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This document constitutes an admission document in accordance with the AIM Rules for Companies. This document is not an approved prospectus for the purposes of Sections 85 of FSMA and has not been examined or approved by, and will not be filed with the FSA, London Stock Exchange or the UK Listing Authority (“UKLA”). This document has not been approved as a financial promotion in the United Kingdom for the purposes of Section 21 of FSMA. The Company and the Directors, whose names appear on page 3 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and contains no omission likely to affect the import of such information.

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 UKLA. 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. The AIM Rules for Companies are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the securities to the Official List. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document. It is expected that Admission will become effective and that dealings in the Enlarged Issued Share Capital will commence on AIM on 19 May 2014.

The whole of this document should be read. Your attention is drawn, in particular, to Part I “Letter from the Chairman of Feedback plc” and Part II “Risk Factors” for a more complete discussion of the factors that could affect the Enlarged Group’s future performance and the industry in which it will operate. It should be remembered that the price of securities and the income from them can go down as well as up.

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# Feedback plc

*(Incorporated in England and Wales with registered number 00598696)*

*(ISIN: GB0003340550)*

## **Proposed acquisition of Cambridge Computed Imaging Limited, Proposed acquisition of TexRAD Limited, Subscription to raise £300,000, Notice of General Meeting and Admission of Enlarged Issued Share Capital to trading on AIM**

**Nominated Adviser and Joint Broker**

**Sanlam Securities UK Limited**

**Joint Broker**

**Peterhouse Corporate Finance Limited**

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Sanlam Securities UK Limited (“Sanlam Securities”) and Peterhouse Corporate Finance Limited (“Peterhouse”), each of which are authorised and regulated by the Financial Services Authority of the United Kingdom, are acting as nominated adviser and joint broker respectively to Feedback plc in connection with the arrangements set out in this document and are not acting for anyone else and will not be responsible to anyone other than Feedback plc for providing the protections afforded to customers of Sanlam Securities or for providing advice in relation to the contents of this document and the admission of the Enlarged Issued Share Capital to trading on AIM. In particular, Sanlam Securities as nominated adviser to the Company, owes certain responsibilities to the London Stock Exchange that are not owed to the Company or the Directors or to any other person in respect of his or her decision to acquire Ordinary Shares in reliance on any part of this document. Sanlam Securities and Peterhouse accept no liability for the accuracy of any information or opinions contained in or for the omission of any material information from this document, for which the Company and its Directors are solely responsible. No representation or warranty, express or implied is given by Sanlam Securities or Peterhouse as to the contents of this document (without limiting the statutory rights of any person to whom this document is issued).

This document contains forward-looking statements. These statements relate to the Enlarged Group’s future prospects, developments and business strategy. Forward looking statements are identified by their use of terms and phrases, including without limitation, statements containing the words “believe”, “anticipated”, “expected”, “could”, “envisage”, “estimate”, “may” or the negative of those, variations or similar expressions including references to assumptions. Such forward looking statements involve unknown risk, uncertainties and other factors which may cause the actual results, financial condition, performance or achievement of the Enlarged Group, or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Factors that might cause such a difference include, but are not limited to, those discussed in “Risk Factors” set out in Part II of this document. Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. These forward-looking statements speak only as at the date of this document. The Company disclaims any obligations to update any such forward-looking statements in this document to reflect events or developments.

