and not as an asset of financial trade.

**If you are in any doubt as to your tax position, or are subject to tax in a jurisdiction other than the UK, you should consult your professional adviser.**

#### 3. Chargeable Gains

A chargeable gain may accrue to a person who disposes of shares. The amount of the gain is the difference between the proceeds from the disposal and the cost of the shares disposed of. The cost of the shares disposed for this purpose is a proportion of the aggregate cost of all shares of the same class held by the same person in the same capacity prior to the disposal, the proportion

being equal to the number of shares disposed divided by the total number of shares held prior to the disposal. A flat rate of tax of 28 per cent.(or 18 per cent. if a basic rate tax payer) will be payable on a gain realised by individuals. A gain realised by a company is included as part of that company's profits chargeable to corporation tax and charged to Corporation Tax at the rate at which the company is charged for the accounting period in which the gain arose. A company may benefit from indexation allowance which broadly increases the amount of the cost in accordance with the retail prices index. Losses incurred on a disposal of shares by individual shareholders may be offset against other capital gains arising to them in the same tax year or may be carried forward to offset against future capital gains. Corporate investors may offset a loss arising on a disposal of their investment against other chargeable gains arising in the same accounting period or also carry the loss forward to offset against future chargeable gains. Indexation allowance for a company will not create nor increase a loss.

#### ***UK tax resident shareholders:***

A disposal or deemed disposal of shares in the Company by a shareholder, who is resident, or in the case of an individual, ordinarily resident in the UK for tax purposes may give rise to a chargeable gain (or allowable loss) for the purposes of UK capital gains tax (where the shareholder is an individual) and UK corporation tax on chargeable gains (where the shareholder is within the charge to UK corporation tax), depending on their circumstances and subject to any available exemption or relief.

As regards an individual shareholder, the principal factors that will determine the extent to which a gain will be subject to UK capital gains tax are the extent to which he or she realises any other capital gains in the tax year of assessment in which the gain arises, the extent to which he or she has incurred capital losses in that or any earlier tax year of assessment and the level of the annual allowance of tax-free gains in the tax year of assessment in which the disposal takes place. Chargeable gains are currently taxed at 28 per cent. for higher and top rate income tax payers (basic rate tax payers rate remains at 18 per cent.).

Any individual shareholders who are employees of the Science in Sport Group and also hold more than 5 per cent. of the Company's ordinary share capital may qualify for Entrepreneurs' Relief if they have held those shares for more than 1 year at the date of disposal. Entrepreneurs' Relief will currently reduce the effective rate of capital gains tax to 10 per cent. for the first £10 million of gain for those who qualify. Shareholders who believe they may qualify for Entrepreneurs' Relief are advised to seek independent tax advice.

As regards a corporate shareholder, the principal factors that will determine the extent to which a gain will be subject to UK corporation tax on chargeable gains are the extent to which it realises any other chargeable gains in the accounting period in which the gain arises and to the extent to which it has incurred capital losses in that or any earlier accounting period. A UK resident corporate shareholder disposing of its shares in the Company may be liable to corporation tax on chargeable gains in relation thereto at the usual rates of corporation tax applicable to it (currently 20 per cent. to 23 per cent. depending on the taxable profits of the corporate shareholder). In computing the chargeable gain liable to corporation tax, the corporate shareholder is entitled to deduct from the disposal proceeds, the cost to it of the shares, together with the incidental costs of acquisition, as increased by indexation allowance and disposal costs. A corporate shareholder owning 10 per cent. of the Company's ordinary share capital for more than 1 year at the date of disposal may qualify for the Substantial Shareholding Exemption which exempts qualifying disposals from being chargeable gains. Corporate shareholders who believe they may qualify for the Substantial Shareholding Exemption are advised to seek independent tax advice.

#### ***Temporary non-UK tax resident shareholders***

An individual shareholder who ceases to be resident or ordinarily resident in the UK for a period of less than five years and who disposes of shares in the Company during that period of temporary non-residence may, under anti-avoidance legislation, depending on his or her circumstances, be liable to UK capital gains tax on his or her return to the UK (subject to available exemptions or reliefs).

#### ***Non-UK tax resident shareholders***

A shareholder who is not resident or, in the case of an individual, also not ordinarily resident for tax purposes in the UK (and is not temporarily non-resident as described above) will not be liable for UK tax on capital gains realised on the sale of other disposal of his or her shares in the

Company unless such shares are used, held or acquired for the purposes of a trade, profession or vocation carried on in the UK through a branch or agency, or in the case of a corporate shareholder, through a permanent establishment. Such shareholders may be subject to foreign taxation on any gain under local law subject to the terms of any applicable double tax treaty.

**If you are in any doubt as to your tax position, or are subject to tax in a jurisdiction other than the UK, you should consult your professional adviser.**

#### **4. Stamp Duty and SDRT**

No stamp duty or stamp duty reserve tax ("SDRT") will generally be payable on the issue of the new Ordinary Shares. Stamp duty and SDRT treatment will be as follows:

- in relation to Ordinary Shares, no liability to stamp duty or SDRT will arise on their issue or on the issue of definitive share certificates by the Company (provided that the Ordinary Shares are not issued to, or to a nominee or agent for, a person whose business is or includes the provision of clearance services or issuing depository receipts- however please see below for a recent development);
- the transfer of Ordinary Shares outside the CREST system will generally be liable to stamp duty on the instrument of transfer at the rate of 0.5 per cent. of the amount or value of the consideration given (rounded up to the nearest multiple of £5). Stamp duty is normally paid by the purchaser or transferee of the Ordinary Shares. An agreement to transfer Ordinary Shares will generally be subject to SDRT at 0.5 per cent. of the agreed consideration. If however, within the period of six years of the date of the agreement or, in the case of a conditional agreement, the date on which it becomes unconditional, an instrument of transfer is executed pursuant to the agreement and stamp duty is paid on that instrument, any liability to SDRT will be repaid or cancelled. SDRT is normally the liability of the purchaser or transferee of the Ordinary Shares;
- no stamp duty or SDRT will arise on a transfer of Ordinary Shares into CREST for conversion into uncertificated form, unless such transfer is made for a consideration in money or money's worth, in which case a liability to stamp duty or SDRT will arise, usually at the rate set out above;
- a transfer of Ordinary Shares effected on a paperless basis within CREST will generally be subject to SDRT at the rate of 0.5 per cent. of the amount or value or the consideration. CREST is obliged to collect SDRT from the purchaser of the Ordinary Shares on relevant transactions settled within the system;
- where Ordinary Shares are issued or transferred: (i) to, or to a nominee for, a person whose business is or includes the provision of clearance services; or (ii) to, or to a nominee or agent for, a person whose business is or includes issuing depository receipts, stamp duty (in the case of a transfer only to such persons) or SDRT may be payable at a rate of 1.5 per cent. of the amount or value of the consideration payable or, in certain circumstances, the value of the Ordinary Shares or, in the case of an issue to such persons, the issue price of the Ordinary Shares.

Following the decision of *HSBC Holdings Plc and Vidaros Nominees Ltd v CRC (case C-569/0)* the 1.5 per cent. charge no longer applies to the issue of shares to a depository receipt issuer or clearance service which is located within the European Union. Operators of depositories and clearance systems should seek specific professional advice on this matter.

#### **5. EIS Relief**

This summary has been prepared on the basis of current legislation and HMRC practice. Relevant legislation, regulation and HMRC practice may change, as may the rates of tax and tax relief available. The tax relief's referred to are those currently available, and are personal to the investor. Their value and availability depends on the individual circumstances of the investor.

Investors wishing to claim EIS relief are advised to consult their own professional advisers.

Investment under the Enterprise Investment Scheme provides an investor with a number of tax benefits. In summary, these are:

**a. Income Tax Relief**

Individuals can obtain income tax relief on the amount subscribed for shares (up to £1,000,000 in 2013/14) in one or more qualifying companies provided they are not connected with the issuing company. Husbands and wives can each subscribe up to £1,000,000, however, when considering whether an individual's shareholding exceeds the maximum proportion allowed under the EIS (30 per cent), that individual's shareholdings will be aggregated with shares held by his spouse, lineal ancestors and lineal descendants. To calculate the relief the amount subscribed is multiplied by 30 per cent. The relief is given against, and cannot exceed, the individual's income tax liability for the tax year in which the shares are issued unless the individual makes a carry back claim.

An investor will not be eligible for EIS income tax relief if he is connected with the company. Connection is by either acquiring or entitlement to acquire more than 30 per cent of the shares or by being an employee or paid director of the company.

However there is an exception for directors who are "Business Angels". Where an investor's only connection with the company is as director who receives no remuneration (and is not entitled to such remuneration) and the investor has not previously been involved in carrying on the trade the company is carrying on, an investment may qualify for income tax relief.

That relief is not withdrawn if the investor *subsequently* becomes a paid director, providing the remuneration is reasonable.

**b. Exemption from Capital Gains Tax (CGT)**

Any capital gains realised on disposal after the three year period of the shares on which EIS income tax relief has been given and not withdrawn, are tax-free.

This relief is in addition to the initial income tax relief described in a. above

**c. Loss Relief against Income or Gains**

Tax relief is available where there is a loss on a disposal of shares on which EIS income tax relief (see a. above) or CGT hold-over relief (see d. below) has been given. The amount of the loss (after taking account of any income tax relief initially obtained) can be set against the individual's gains or taxable income in the tax year in which disposal occurs.

**d. CGT Deferral Relief**

To the extent to which a UK resident investor (including individuals and certain trustees) subscribes for qualifying shares, he can claim to defer paying tax on all or part of a chargeable gain. The gain may have arisen on the disposal of any asset or a previously deferred gain may have become chargeable to tax. Although under current legislation there is a limit of £1,000,000 for income tax relief and the exemption from CGT (see a. and b. above), there is no limit on the amount of gain which can be deferred. The subscription must be made and the shares issued within one year before or three years after the date of disposal which gives rise to the gain or the date when a previously deferred gain crystallises. The gain is deferred until there is a chargeable event such as a disposal of shares or an earlier breach of the EIS rules.

**e. Inheritance Tax**

Provided a shareholder has owned shares in a qualifying trading company for at least two years and certain conditions are met, at the time of the transfer, 100 per cent. business property relief is available, which reduces the potential inheritance tax liability on such an investment to nil.

**f. Qualifying Company**

In order for investors to be able to claim and keep EIS tax reliefs the company (or group, if applicable) issuing the shares must:

- not have gross assets in excess of £15,000,000 immediately before the share issue and £16,000,000 immediately after; and
- have fewer than 250 full time employees (or equivalent) at the time the shares are issued; and
- be carrying on a qualifying activity, or intend to carry on such an activity and commence to carry on the activity within 2 years of the time the shares are issued.

Certain activities such as dealing in land, shares or securities, financial, leasing or letting, providing legal or accountancy services, developing property, farming and managing hotels or nursing homes do not qualify.

It should be noted that companies are not allowed to raise more than £5m in any 12 month period from EIS and VCTs. Investments from any or all of these schemes must fall within the £5m limit.

## PART VI

### ADDITIONAL INFORMATION

#### 1. Responsibility Statement

The Directors, whose names appear on page 5 of this document, and the Company, accept individual and collective responsibility for the information contained in this document including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

In connection with this document, no person is authorised to give any information or make any representations other than as contained in this document and, if given or made, such information or representations must not be relied upon as having been so authorised.

#### 2. The Company

- 2.1. The Company was incorporated and registered in England and Wales, where it is domiciled, on 17 May 2013 with registered number 08535116 as a private limited company in the name of SHOO 773A Limited.
- 2.2. The registered office of the Company is at Kings Road House, 2 Kings Road, Windsor, Berkshire, SL4 2AG (Tel: +44(0) 1753 861777).
- 2.3. The accounting reference date of the Company is 31 March.
- 2.4. By special resolution dated 20 June 2013, the Company resolved to re-register as a public limited company and to change its name to Science in Sport plc.
- 2.5. The re-registration of the Company as a public limited company and its change of name to Science in Sport plc became effective on 25 June 2013.
- 2.6. The principal legislation under which the Company operates is the Act and the regulations made thereunder.
- 2.7. The liability of the Shareholders of the Company is limited.

#### 3. Share Capital

- 3.1. The Company's shares are in registered form and are capable of transfer in both certificated form and uncertificated form.
- 3.2. The register of members for the Company will be maintained by the Company's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA.
- 3.3. As permitted under the Act, the Company does not have an authorised share capital.
- 3.4. At the date of incorporation, 1 Ordinary Share was issued to the subscriber, Shoosmiths Nominees Limited.
- 3.5. On 20 June 2013 Shoosmiths Nominees Limited transferred its 1 Ordinary Share to Stephen Moon.
- 3.6. On 20 June 2013, the Company passed the following resolutions:
  - 3.6.1. Resolution 1 as an ordinary resolution to authorise the Directors to allot shares in the Company up to £2,210,000 in nominal value provided that such authority shall (subject to limited exceptions), expire five years from the passing of the resolution save that the Company may before such expiry make an offer or agreement which would or might require shares to be allotted or rights to be granted after such expiry and the Directors may pursuant to such an offer or agreement, allot shares or grant rights to subscribe for or to convert any security into shares after such authority has expired in pursuance of such offer or agreement as if the authority had not expired;
  - 3.6.2. Resolution 2 as a special resolution which dis-applied Shareholders' pre-emption rights in relation to the allotment of shares for cash on a non pre-emptive basis up to an aggregate nominal amount of £2,210,000 provided that such authority



shall (subject to limited exceptions), expire five years from the passing of the resolution save that the Company may before such expiry make an offer or agreement which would or might require shares to be allotted or rights to be granted after such expiry and the Directors may pursuant to such an offer or agreement, allot shares or grant rights to subscribe for or to convert any security into shares after such authority has expired in pursuance of such offer or agreement as if the authority had not expired;

- 3.6.3. Resolution 3 as a special resolution to adopt new articles of association of the Company;
  - 3.6.4. Resolution 4 as a special resolution to re-register the Company as a public company under the Act; and
  - 3.6.5. Resolution 5 as a special resolution to change the name of the Company to Science in Sport plc.
- 3.7 On 27 June 2013, the Company passed the following resolutions:
- 3.7.1 Resolution 1 as an ordinary resolution to authorise the Directors to allot shares in the Company up to £3,255,877.8 in nominal value provided that such authority shall (subject to limited exceptions), expire five years from the passing of the resolution save that the Company may before such expiry make an offer or agreement which would or might require shares to be allotted or rights to be granted after such expiry and the Directors may pursuant to such an offer or agreement, allot shares or grant rights to subscribe for or to convert any security into shares after such authority has expired in pursuance of such offer or agreement as if the authority had not expired; and
  - 3.7.2 Resolution 2 as a special resolution which dis-applied Shareholders' pre-emption rights in relation to the allotment of shares for cash on a non pre-emptive basis up to an aggregate nominal amount of £3,255,877.8 provided that such authority shall (subject to limited exceptions), expire five years from the passing of the resolution save that the Company may before such expiry make an offer or agreement which would or might require shares to be allotted or rights to be granted after such expiry and the Directors may pursuant to such an offer or agreement, allot shares or grant rights to subscribe for or to convert any security into shares after such authority has expired in pursuance of such offer or agreement as if the authority had not expired.
- 3.8. On 20 June 2013, the Company allotted and issued 50,000 Redeemable Shares to Stephen Moon at a price of £1 per share.
- 3.9. As at 27 June 2013 (being the latest practicable date prior to the date of this document), the issued share capital of the Company was as follows:

	Number	Nominal Value (£ per share)
<b>Issued and Fully Paid:</b>		
Ordinary Shares	10	0.1
<b>Issued and one quarter paid up:</b>		
Redeemable Shares	50,000	1.0

- 3.10. Pursuant to the terms of the Demerger Agreement and conditional upon the completion of the Demerger, the Company will on the Demerger Effective Date allot and issue to the holders of Ordinary Shares in the capital of Provexis up to 15,188,000 Ordinary Shares in consideration of the transfer to the Company by Provexis of the whole of the issued share capital of SiS which shall be issued to the holders of ordinary shares in the capital of Provexis in the same proportion in which they held such shares in Provexis.

- 3.11. The issued share capital of the Company immediately following Admission will be as follows:

	Number	Nominal Value (£ per share)
<b>Issued and Fully Paid:</b>		
Ordinary	19,380,225	1,938,022.50

This assumes the redemption of the Redeemable Shares immediately following completion of the Demerger and prior to Admission.

- 3.12. As at 27 June 2013 (being the last practicable date prior to publication of this document), there are no options over Ordinary Shares. Details on options over Ordinary Shares that will be in place as at Admission or shortly thereafter are set out in paragraph 11 of this Part VI.
- 3.13. The Company has not issued any convertible loan notes.
- 3.14. Save as disclosed in paragraphs 3.4, 3.8, 3.10 and 3.12 of this Part VI and pursuant to the Placing Agreement described in paragraph 10.2 of this Part VI:
- 3.14.1. no share or loan capital of the Company has been issued or been agreed to be issued fully or partly paid, either for cash or for consideration other than cash; and
- 3.14.2. the Company has not granted any options, warrants or convertible loan notes over its shares or loan capital which remains outstanding or has agreed, conditionally or unconditionally, to grant any such options, warrants or convertible loan notes.
- 3.15. The provisions of section 561 of the Act (which confer on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash other than by way of allotment to employees under an employee's share scheme as defined in section 1166 of the Act) will apply to the share capital of the Company to the extent not disapplied by a special resolution of the Company.
- 3.16. The Ordinary Shares will, on issue, rank for all dividends and other distributions (if any) declared or made or paid in respect of Ordinary Shares after the date of issue and will otherwise rank *pari passu* in all respects with the existing Ordinary Shares.
- 3.17. There are no Ordinary Shares which are held by, or on behalf of, the Company.
- 3.18. The International Security Identification Number for the Ordinary Shares to be admitted to trading on AIM is GB00BBPV5329.