The information contained in this document has been prepared solely for the purposes of the admission of the Enlarged Issued Share Capital to trading on AIM and other proposals referred to herein and are not intended to inform or be relied upon by any subsequent purchaser of shares in the Company. This document does not constitute an offer to sell, or an invitation to subscribe for or a solicitation to buy, Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, this document must not be taken, transmitted, distributed or sent directly or indirectly into the United States of America, Canada, Australia, the Republic of Ireland, the Republic of South Africa or Japan. This document must not be copied or distributed by recipients and, in particular, must not be, transmitted, distributed or sent directly or indirectly by any means, including electronic transmission, to persons with addresses in Australia, Canada, Japan, the Republic of Ireland, the Republic of South Africa or the United States of America, its possessions or territories or to any citizens thereof, or to any corporation, partnership or other entity created or organised under the laws thereof. The Ordinary Shares have not been or will be registered under the United States Securities Act 1933, as amended, nor under the securities legislation of any state of the United States or any province or territory of Canada, Australia, the Republic of Ireland, the Republic of South Africa or Japan or in any country, territory or possession where to do so may contravene local securities laws or regulations. Accordingly, the Ordinary Shares may not, subject to certain exceptions, be offered or sold directly or indirectly in or into the United States of America, Canada, Australia, the Republic of South Africa or Japan or to any national, citizen or resident of the United States of America, Canada, Australia, the Republic of Ireland, the Republic of South Africa or Japan. The distribution of this document in certain jurisdictions may be restricted by law. No action has been taken by the Company or by Sanlam Securities or by Peterhouse that would permit a public offer of Ordinary Shares or possession or distribution of this document where action for that purpose is required. Persons into whose possession this document comes should inform themselves about, and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

**A notice convening a General Meeting of Feedback plc to be held at the offices of Stephenson Harwood LLP at 1 Finsbury Circus, London EC2M 7SH on 16 May 2014 commencing at 10.00 a.m. is set out at the end of this document. The Form of Proxy for use in connection with the General Meeting is enclosed with this document and should be returned as soon as possible and, in any event, so as to be received by Share Registrars, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL as soon as possible but in any event not later than 10.00 a.m. on 14 May 2014, being 48 hours before the time appointed for the holding of the General Meeting. The completion and depositing of a Form of Proxy will not preclude a Shareholder from attending and voting in person at the General Meeting.**

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## Directors, Secretary and Advisers

<b>Directors</b>	Nicholas (Nick) Steven Shephard ( <i>Chairman and Chief Executive</i> ) Simon Gregory Barrell ( <i>Non-executive Director</i> ) Trevor Edward Brown ( <i>Non-executive Director</i> ) Thomas (Tom) William George Charlton ( <i>Non-executive Director</i> )
<b>Registered Office</b>	26 Red Lion Square London WC1R 4AG
<b>Company Secretary</b>	Temple Secretaries Limited
<b>Nominated Adviser and joint broker to the Company</b>	Sanlam Securities UK Limited 10 King William Street London EC4N 7TW
<b>Joint broker to the Company</b>	Peterhouse Corporate Finance Limited 31 Lombard Street London EC3V 9BQ
<b>Solicitors to the Company</b>	Stephenson Harwood LLP 1 Finsbury Circus London EC2M 7SH
<b>Solicitors to the Nominated Adviser</b>	Bates Wells & Braithwaite London LLP 2-6 Cannon Street London EC4M 6YH
<b>Reporting Accountant</b>	Crowe Clark Whitehill LLP (Member firm of the Institute of Chartered Accountants in England and Wales) 10 Salisbury Square London EC4Y 8EH
<b>Registrars</b>	Share Registrars Limited Suite E First Floor 9 Lion and Lamb Yard Farnham Surrey GU9 7LL
<b>Solicitors to the CCI and TexRAD Vendors</b>	DMH Stallard LLP 6 New Street Square New Fetter Lane London EC4A 3BF
<b>Website</b>	<a href="http://www.fbk.com">www.fbk.com</a>

## Definitions

The following words and expressions shall have the following meanings in this document unless the context otherwise requires:

<b>“2006 Act”</b>	the UK Companies Act 2006
<b>“Acquisitions”</b>	together the CCI Acquisition and the TexRAD Acquisition
<b>“Admission”</b>	admission of the Enlarged Issued Share Capital to trading on AIM and such admission becoming effective in accordance with Rule 6 of the AIM Rules
<b>“AIM”</b>	the market of that name operated by the London Stock Exchange
<b>“AIM Rules”</b>	the AIM Rules for Companies published by the London Stock Exchange
<b>“Articles” or “Articles of Association”</b>	the articles of association of the Company
<b>“Board” or “Directors”</b>	the directors of the Company, whose names appear on page 3 of this document
<b>“CCI”</b>	Cambridge Computed Imaging Limited, a private limited company incorporated in England and Wales under registered number 04025026
<b>“CCI Acquisition”</b>	the acquisition by the Company of the entire issued share capital of CCI pursuant to the CCI Acquisition Agreement
<b>“CCI Acquisition Agreement”</b>	the conditional agreement dated 30 April 2014 between (1) the CCI Vendors and (2) the Company for the CCI Acquisition, further details of which are set out in paragraph 7.1.5 of Part V of this document
<b>“CCI Consideration Shares”</b>	the 16,000,000 new Ordinary Shares proposed to be issued to the CCI Vendors in consideration for the CCI Acquisition
<b>“CCI Vendors”</b>	those persons being the existing shareholders of CCI, whose names are set out in paragraph 7.1.5 of Part V of this document
<b>“Company” or “Feedback”</b>	Feedback plc, a public limited company registered in England and Wales under registered number 00598696
<b>“Completion”</b>	completion of the Acquisitions in accordance with the terms of the Acquisition Agreements
<b>“Consideration Shares”</b>	together the CCI Consideration Shares, the TexRAD Consideration Shares and the IP Consideration Shares
<b>“CREST”</b>	the computer-based system established under the CREST Regulations which enables title to units of relevant securities (as defined in the CREST regulations) to be evidenced and transferred without a written instrument

	and in respect of which Euroclear UK & Ireland Limited is the operator (as defined in the CREST Regulations)
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755)
<b>“DTR” or “Disclosure and Transparency Rules”</b>	the Disclosure and Transparency Rules (in accordance with section 73A(3) of FSMA) being the rules published by the Financial Services Authority from time-to-time relating to the disclosure of information in respect of financial instruments which have been admitted to trading on a regulated market or for which a request for admission to trading on such a market has been made
<b>“Enlarged Group”</b>	the Company and its subsidiaries as enlarged by the Acquisitions, to include CCI and TexRAD
<b>“Enlarged Issued Share Capital”</b>	the entire issued ordinary share capital of the Company being the Existing Ordinary Shares, the Consideration Shares and the Subscription Shares
<b>“Existing Ordinary Shares”</b>	the 130,946,746 Ordinary Shares in issue as at the date of this document
<b>“Existing Share Option Plan”</b>	the share option plan adopted by the Company on 2 July 2007 (as amended and restated on 29 April 2014), a summary of which is set out in paragraph 4 of Part V of this document
<b>“Form of Proxy”</b>	the form of proxy sent to holders of Existing Ordinary Shares enclosed with this document for use by Shareholders in connection with the General Meeting
<b>“FSMA”</b>	the Financial Services and Markets Act 2000
<b>“General Meeting”</b>	the General Meeting of the Company, to be held at the offices of Stephenson Harwood LLP, 1 Finsbury Circus, London EC2M 7SH on 16 May 2014 at 10.00 a.m. and any adjournment thereof to be held for the purpose of considering and, if thought fit, passing the Resolutions
<b>“HMRC”</b>	HM Revenue & Customs
<b>“Introduction Agreement”</b>	an agreement dated 30 April 2014 between (1) Sanlam Securities, (2) the Directors and (3) the Company, details of which are set out at paragraph 7.1.4 of Part V of this document
<b>“IP Consideration Shares”</b>	the 1,600,000 new Ordinary Shares proposed to be issued to the University of Sussex in consideration for the TexRAD IP Assignment
<b>“Irrevocable Undertakings”</b>	the agreement by certain of the Directors to vote in favour of the Resolutions as summarised in paragraph 7.1.3 of Part V of this document
<b>“London Stock Exchange”</b>	London Stock Exchange plc