#### 4. Articles of Association

The Articles contain provisions, *inter alia*, to the following effect:

##### 4.1. Objects

- 4.1.1. The Articles contain no specific restriction on the Company's objects and therefore, by virtue of section 31(1) of the Act, the Company's objects are unlimited.

##### 4.2. General Meetings

- 4.2.1. The Board may convene a general meeting whenever it thinks fit and general meetings shall also be convened by the board on a members' requisition in accordance with section 303 and 304 of the Act or, in default, may be convened by the members requisitioning such a meeting in accordance with section 305 of the Act. All business that is transacted at a general meeting shall be deemed as special, with the exception of declaring a dividend, the consideration of the annual accounts and the reports of the directors and auditors on those accounts, the appointment of directors in place of those retiring, and the appointment (when special notice of the resolution for such appointment is not required by the Act) and the fixing of the remuneration of the Auditors or the determination of the manner in which such remuneration is to be fixed.



- 4.2.2. A general meeting of the Company shall be called by notice of:
- 4.2.2.1. in the case of an annual general meeting, at least twenty-one clear days;  
or
  - 4.2.2.2. in any other case, at least fourteen clear days.
- 4.2.3. Notwithstanding that a meeting of the Company is convened by shorter notice than that specified in the Articles, it shall be deemed to have been properly convened if it is so agreed:
- 4.2.3.1. in the case of an annual general meeting, by all the members entitled to attend and vote at the meeting; and
  - 4.2.3.2. in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right.
- 4.2.4. The accidental omission to give any notice of a meeting or the accidental omission to send any document relating to any meeting to, or the non-receipt of any such notice or document by, any person entitled to receive the notice or document shall not invalidate the proceedings at that meeting.
- 4.2.5. If the Board, in its absolute discretion, considers that it is impractical or unreasonable for any reason to hold a general meeting on the date or at the time or place specified in the notice calling the general meeting, it may postpone the general meeting to another date, time and/or place. When a meeting is so postponed, notice of the date, time and place of the postponed meeting shall be placed in at least two national newspapers in the United Kingdom. Notice of the business to be transacted at such postponed meeting shall not be required.
- 4.2.6. No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the choice or appointment of a chairman which shall not be treated as part of the business of the meeting. Save as otherwise provided by the Articles, two members present in person or by proxy and entitled to vote shall be a quorum for all purposes.
- 4.2.7. The chairman (if any) of the Board shall preside as chairman at every general meeting. If there is no chairman, or if at any general meeting the chairman is not present within five minutes after the time appointed for the commencement of the meeting, or if the chairman is unwilling to act as chairman, the directors present shall choose one of their number to act, or if one director only is present he shall preside as chairman if willing to act. If no director is present, or if each of the directors present declines to take the chair, the persons present and entitled to vote shall appoint one of their number to be chairman.
- 4.2.8. Each Director shall be entitled to attend and speak at any general meeting of the Company and at any separate general meeting of the holders of any class of shares in the Company. The chairman of the general meeting may invite any person to attend and speak at any general meeting of the Company whom the chairman of the general meeting considers to be equipped by knowledge or experience of the Company's business to assist in the deliberations of the meeting.

4.3. **Share capital**

- 4.3.1. The rights of the Ordinary Shares and the limitations and restrictions to which each are subject are as follows:
- 4.3.1.1. subject to the rights of any other class of shares and to the provisions of the Act the profits of the Company available for distribution and resolved to be distributed shall be paid as a dividend to the holders of the Ordinary Shares according to the number of shares held by each such holder; and

4.3.1.2. on a return of capital (except on a purchase of shares), the assets of the Company available for distribution amongst the members shall be used to repay to the holders of the Ordinary Shares the amounts paid up on those shares. The assets remaining after such repayment shall belong to and be distributed amongst the holders of the Ordinary Shares in proportion to the number of such shares held by them respectively.

4.4. ***Rights attached to shares***

4.4.1. Subject to the provisions of the Act and to any rights conferred on the holders of any other shares, any share may be issued with or have attached to it such rights (including preferred, deferred or other special rights) and restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may by ordinary resolution decide or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board may decide.

4.5. ***Redeemable shares***

4.5.1. Subject to the provisions of the Act and to any rights conferred on the holders of any other shares, the Company may issue shares which are to be redeemed at the option of the Company or the holder, and the Board may determine the terms, conditions and manner of the redemption of any such shares.

4.6. ***Voting rights***

4.6.1. Subject to any special terms as to voting upon which any shares may be issued or may for the time being be held and to any other provisions of the Articles, on a show of hands every member who is present in person at a general meeting of the Company shall have one vote, and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder.

4.6.2. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is properly demanded. A poll may not be demanded on a vote to elect a chairman of a meeting nor on a vote to adjourn a meeting, unless the chairman of the meeting demands a poll. Subject to the Act, a poll may be demanded by:

4.6.2.1. the chairman of the meeting;

4.6.2.2. at least five members present in person or by proxy and entitled to vote;

4.6.2.3. any member or members present in person or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all the members having the right to attend and vote at the meeting; or

4.6.2.4. any member or members present in person or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

4.7. ***Suspension of rights***

4.7.1. Where the holder of any shares in the Company, or any other person appearing to be interested in those shares, fails to comply within the relevant period with any statutory notice in respect of those shares, the Company may give the holder of those shares a further notice (a "restriction notice") to the effect that from the service of the restriction notice those shares in relation to which the failure to comply relates, or such of them as the Board may determine ("the restricted shares") will be subject to some or all of the relevant restrictions, and from service of the restriction notice those restricted shares shall, notwithstanding any other provision of the Articles, be subject to those relevant restrictions accordingly.

4.7.2. If after the service of a restriction notice in respect of any restricted shares the Board is satisfied that all information required by any statutory notice relating to those restricted shares or any of them from their holder or any other person appearing to be interested in the restricted shares has been supplied, the

Company shall, within seven days, cancel the restriction notice. The Company may at any time at its discretion cancel any restriction notice whether in whole or in part or exclude any of the restricted shares from it. A restriction notice shall automatically cease to have effect in respect of any restricted shares transferred where the transfer is pursuant to an arm's length sale of those shares.

- 4.7.3. Where any restriction notice is cancelled or ceases to have effect in relation to any restricted shares, any moneys relating to those shares which were withheld by reason of that notice shall be paid without interest to the person who would but for the notice have been entitled to them or as he may direct.
- 4.7.4. Any new shares in the Company issued in respect of any restricted shares shall also be subject to the restriction notice, and the Board may make any right to an allotment of the new shares subject to restrictions corresponding to those which will apply to those shares by reason of the restriction notice when such shares are issued.
- 4.7.5. Any holder of shares on whom a restriction notice has been served may at any time request the Company to give in writing the reason why the restriction notice has been served, or why it remains uncanceled, and within fourteen days of receipt of such a notice the Company shall give that information accordingly.
- 4.7.6. If a statutory notice is given by the Company to a person appearing to be interested in any share, a copy shall at the same time be given to the holder, but the failure or omission to do so or the non-receipt of the copy by the holder shall not invalidate such notice.

#### 4.8. ***Variation of rights***

- 4.8.1. If, at any time, the share capital of the Company is divided into different classes of shares, all or any of the rights attached to any class of shares issued may, subject to the provisions of the Act, from time to time (whether or not the Company is being wound-up) be modified, abrogated or varied either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a resolution passed at a separate general meeting of the holders of those shares.

#### 4.9. ***Transfer of shares***

- 4.9.1. Subject to such of the restrictions of the Articles as may be applicable:
  - 4.9.1.1. any member may transfer all or any of his uncertificated shares by means of a relevant system in such manner provided for, and subject as provided in the Uncertificated Securities Regulations and the rules of any relevant system, and accordingly no provision of the Articles shall apply in respect of an uncertificated share to the extent that it requires or contemplates the effecting of a transfer by an instrument in writing or the production of a certificate for the share to be transferred; and
  - 4.9.1.2. any member may transfer all or any of his certificated shares by an instrument of transfer in writing in any usual form or in any other form which the Board may approve.

#### 4.10. ***Uncertificated shares***

- 4.10.1. Pursuant and subject to the Uncertificated Securities Regulations, the Board may permit title to shares of any class to be evidenced otherwise than by a certificate and title to shares of such a class to be transferred by means of a relevant system and may make arrangements for a class of shares (if all shares of that class are in all respects identical) to become a participating class. Title to shares of a particular class may only be evidenced otherwise than by a certificate where that class of shares is for the time being a participating class. The Board may also, subject to compliance with the Uncertificated Securities Regulations and the rules of any relevant system, determine at any time that title to any class of shares may from a date specified by the Board no longer be evidenced otherwise than by a certificate or that title to such a class shall cease to be transferred by means of any

particular relevant system. For the avoidance of doubt, shares which are uncertificated shares shall not be treated as forming a class which is separate from certificated shares with the same rights.