<b>“Non-Executive Option”</b>	the option granted by the Company, conditional on Admission, to Simon Barrell to subscribe for 800,000 new Ordinary Shares
<b>“Options”</b>	share options in the Company pursuant to the Existing Share Option Plan
<b>“Ordinary Shares”</b>	ordinary shares of 0.25p each in capital of the Company
<b>“Proposals”</b>	means (a) the CCI Acquisition; (b) the TexRAD Acquisition; (c) the Subscription; and (d) Admission
<b>“Resolutions”</b>	the resolutions set out in the notice convening the General Meeting
<b>“Sanlam Securities”</b>	Sanlam Securities UK Limited, the Company’s nominated adviser
<b>“Share Registrars”</b>	Share Registrars Limited, the registrars of the Company
<b>“Shareholder Loan”</b>	the loan agreement dated 30 April 2014 between (1) Tom Charlton and (2) the Company, details of which are set out in paragraph 7.1.7 of Part V of this document
<b>“Shareholders”</b>	holder(s) of Ordinary Shares
<b>“Subscribers”</b>	the subscribers for the Subscription Shares pursuant to the Subscription
<b>“Subscription”</b>	the conditional placing of the Subscription Shares at the Subscription Price pursuant to the Subscription Letters
<b>“Subscription Letters”</b>	the letters provided by Tom Charlton, Trevor Brown and Roy Ruffler pursuant to which they have committed to acquire the Subscription Shares in the Subscription
<b>“Subscription Price”</b>	1.25 pence per Subscription Share, being the price at which each Subscription Share is to be issued
<b>“Subscription Shares”</b>	the 24,000,000 new Ordinary Shares which have been conditionally placed with the Subscribers pursuant to the Subscription Letters
<b>“TexRAD”</b>	TexRAD Limited, a private limited company incorporated in England and Wales under registered number 07535227
<b>“TexRAD Acquisition”</b>	the acquisition by the Company of the entire issued share capital of TexRAD (save for those shares held by CCI) pursuant to the TexRAD Acquisition Agreement
<b>“TexRAD Acquisition Agreement”</b>	the conditional agreement dated 30 April 2014 between (1) the TexRAD Vendors and (2) the Company for the TexRAD Acquisition, further details of which are set out in paragraph 7.1.6 of Part V of this document
<b>“TexRAD Consideration Shares”</b>	the 18,200,000 new Ordinary Shares proposed to be issued to the TexRAD Vendors in consideration for the TexRAD Acquisition

<b>“TexRAD IP Assignment”</b>	the assignment into TexRAD of certain intellectual property rights relating to TexRAD which are currently held by the University of Sussex
<b>“TexRAD Vendors”</b>	those persons being the existing shareholders of TexRAD (other than CCI), whose names are set out in paragraph 7.1.6 of Part V of this document
<b>“TexRAD Warrants”</b>	the warrants over 22,750,000 Ordinary Shares to be issued to the TexRAD Vendors pursuant to the TexRAD Acquisition Agreement
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland
<b>“UKLA”</b>	the Financial Services Authority acting in its capacity as the competent authority for the purposes Part VI of FSMA
<b>“uncertificated” or “in uncertificated form”</b>	an Ordinary Share recorded on the Company’s register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST



## Glossary of Abbreviations and Scientific Terms

<b>“CRC”</b>	Colorectal cancer
<b>“CT”</b>	Computed tomography
<b>“DICOM”</b>	Digital Imaging and Communications in Medicine, a standard for handling, storing, printing, and sharing medical imaging – DICOM enables the integration of scanners, servers, workstations, printers, and network hardware from multiple manufacturers into a PACS
<b>“FDA”</b>	Food and Drug Administration, US regulator
<b>“MHRA”</b>	Medicines and Healthcare Products Regulatory Agency, UK regulator
<b>“microRNA”</b>	A small non-coding RNA molecule (containing about 22 nucleotides) found in plants, animals, and some viruses, which functions in transcriptional and post-transcriptional regulation of gene expression.
<b>“MRI”</b>	Magnetic resonance imaging
<b>“NSCLC”</b>	Non-small-cell lung cancer
<b>“PACS”</b>	Picture Archiving and Communication System
<b>“PET”</b>	Positron emission tomography
<b>“Quantitative Imaging Biomarker”</b>	a quantifiable feature from a medical image for the assessment of normal or the severity, degree of change, or status of a disease, injury, or chronic condition relative to normal