- 4.10.2. In relation to a class of shares which is, for the time being, a participating class and for so long as it remains a participating class, no provision of the Articles shall apply or have effect to the extent that it is inconsistent in any respect with:
  - 4.10.2.1. the holding of shares of that class in uncertificated form;
  - 4.10.2.2. the transfer of title to shares of that class by means of a relevant system; and
  - 4.10.2.3. any provision of the Uncertificated Securities Regulations.
- 4.10.3. Shares of a class which is for the time being a participating class may be changed from uncertificated to certificated form, and from certificated to uncertificated form, in accordance with and subject as provided in the Uncertificated Securities Regulations and the rules of any relevant system, and the Board shall record on the register that the shares are held in certificated or uncertificated form as appropriate, provided that the Company may, by notice in writing to the holder concerned, require the holder of a particular uncertificated share or shares to change such share or shares into certificated form within such period, being not less than 7 days, specified in the notice or take such other steps in the name of the holder as may be necessary to transfer the share.

#### **4.11. *Alteration of share capital***

- 4.11.1. The Company may from time to time by ordinary resolution:
  - 4.11.1.1. increase its share capital by such sum to be divided into shares of such amount as the resolution shall prescribe. All new shares shall be subject to the provisions of the Articles with reference to allotment, payment of calls, forfeiture, lien, transfer and transmission and otherwise;
  - 4.11.1.2. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - 4.11.1.3. sub-divide its shares or any of them into shares of smaller amount provided that:
    - 4.11.1.3.1. in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced shares is derived; and
    - 4.11.1.3.2. the resolution whereby any share is sub-divided may determine that, as between the shares resulting from the sub-division, any of them may be given any preference or advantage or be subject to any restriction as regards dividend, capital, voting or otherwise over the others or any other of such shares; and
  - 4.11.1.4. cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
- 4.11.2. Subject to any direction by the Company in general meeting, whenever, as a result of a consolidation or division of shares, any members would become entitled to fractions of a share, the Board may deal with the fractions as it thinks fit and in particular may sell the shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the Company) and pay and distribute the net proceeds of sale in due proportion among those members entitled to such shares (except that if the amount due to a person is less than £3, or such other sum

as the Board may decide, the sum may be retained for the benefit of the Company). The Board may, in respect of certificated shares, authorise some person to execute a transfer in respect of or deliver the shares sold on behalf of the members so entitled, or, in respect of uncertificated shares, nominate any person to transfer such shares in accordance with the facilities and requirements of the relevant system concerned or, in either case, in accordance with the directions of the purchaser thereof and may cause the name of the transferee(s) to be entered in the register as the holder(s) of the shares comprised in such transfer. The person(s) to whom any shares are transferred or delivered shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in, or invalidity of, the proceedings relating to the sale

- 4.11.3. Subject to the provisions of the Act, the Company may by special resolution reduce its share capital, any capital redemption reserve, any share premium account or any other undistributable reserve in any way.

#### 4.12. **Dividends**

- 4.12.1. Subject to the provisions of the Act, the Company may by ordinary resolution from time to time declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Board.

- 4.12.2. Except in so far as the rights attaching to, or the terms of issue of, any shares otherwise provide:

4.12.2.1. all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated as paid up on the share;

4.12.2.2. all dividends shall be apportioned and paid *pro rata* according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; and

4.12.2.3. dividends may be declared or paid in any currency.

- 4.12.3. The Board may agree with any member that dividends which may at any time or from time to time be declared or become due on his shares in one currency shall be paid or satisfied in another, and may agree the basis of conversion to be applied and how and when the amount to be paid in the other currency shall be calculated and paid and for the Company or any other person to bear any costs involved.

#### 4.13. **Appointment of directors**

- 4.13.1. Unless otherwise determined by ordinary resolution of the Company, the directors (disregarding alternate directors) shall be not less than two nor more than twelve in number.

- 4.13.2. No person shall be disqualified from being appointed a director, and no director shall be required to vacate that office, by reason only of the fact that he has attained the age of seventy years or any other age nor shall it be necessary by reason of his age to give special notice under the Act of any resolution. Where the Board convenes any general meeting of the Company at which (to the knowledge of the Board) a director will be proposed for appointment or re-appointment who at the date for which the meeting is convened will have attained the age of seventy years or more, the Board shall give notice of his age in years in the notice convening the meeting or in any document accompanying the notice, but the accidental omission to do so shall not invalidate any proceedings, or any appointment or re-appointment of that director, at that meeting.

- 4.13.3. No shareholding qualification for directors shall be required. A director who is not a member shall nevertheless be entitled to receive notice of and attend and speak at all general meetings of the Company and all separate general meetings of the holders of any class of shares in the capital of the Company.



- 4.13.4. Subject to the provisions of the Articles, the Company may by ordinary resolution appoint any person who is willing to act to be a director, either to fill a vacancy or as an addition to the existing board, but so that the total number of directors shall not at any time exceed any maximum number fixed by or in accordance with the Articles.
- 4.13.5. Without prejudice to the power of the Company in general meeting pursuant to any of the provisions of the Articles to appoint any person to be a director, the Board may appoint any person who is willing to act to be a director, either to fill a vacancy or as an addition to the existing board, but so that the total number of directors shall not at any time exceed any maximum number fixed by or in accordance with the Articles. Any director so appointed shall hold office only until the next annual general meeting and shall then be eligible for election but shall not be taken into account in determining the directors or the number of directors who are to retire by rotation at that meeting.

#### 4.14. **Remuneration of directors**

- 4.14.1. The directors shall be paid out of the funds of the Company fees for their services as directors such sums (if any) as may from time to time be determined by the Board, provided that the aggregate of all fees so paid to directors (excluding amounts payable under any other provision of the Articles) shall not exceed £250,000 per annum or such higher amount as may from time to time be decided by ordinary resolution of the Company and such remuneration shall be divided between the directors as they shall agree or, failing agreement, equally. Such remuneration shall be deemed to accrue from day to day.
- 4.14.2. Any director who performs services which in the opinion of the Board or any committee authorised by the Board go beyond the ordinary duties of a director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board or any committee authorised by the Board may in its discretion decide in addition to any remuneration provided for by or pursuant to the Articles.
- 4.14.3. Each director may be paid his reasonable travelling, hotel and incidental expenses properly incurred by him in attending and returning from meetings of the Board or committees of the Board or general meetings of the Company or any other meeting which as a director he is entitled to attend and shall be paid all other costs and expenses properly and reasonably incurred by him in the conduct of the Company's business or in the discharge of his duties as a director.
- 4.14.4. The Board or any committee authorised by the Board may exercise all the powers of the Company to provide benefits, either by the payment of gratuities or pensions or by insurance or in any other manner whether similar to the foregoing or not, for any director or former director or the relations, connected persons or dependants of any director or former director provided that no benefits (except such as may be provided for by any other article) may be granted to or in respect of a director or former director who has not been employed by, or held an executive office or place of profit under, the Company or any body corporate which is or has been its subsidiary undertaking or any predecessor in business of the Company or any such body corporate without the approval of an ordinary resolution of the Company. No director or former director shall be accountable to the Company or the members for any benefit provided and the receipt of any such benefit shall not disqualify any person from being or becoming a director of the Company.

#### 4.15. **Removal of directors**

- 4.15.1. At every annual general meeting one-third of the directors or, if their number is not three or any multiple of three, then the number nearest to and less than one-third shall retire from office but, if there are fewer than three directors they shall all retire.

- 4.15.2. Subject to the provisions of the Act and of the Articles, the directors to retire by rotation on each occasion shall be those who have been directors for three years and subject thereto, those who have been longest in office since their last appointment or reappointment but, as between persons who became or were last reappointed directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. The directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the Board at start of business on the date of the notice convening the annual general meeting and no director shall be required to retire or be relieved from retiring by reason of any change in the number or identity of the directors after that time on the date of the notice but before the close of the meeting.
- 4.15.3. Subject to the provisions of the Articles, the Company at the meeting at which a director retires by rotation may fill the vacated office and in default the retiring director shall, if willing to continue to act, be deemed to have been re-appointed, unless at such meeting it is expressly resolved not to fill the vacated office or unless a resolution for the re-appointment of that director has been put to the meeting and lost.
- 4.15.4. The Company may by ordinary resolution, of which special notice has been given in accordance with the provisions of the Act, remove any director before the expiration of his period of office notwithstanding the Articles and any agreement between the Company and the director. Such removal shall be without prejudice to any claim such director may have for damages for breach of any contract of service between him and the Company. The Company may (notwithstanding the Articles and any agreement between the Company and the director) by ordinary resolution appoint another person who is willing to act to be a director in place of a director removed from office under this article. Any person so appointed shall be treated, for the purpose of determining the time at which he or any other director is to retire, as if he had become a director on the day on which the person in whose place he is appointed was last appointed or re-appointed a director.

4.16. ***Directors interest and conflicts***

- 4.16.1. The Board may, in accordance with the Articles, authorise a matter proposed to it which would, if not authorised, involve a breach by a director of his duty under section 175 of the Act to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the Company's interests.
- 4.16.2. Any authorisation shall be effective only if:
- 4.16.2.1. it is given in accordance with the requirements of the Act;
- 4.16.2.2. in the case of an authorisation given at a meeting of the Board:
- 4.16.2.2.1. any requirement as to quorum at the meeting at which the matter is considered is met without counting the director in question or any other director who has a direct or indirect interest in the matter being authorised (each such other director being an "Other Interested director"); and
- 4.16.2.2.2. the matter has been agreed to without the director in question or any Other Interested director voting or would have been agreed to if their votes had not been counted; and
- 4.16.2.3. in the case of an authorisation given by resolution in writing:
- 4.16.2.3.1. the resolution is signed by all the directors; and
- 4.16.2.3.2. the number of directors that sign the resolution (disregarding the director in question and any Other Interested director) is not less than the number required to form a quorum.

- 4.16.3. The Board may:
  - 4.16.3.1. authorise a matter on such terms and for such duration, or impose such limits or conditions on it, as it may decide; and
  - 4.16.3.2. vary the terms or duration of such authorisation (including any limits or conditions imposed on it) or revoke it.
- 4.16.4. Any terms, limits or conditions imposed by the Board in respect of its authorisation of a director's conflict of interest or possible conflict of interest, may provide (without limitation) that:
  - 4.16.4.1. if the relevant director has (other than through his position as director) information in relation to the relevant matter in respect of which he owes a duty of confidentiality to another person, he is not obliged to disclose that information to the Company or to use or apply it in performing his duties as a director;
  - 4.16.4.2. the director is to be excluded from discussions in relation to the relevant matter whether at a meeting of the Board or any committee or sub-committee of the Board or otherwise;
  - 4.16.4.3. the director is not to be given any documents or other information in relation to the relevant matter; and
  - 4.16.4.4. the director may or may not vote (or may or may not be counted in the quorum) at a meeting of the Board or any committee or sub-committee of the Board in relation to any resolution relating to the relevant matter.
- 4.16.5. A director does not infringe any duty he owes to the Company by virtue of Sections 171 to 177 of the Act if he acts in accordance with such terms, limits and conditions (if any) as the Board imposes in respect of its authorisation of the director's conflict of interest or possible conflict of interest.
- 4.16.6. A director must not be counted in the quorum at a meeting of the Board or any committee or sub-committee of the Board in relation to any resolution on which he is not entitled to vote.

#### **4.17. *General powers of company vested in Board***

- 4.17.1. Subject to the provisions of the Act, the memorandum of association of the Company and the Articles and to any directions given by the Company in general meeting by special resolution, the business of the Company shall be managed by the Board which may exercise all the powers of the Company whether relating to the management of the business of the Company or not. No alteration of the memorandum of association or the Articles and no special resolution shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or that resolution had not been passed.
- 4.17.2. The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the Act, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

#### **4.18. *Distribution of assets otherwise than in cash***

- 4.18.1. If the Company commences liquidation, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act:
  - 4.18.1.1. divide among the members in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and, for that purpose, set such values as he deems fair upon any property to be divided and determine how the division shall be carried out as between the members or different classes of members; or



4.18.1.2. vest the whole or any part of the assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit,

but no member shall be compelled to accept any shares or other assets upon which there is any liability.

## 5. Directors' Interests

5.1. The interests of each of the Directors in Ordinary Shares which have been or will be required to be notified to the Company pursuant to section 5 of the DTR or which will be required to be maintained under the provisions of section 808 of the Act, or which are interests of a person connected with any of the Directors (within the meaning of section 252 of the Act), which interests would be required to be disclosed pursuant to the DTR, and the existence of which is known to the Directors or could with reasonable diligence be ascertained by them as at 27 June 2013 (being the latest date practicable prior to the publication of this document) are as set out below:

<i>Director</i>	<i>Number of Ordinary Shares held</i>	<i>Percentage of Ordinary Shares held</i>	<i>Number of Options over Ordinary Shares held</i>
John Clarke	0	0%	0
Stephen Moon	10	100%	0
Dawson Buck	0	0%	0

5.2. The interests of each of the Directors in Ordinary Shares which have been or will be required to be notified to the Company pursuant to section 5 of the DTR or which will be required to be maintained under the provisions of section 808 of the Act, or which are interests of a person connected with any of the Directors (within the meaning of section 252 of the Act), which interests would be required to be disclosed pursuant to the DTR, and the existence of which is known to the Directors or could with reasonable diligence be ascertained by them as at Admission are as set out below:

<i>Director</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of Ordinary Shares</i>	<i>Number of Options over Ordinary Shares held</i>
John Clarke	178,500	0.9%	0*
Stephen Moon	199,107	1.0%	0*
Dawson Buck	307,565	1.6%	0

\* Following Admission, the Company intends to grant options over Ordinary Shares to both Mr Moon and Mr Clarke. The maximum number of options over Ordinary Shares that can be awarded to both Mr Moon and Mr Clarke are set out in paragraph 11.2.2 of this Part VI.

5.3. Stephen Moon holds 50,000 Redeemable Shares. Immediately following completion of the Demerger and prior to Admission the Redeemable Shares will be redeemed. No Redeemable Shares will exist as at Admission.

5.4. Save as disclosed in paragraph 5.2 above, none of the Directors has or will have any interest in the ordinary share capital or loan capital of the Company following Admission nor does any person connected with the Directors (within the meaning of section 252 of the Act) have any such interest whether beneficial or non-beneficial.

5.5. None of the Directors is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company and which was effected by the Company and remains in any respect outstanding or unperformed.

5.6. There are no outstanding loans made or guarantees granted or provided by the Company to or for the benefit of any Director.

5.7. There is no Director or member of a Director's family who has a related financial product (as defined in the AIM Rules) referenced to the Ordinary Shares.

## 6. Substantial Shareholders

- 6.1. As at 27 June 2013 (being the last practicable date prior to the publication of this document), save as set out below the Company was not aware of any person, who, directly or indirectly, had an interest representing 3 per cent. or more of the issued Ordinary Share capital (being the threshold at or above which, in accordance with the provisions of section 5 of the DTR, any interest must be disclosed by the Company):

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of Ordinary Shares</i>
Stephen Moon	10	100%

- 6.2. Stephen Moon holds 50,000 Redeemable Shares. Immediately following completion of the Demerger and prior to Admission the Redeemable Shares will be redeemed. No Redeemable Shares will exist as at Admission.

- 6.3. As at Admission, save as set out below the Company is not aware of any person, who, directly or indirectly, will have an interest representing 3 per cent. or more of the issued Ordinary Share capital (being the threshold at or above which, in accordance with the provisions of section 5 of the DTR, any interest must be disclosed by the Company):

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of Ordinary Shares</i>
Downing LLP	3,125,000	16.1%
DSM	1,437,693	7.4%

- 6.4. Following Admission, the Directors are not aware of any person who directly, or indirectly, jointly or severally, exercises or could exercise control over the Company.

- 6.5. Following Admission, the Company's shareholders listed in paragraphs 5.1 and 6.1 of this Part VI do not have voting rights preferential to other holders of Ordinary Shares.

- 6.6. The Directors are not aware of any arrangements in place or under negotiation which may, at a subsequent date, result in a change of control of the Company.

## 7. Additional Information on 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:

<b>Director</b>	<b>Current directorships and partnerships:</b>	<b>Previous directorships and partnerships:</b>
Stephen Moon	Provexis Nutrition Limited Stephen Moon Consulting Limited Provexis plc Provexis Natural Products Limited Provexis (IBD) Limited SiS (Science in Sport) Limited	Altucea Limited
Dawson Buck	Provexis Nutrition Limited Provexis plc Provexis Natural Products Limited McKinley Acquisitions Limited McKinley Software Limited Infonic Media Analysis Limited Iora Limited Iora Software Limited Lexalytics Limited AlwaysOn Limited Trakm8 plc	Cinofni Limited Becatech Holdings Limited Novolytics Limited Ocorot 2011 Limited Altucea Limited Algorithmix Limited
John Clarke	Provexis plc Futura plc	N/A

- 7.2. Save as disclosed at paragraphs 7.3 and 7.4 below none of the Directors has:
- 7.2.1. any unspent convictions in relation to indictable offences;
  - 7.2.2. had any bankruptcy order made against him or entered into any voluntary arrangements;
  - 7.2.3. been a director of a company which has been placed in receivership, compulsory liquidation, administration, been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;
  - 7.2.4. been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
  - 7.2.5. been the owner of any assets or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
  - 7.2.6. been publicly criticised by any statutory or regulatory authority (including recognised professional bodies); or
  - 7.2.7. been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a company.
- 7.3. On 10 December 2012 Dawson Buck was a director of Cinofni Limited when the company passed a special resolution to put the company into members' voluntary liquidation. Robert Stone of R Duncan Stone & Co. was appointed as Liquidator on 10 December 2012. The Liquidator's report is yet to be filed.
- 7.4. On 22 February 2011 Dawson Buck was a director of Ocorot 2011 Limited when the company passed a special resolution to put the company into administration. Jeremy Oddie and Paul Palmer of Mitchell Charlsworth as joint Administrators. On 26 August 2011 the company moved to creditor's voluntary liquidation. The Liquidation is ongoing. To date £125,000 has been realised from the Liquidation representing a dividend of approximately £0.09 in the £1.00.
- 7.5. There are no further disclosures to be made in accordance with schedule 2 (g) of the AIM Rules, save for information set out in paragraph 7.1, 7.2, 7.3 and 7.4 of this Part VI.

## 8. Directors' Remuneration

- 8.1. Save as disclosed below, there are no service agreement or letters of appointment, existing or proposed between any Director and the Company that have been entered into or varied within six months prior to the date of this document. There are no existing or proposed service agreements or letters of appointment between the Company and any of the Directors which do not expire or are not determinable by the Company without payment of compensation within 12 months immediately preceding the date of this document.

### 8.1.1. **Stephen Moon**

Subject to completion of the Demerger, Mr Moon will enter into a service agreement with the Company to act as the Chief Executive Officer of the Company. The agreement is terminable on not less than 12 months' written notice given by either party to the other. The agreement contains provisions for early termination, *inter alia*, in the event that he breaches any material term of the agreement. The basic salary payable to Mr Moon is £175,000 per annum. This is to be reviewed annually without any obligation to increase the same. In addition, Mr Moon is entitled to private medical insurance, death in service insurance and critical illness cover. The service agreement contains restrictive covenants for a period of six months following the termination of his employment.

#### 8.1.2. **Dawson Buck**

Subject to completion of the Demerger, Mr Buck will enter into a non-executive letter of appointment with the Company. His appointment is terminable by and at the discretion of either party upon six months' notice in writing. The fee payable to Mr Buck is £1 per annum.

#### 8.1.3. **John Clarke**

Subject to completion of the Demerger, Mr Clarke will enter into a non-executive letter of appointment with the Company to act as the Non-Executive Chairman of the Company. His appointment is terminable by and at the discretion of either party upon six months' notice in writing. The fee payable to Mr Clarke is £35,000 per annum.

### 9. **Employees**

- 9.1. Save for the Directors, as at the date of this document, the Company has no employees.
- 9.2. On Admission the Science in Sport Group will have approximately 50 employees. The Directors believe the Company will retain this employee level going forward and will look to increase the number of employees within the Company alongside forecasted growth of the Science in Sport Group.

### 10. **Material Contracts**

The following are the only contracts, not being contracts entered into in the ordinary course of business, which have been entered into by the Company (i) within the two years immediately preceding the date of this document and are, or may be material; or (ii) which contains any provision under which the Company has any obligation or entitlement which is material to the Company as at the date of this document:

- 10.1. On 28 June 2013 the Company and Provexis entered into the Demerger Agreement which set out the principal actions required in connection with the Demerger including the process for the transfer of the entire issued share capital of SiS by Provexis to the Company in consideration for the allotment and issue of Ordinary Shares to the holders of Provexis Ordinary Shares who will be registered on the Provexis share register on the 8 August 2013. Except as expressly set out in the Demerger Agreement, neither the Company nor Provexis made any warranty in connection with the Demerger.
- 10.2. On 28 June 2013 the Company and its directors entered into a placing agreement with Cenkos pursuant to which Cenkos agreed, subject to the conditions set out in the agreement, to use its reasonable endeavours, as agent for Science in Sport, to procure subscribers for Ordinary Shares. The agreement contains certain customary warranties and undertakings from Science in Sport in favour of Cenkos. In addition, Science in Sport agreed to indemnify Cenkos in relation to certain liabilities which Cenkos might have incurred in respect of the placing. Cenkos has the right to terminate the agreement in certain circumstances, in particular, in the event of a material breach of the warranties. In consideration of their services under the placing agreement, Science in Sport agreed to pay Cenkos (i) a corporate finance fee of £100,000 and (ii) a success fee of 5 per cent. of gross total monies raised in connection with the Placing payable in Ordinary Shares at the Placing Price. For the avoidance of doubt, there will be no commission payable to Cenkos on any money raised from individuals or companies connected to the Company (specifically monies raised from Stephen Moon, John Clarke and Dawson Buck).
- 10.3. On 28 June 2013 the Company entered into lock-in agreements with each of the Directors pursuant to which the Directors have undertaken not to sell, transfer or dispose of any Ordinary Shares held by them at Admission for a period of 12 months following Admission. Their restrictions are subject to certain exceptions including any sale or disposal with the prior consent of Cenkos. In addition, each of the Directors has agreed not to dispose of any Ordinary Shares during the 12 months from the first anniversary of Admission other than through Cenkos with a view to the maintenance of an orderly market for the Ordinary Shares.

- 10.4. On 28 June 2013 the Company entered into a nomad and broker agreement with Cenkos appointing Cenkos as its financial adviser and corporate broker in relation to the Demerger, the Placing and Admission. The Company has agreed to pay Cenkos a fee of £60,000 per annum for its services under this agreement. The agreement may be terminated by either party giving three months' notice.

## **11. Share Option Plan**

### **11.1. Summary**

- 11.1.1. The Company intends to adopt a Share Option Plan ("SOP") to grant options over Ordinary Shares (each an "Option") to John Clarke, Stephen Moon and certain senior executives ("Participants"). The Company may make further grants to other employees in the future.
- 11.1.2. The Options to be granted will be a combination of tax-favoured Enterprise Management Incentive options up to the maximum allowed (currently £250,000 calculated using the market value of the Ordinary Shares at the date of grant of the Option) and, to the extent that the maximum is exceeded, unapproved options.
- 11.1.3. In each case the Options granted will be nil-cost options, meaning that the Participants will not be required to pay cash to exercise the Option (or relevant part of it). To enable the Company to grant nil-cost options the Company intends to establish an Employee Benefit Trust to purchase, hold and issue the Ordinary Shares to be allotted and issued pursuant to the Options.
- 11.1.4. The SOP will be managed by the Remuneration Committee on behalf of the Company. The Company will grant each Participant an Option subject to the terms and conditions of each Participant's individual option agreement (including performance conditions) and the SOP rules ("Rules"). Each individual option agreement may include an annual element or a long term element (on the third and fifth anniversary of Admission) or both.

### **11.2. Maximum award of Ordinary Shares**

- 11.2.1. The maximum number of Ordinary Shares which may on any day be awarded under the SOP, when added to the number of Ordinary Shares which have been awarded since the date on which the SOP was adopted by the Company (and which may have been awarded under any other employees' share scheme adopted by the Company) shall not exceed twenty per cent. of the Company's issued Ordinary Share capital immediately prior to the date on which the SOP is adopted. For the purpose of calculating this limit any Ordinary Shares comprised in an Option or other right under any other employees' shares scheme adopted by the Company that has lapsed, been released or surrendered or which otherwise become incapable of exercise will be disregarded.

- 11.2.2. The twenty per cent. overall cap on Ordinary Shares that may be awarded under the SOP will not be adjusted to take account of dilution caused to the Company's share capital by the issue of Ordinary Shares following the exercise of Options. The maximum awards under the SOP are set out below:

	Maximum award <sup>1</sup>	Proportion of the enlarged share capital held <sup>2</sup>
<i>Long term incentive:</i>		
Stephen Moon	6.00%	5.66%
John Clarke	1.75%	1.72%
Senior executives	7.25%	6.76%
	<hr/>	<hr/>
Subtotal	15.00%	13.04%
Annual incentive	5.00%	4.76%
	<hr/>	<hr/>
Total restriction limit	20.00%	16.67%

<sup>1</sup> – The maximum percentage of the Company's issued Ordinary Share capital that can be issued under the SOP immediately prior to the date on which the SOP will be adopted.

<sup>2</sup> – The dilution to Shareholders of the Company assuming the maximum number of Ordinary Shares under the SOP are awarded and exercised.

- 11.2.3. To the extent that Ordinary Shares awarded under the long term incentive element of the SOP are below the maximum stated above, the number of Ordinary Shares awarded under the short term incentive element may be increased, so long as the total restriction limit of 20 per cent. is not exceeded.

### 11.3. **Annual incentive element**

#### 11.3.1. *Stephen Moon*

- 11.3.1.1. Stephen Moon will receive a bonus of between 0 and 195 per cent. of his base salary, with the relevant percentage to be applied being determined by reference to the annual sales growth and the attainment of personal objectives.
- 11.3.1.2. The number of Ordinary Shares vesting shall be determined by dividing the cash value of the bonus by the mid-market share price of an Ordinary Share on the day before the vesting date.

#### 11.3.2. *Senior executives*

- 11.3.2.1. Certain senior executives will receive a bonus which will be calculated as a percentage of their base salary with the relevant percentage to be applied being determined by reference to specific personal objectives individual to each Participant. It is anticipated that the maximum bonus available to the majority of senior executives will be set at 40 per cent. of base salary.
- 11.3.2.2. The number of Ordinary Shares vesting shall be determined by dividing the cash value of the bonus by the mid-market share price of a Share on the day before the vesting date.

#### 11.3.3. *Cash alternative*

- 11.3.3.1. For the annual incentive element of the SOP, where an Option (or part thereof) has vested, the Remuneration Committee may decide to pay a cash sum in substitution for the Participant's right to be awarded such number of Shares as the Remuneration Committee may decide.



#### **11.4. Long term incentive element**

11.4.1. The long term incentive element of the SOP is comprised of two parts, revenue and profit:

11.4.1.1. the revenue growth incentive motivates management to grow revenue in years one to three by awarding between 4.00 per cent. and 8.65 per cent. of the Company's issued Ordinary Share capital immediately prior to the date on which the SOP will be adopted, based on a sliding scale for average annual sales growth in years one to three of between 10 and 20 per cent.

11.4.1.2. The profit incentive motivates management to focus on profitability in year five by awarding between 3.00 per cent. and 6.35 per cent. of the Company's issued Ordinary Share capital immediately prior to the date on which the SOP will be adopted based on a sliding scale where the fifth year operating profit (after adding back amortisation of acquired goodwill and intangibles and share based payment charges) is between £1.5m and £3.0m.

#### **11.5. Amendment of performance conditions**

11.5.1. If in relation to an Option there occurs any event which causes the Remuneration Committee to consider that:

11.5.1.1. an amended performance condition would be a fairer measure of the performance of the Company, any member of the Science in Sport Group or the relevant Participant (as the case may be); or

11.5.1.2. an amended performance condition would provide a more effective incentive to the relevant Participant,

the Remuneration Committee may amend the performance condition provided that the amended performance condition is neither materially easier nor materially more difficult to achieve than the original performance condition.

11.5.2. The Remuneration Committee may determine that any Option shall be subject to such additional and/or modified terms and conditions relating to its making, vesting and/or exercise as may be necessary to comply with or take account of any securities, exchange control or tax laws, regulations or changes in legislation or practice of any territory which may have application to the relevant Participant or member of the Science in Sport Group.

#### **11.6. Timing of grant**

11.6.1. An Option may only be granted during:

11.6.1.1. the period of 42 days after the date on which the SOP was adopted by the Company; or

11.6.1.2. the period of 42 days after any date on which annual or half-yearly results of the Company are announced; or

11.6.1.3. any other period which the Remuneration Committee has decided should be a period during which Options may be granted due to exceptional circumstances which justify such a decision.

#### **11.7. Exercise of Options**

11.7.1. When an Option (or part of an Option) vests, the Remuneration Committee shall notify the Participant of the vesting and the Participant shall then be entitled to exercise the Option or relevant part of it.

11.7.2. The Option (or part of an Option) is exercisable during its term only. All Options (or relevant parts thereof) must be exercised within the period of five years after the vesting date for that Option (or part thereof) and any Option (or part) not exercised with that time will automatically become void and lapse without compensation to the Participant.

#### **11.8. Tax and national insurance contributions**

- 11.8.1. Any liability of a Participant to tax or national insurance contributions (or the overseas equivalent) in respect of the grant or exercise of an Option, or in connection with the disposal of Shares acquired as a result of exercising an Option (the "Option Tax"), shall be for the account of the relevant Participant.
- 11.8.2. For Shares awarded and exercised under the long term incentive element of the SOP, the Participant shall be liable to reimburse the Company for any employer's National Insurance contributions that might arise.
- 11.8.3. For Shares awarded and exercised under the annual incentive element of the SOP, the Participant shall not be liable to reimburse the Company for any employer's National Insurance contributions that might arise.
- 11.8.4. The exercise of an Option shall be conditional on the Participant complying with arrangements specified by the Company for the payment of the Option Tax (including deduction at source). The Company or any member of the Group shall be entitled to make arrangements for the sale of some or all of the Shares to satisfy the Participant's Option Tax liability within 90 days of exercising the Option (or relevant part of it).
- 11.8.5. If the vesting of Shares could be in contravention of the AIM Rules or any securities, tax or other laws of any territory which may be applicable to a member of the Science in Sport Group or the Participant that vesting shall be deferred until such time when the vesting would not be in contravention of the AIM Rules or any such securities, tax or other laws and the relevant Shares shall vest as soon as reasonably practicable following the first date on which the vesting would not be in such contravention.

#### **11.9. Lapse of Options**

- 11.9.1. An Option (or relevant part of it) will lapse immediately following the determination of the Remuneration Committee that the performance condition relating to the Option (or relevant part of it) is no longer capable of satisfaction.
- 11.9.2. If an Option is not exercised within ten years of it being granted, it will lapse automatically.

#### **11.10. Leavers**

- 11.10.1. An Option will lapse immediately (regardless of whether or not it has vested and become exercisable) if a Participant ceases to be an employee or officer of the Company or any other member of the Science in Sport Group for any reason other than:

death; ill health or disability; redundancy or retirement (with the agreement of the Remuneration Committee); or where the part of the business that the Participant is employed in is transferred outside of the Science in Sport Group;

unless the Remuneration Committee determines in its absolute discretion that the Option (or such part of it as the Remuneration Committee may determine) may remain exercisable for a stated period.

#### **11.11. Change in control and liquidation**

- 11.11.1. On the occurrence of a change of control or liquidation event, the Remuneration Committee has the sole discretion to:
  - 11.11.1.1. require that the number of Shares to vest (if any) shall be reduced *pro rata* to the proportion of the vesting period remaining;
  - 11.11.1.2. decide not to pro rate an Option if it regards it as inappropriate in the circumstances;
  - 11.11.1.3. waive any performance condition if it regards it as appropriate to do so in the particular circumstances;



11.11.1.4. require any Participant to relinquish his rights under his Option in consideration of the grant to him of new rights over shares in a different company.

11.11.2. Options will lapse at the end of the period of six months following a change of control or liquidation.

#### **11.12. Adjustment of Options**

11.12.1. Upon the occurrence of any capitalisation issue rights issue rights offer or any other variation in the share capital of the Company including (without limitation) any consolidation, sub-division or reduction of capital of the Company or any other event affecting the share capital of the Company or a demerger of the Company the number and/or nominal value of Shares comprised in an Option may be adjusted in such manner as the Remuneration Committee (with the written concurrence of the Company's auditors (acting as experts and not as arbitrators) that in their opinion the adjustments proposed are fair and reasonable) may deem appropriate.

### **12. Related Party Transactions**

Save as referred to below, there were no other nor are there contemplated any related party transactions to which the Company was or will be a party:

12.1. On 20 June 2013, the Company allotted and issued 50,000 Redeemable Shares to Stephen Moon. Immediately following completion of the Demerger and prior to Admission the Redeemable Shares will be redeemed. No Redeemable Shares will exist as at Admission.

12.2. On completion of the Demerger, the Company will allot and issue the following Ordinary Shares to the Directors (not including any Placing Shares):

12.2.1. John Clarke; 0 Ordinary Shares;

12.2.2. Stephen Moon; 20,607 Ordinary Shares; and

12.2.3. Dawson Buck; 129,065 Ordinary Shares.

### **13. Takeovers, Mandatory Bids, Squeeze-Out and Sell-Out Rules**

13.1 Mandatory bid: The Takeover Code will apply to the Company from Admission. Under the Takeover Code, if an acquisition of Ordinary Shares were to increase the aggregate holding of the acquirer and its concert parties to Ordinary Shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer and, depending on the circumstances, its concert parties, would be required (except with the consent of The Takeover Panel) to make a cash offer for the outstanding Ordinary Shares in the Company at a price not less than the highest price paid for Ordinary Shares by the acquirer or its concert parties during the previous 12 months. This requirement would also be triggered by any acquisition of Ordinary Shares by a person holding (together with its concert parties) Ordinary Shares carrying between 30 per cent. and 50 per cent. of the voting rights in the Company if the effect of such acquisition were to increase that person's percentage of the voting rights.

13.2 Squeeze-out: Under the Act, if an offeror were to acquire 90 per cent. of the Ordinary Shares within four months of making its offer, it could then compulsorily acquire the remaining 10 per cent. It would do so by sending a notice to outstanding Shareholders telling them that it would compulsorily acquire their Ordinary Shares. Six weeks later, it would be entitled to execute a transfer of the outstanding Ordinary Shares to it and pay the consideration to the Company, which would hold it on trust for outstanding shareholders. The consideration offered to the shareholders whose Ordinary Shares are compulsorily acquired under the Act must, in general, be the same as the consideration that was available under the takeover offer.

13.3 Sell-out: The Act would also give minority Shareholders a right to be bought out in certain circumstances by an offeror who had made a takeover offer. If a takeover offer related to all the Ordinary Shares in the Company and, at any time before the end of the period within which the offer could be accepted, the offeror held (or had agreed to acquire) not less than 90 per cent. of the Shares, any shareholder to which the offer

related who had not accepted the offer could, by a written communication to the offeror, require it to acquire those Ordinary Shares. The offeror would be required to give any Shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on those rights of minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period under the offer. If a Shareholder exercises his rights, the offeror is entitled and bound to acquire those Ordinary Shares on the terms of the offer or on such other terms as may be agreed.

13.4 Since its incorporation on 17 May 2013 there has not been a takeover offer (within the meaning of Part 28 of the Act) for any Ordinary Shares.

#### 14. Working Capital

The Directors are of the opinion that, having made due and careful enquiry, the Company has sufficient working capital for its present requirements, that is for at least 12 months from the date of Admission.

#### 15. Intellectual Property

Save as referred to below the Company does not own or otherwise have any interest in any intellectual property rights and there are no intellectual property rights which are material to the Company's business:

##### 15.1 Trademarks

Catchword	Ctry	Appl. No.	Appl. Date	Reg. No.	Renewal	Status
BURNER GEL	GB	2546608	05/05/2010	2546608	05/05/2020	Granted
ERGANIC	EU	6130439	24/07/2007	6130439	24/07/2017	Granted
GO	EU	10689701	01/03/2012			Pending
GO	EU	11439585	01/03/2012	11439585	01/03/2022	Granted
GO (device)	EU	5881669	08/05/2007	5881669	08/05/2017	Granted
GO (device)	GB	2040964	11/10/1995	2040964	11/10/2015	Granted
GO BAR	GB	2454683B	05/05/2007	2454683B	05/05/2017	Granted
GO BAR (device)	GB	2315287	14/11/2002	2315287	14/11/2022	Granted
GO ELECTROLYTE	GB	2454683D	05/05/2007	2454683D	05/05/2017	Granted
GO ENERGY	GB	2454683C	05/05/2007	2454683C	05/05/2017	Granted
GO GEL	GB	2454683A	05/05/2007	2454683A	05/05/2017	Granted
GO >>> BAR (device)	GB	2454685C	05/05/2007	2454685C	05/05/2017	Granted
GO >>> ELECTROLYTE (Device)	GB	2454685D	05/05/2007	2454685D	05/05/2017	Granted
GO >>> ENERGY (device)	GB	2454685A	05/05/2007	2454685A	05/05/2017	Granted
GO >>> GEL (Device)	GB	2454685B	05/05/2007	2454685B	05/05/2017	Granted
HEDSTART	GB	2215327	25/11/1999	2215327	25/11/2019	Granted
MY RITUAL	GB	2527278B	29/09/2009	2527278B	29/09/2019	Granted
NOCTE (series of 3)	GB	2405203	29/10/2005	2405203	29/10/2015	Granted
PART OF YOUR RITUAL	EU	10925238	01/03/2012	10925238	01/03/2022	Granted
PART OF YOUR RITUAL SINCE 1992	EU	10700516	06/03/2012	10700516	06/03/2022	Granted
REGO	EU	5889613	10/05/2007	5889613	10/05/2017	Granted
REGO (device)	GB	1588602	19/10/1994	1588602	19/10/2021	Granted
S I S SCIENCE IN SPORT (device)	EU	5881461	08/05/2007	5881461	08/05/2017	Granted
S I S SCIENCE IN SPORT (device)	GB	2230402	25/04/2000	2230402	25/04/2020	Granted
SCIENCE IN SPORT	GB	2520336	06/07/2009	2520336	06/07/2019	Granted
SIS	GB	2520345C	06/07/2009	2520345C	06/07/2019	Granted
SIS	GB	2520345D	06/07/2009	2520345D	06/07/2019	Granted
SIS	GB	2520345E	06/07/2009	2520345E	06/07/2019	Granted
SIS	GB	2520345F	06/07/2009	2520345F	06/07/2019	Granted
SIS GO	EU	10689917	01/03/2012	10689917	01/03/2022	Granted
SIS PART OF THE RITUAL	GB	2527278A	29/09/2009	2527278A	29/09/2019	Granted
SMART 1	EU	5905187	14/05/2007			Pending
SMART 1	GB	2204442	30/07/1999	2204442	30/07/2019	Granted

## Patents and Patent Applications

Country	Client Ref.	Application No	Application Date	Status	Next Renewal	Expiry Date
United kingdom	GO GEL	GB2434295	18/Jan/2006	GRANTED	18/Jan/2014	18/Jan/2026
Europe	GO GEL	EP2007704926.0	17/Jan/2007	GRANTED	N/A	
France	GO GEL		17/Jan/2007	GRANTED	17/Jan/2014	17/Jan/2027
Germany	GO GEL		17/Jan/2007	GRANTED	17/Jan/2014	17/Jan/2027
Netherlands	GO GEL		17/Jan/2007	GRANTED	17/Jan/2014	17/Jan/2027
USA (Shumaker et al)	GO GEL	12/161233	17/Jan/2007	PENDING	N/A	17/Jan/2027
New Zealand (Baldwins)	GO GEL	569825	17/Jan/2007	GRANTED	17/Jan/2014	17/Jan/2027
Australia (DCC)	GO GEL	2007206774	17/Jan/2007	GRANTED	17/Jan/2014	17/Jan/2027
United kingdom	REGO NIGHT	GB2432772B	30/Nov/2005	GRANTED	30/Nov/2013	30/Nov/2025
Europe	REGO NIGHT	EP2006820364.5	29/Nov/2006	PENDING	29/Nov/2013	29/Nov/2026
USA (Shumaker et al)	REGO NIGHT	13/545,519	29/Nov/2006	PENDING	N/A	29/Nov/2026
United Kingdom	SMART-1 GEL	GB0709510.2	17/May/2007	PENDING	17/05/2014	17/May/2027
United Kingdom	BURNER GEL	GB1006592.8	20/Apr/2010	PENDING	N/A	20/Apr/2030

### 15.2 Domain Names

- 15.2.1. [www.scienceinsport.com](http://www.scienceinsport.com)
- 15.2.2. [www.scienceinsport.co.uk](http://www.scienceinsport.co.uk)
- 15.2.3. [www.scienceinsport.net](http://www.scienceinsport.net)

## 16. Litigation

There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the period covering the last 12 months preceding the date of this document which may have, or have had in the recent past, a significant effect on the Company's financial position or profitability or that of SiS.

## 17. General

- 17.1. The total expenses payable by the Company in connection with the Demerger Placing and Admission (including those fees and commissions referred to in paragraph 10.2 of this part VI) are estimated to amount to approximately £0.4 million (excluding VAT). Of the total expenses, £0.3 million is payable in cash and £0.1 million payable in Ordinary Shares.
- 17.2. Cenkos which is authorised by the FCA, has given and not withdrawn its written consent to the inclusion in this document of its name and the references thereto in the form and context in which they appear. Cenkos is acting exclusively for the Company in connection with Admission and not for any other persons. Cenkos will not be responsible to any persons other than the Company for providing the protections afforded to customers of Cenkos or for advising any such person in connection with Admission, this document or any matter, transaction or arrangement referred to in it.
- 17.3. Cenkos is registered in England and Wales (registered number 05210733) and has its registered office at 6.7.8 Tokenhouse Yard, London EC2R 7AS.
- 17.4. Chantrey Vellacott DFK LLP has given and not withdrawn its written consent to the inclusion in this document of the reports set out in Part III and Part IV of this document and has authorised the contents of its reports for the purposes of Schedule Two of the AIM Rules in the form and context in which they appear.
- 17.5. The Registrar of the Company is Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA.
- 17.6. Save as set out in paragraph 15 of this Part VI, there are no patents or intellectual property rights, licences or industrial, commercial or financial contracts which are of material importance to the Company's business or profitability.
- 17.7. As far as the Directors are aware, there are no environmental issues that may affect the Company's utilisation of its tangible fixed assets.
- 17.8. There are no employee share incentive arrangements involving a Ordinary Shares in place at the date of this document. Paragraph 11 above sets out details of the share option plan which the Company intends to adopt following Admission.

- 17.9. No person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has (i) received, directly or indirectly, from the Company within the 12 months preceding the date of this document; or (ii) entered into any contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from the Company on or after Admission any of the following:
- 17.9.1. fees totalling £10,000 or more;
  - 17.9.2. securities of the Company where these have a value of £10,000 or more calculated by reference to the Placing Price; or
  - 17.9.3. any other benefit with the value of £10,000 or more at the date of Admission.
- 17.10. 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.
- 17.11. The Directors are not aware of any exceptional factors which have influenced the Company's or SiS's activities.
- 17.12. So far as the Directors are aware, there are no known trends, uncertainties, demands, commitments or events that have or may have had in the last 12 months preceding the publication of this document a significant effect on the financial position of the Company or SiS or which are likely to have a material effect on the Company's or SiS's prospects for the next 12 months.
- 17.13. Within this document where information has been sourced from a third party, the Company confirms that this information has been accurately reproduced and so far as the Company is aware, no facts have been omitted which would render the reproduced information inaccurate or misleading.

## **18. Documents for Inspection**

Copies of this document may be inspected at the registered office of the Company during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this document until one month following Admission. This document is available to download from the SiS website at [www.scienceinsport.com](http://www.scienceinsport.com).

28 June 2013