### Share Capital Statistics

Number of Existing Ordinary Shares	130,946,746
Number of Consideration Shares to be issued	35,800,000
Number of Subscription Shares to be issued	24,000,000
Number of Ordinary Shares in issue following Admission	190,746,746
Consideration Shares as a percentage of the Enlarged Issued Share Capital	18.77 per cent.
Subscription Shares as a percentage of the Enlarged Issued Share Capital	12.58 per cent.
Gross proceeds of the Subscription	£300,000
Estimated net proceeds of the Subscription	£53,000
Market capitalisation at the Subscription Price	£2.38 million

### Expected timetable of principal events

Despatch and date of this document	30 April 2014
Latest time and date for receipt of the completed Forms of Proxy to be valid at the General Meeting	10.00 a.m. on 14 May 2014
General Meeting	10.00 a.m. on 16 May 2014
CREST accounts credited (where applicable) with Consideration Shares and Subscription Shares in uncertificated form	19 May 2014
Certificates (where applicable) in respect of the Consideration Shares and Subscription Shares expected to be despatched by no later than	27 May 2014
ISIN	GB0003340550
EPIC	FDBK

## PART I

### Letter from the Chairman of Feedback plc

# Feedback plc

*(Incorporated in England and Wales with registered number 00598696)*

*Directors:*

Nick Shephard (*Chairman and Chief Executive*)  
Simon Barrell (*Non-executive Director*)  
Trevor Brown (*Non-executive Director*)  
Tom Charlton (*Non-executive Director*)

*Registered Office:*

26 Red Lion Square  
London  
WC1R 4AG

30 April 2014

*To all holders of Existing Ordinary Shares and, for information only, to holders of Options*

Dear Shareholder,

**Proposed acquisition of Cambridge Computed Imaging Limited and TexRAD Limited**  
**Subscription to raise £300,000**  
**Notice of General Meeting**  
**and**  
**Admission of the Enlarged Issued Share Capital to trading on AIM**

#### **Introduction and background**

On 30 April 2014, the Board announced that terms had been agreed for the conditional acquisitions of CCI and TexRAD, both medical imaging software companies, and the underlying IP relating to TexRAD, for a total consideration of £473,900 to be satisfied by the issue of the Consideration Shares and £26,400 in cash.

CCI was formed in 2001 by former employees of the Department of Radiology at Papworth Hospital (now Papworth Hospital NHS Foundation Trust) to provide picture archiving and communication systems (PACS) for the display, review, manipulation and archiving of medical images. TexRAD was spun out from the University of Sussex in 2011 and was established to develop textural analysis tools for the detection and measurement of quantitative imaging biomarkers within cancer tumours.

As previously announced, the Company is currently deemed to be an investing company in accordance with the AIM Rules and its investment policy is to pursue suitable investments in the technology sector. Accordingly, the Board is delighted to have identified two such complimentary acquisitions in CCI and TexRAD. The Acquisitions are together classed as a reverse takeover pursuant to the AIM Rules and as such require Shareholder approval.

Feedback is proposing to acquire the entire issued share capital of CCI from the CCI Vendors for a consideration of £213,200, which is to be satisfied by £13,200 in cash and the balance by the issue of the CCI Consideration Shares at the Subscription Price. The Company is also proposing to acquire the entire issued share capital of TexRAD (other than those shares in TexRAD already held by CCI) from the TexRAD Vendors and certain intellectual property rights relating to TexRAD from the University of Sussex for a total consideration of £260,700 which is to be satisfied by £13,200 in cash and the balance by the issue of the TexRAD Consideration Shares and the IP Consideration Shares at the Subscription Price. Further details of the terms of the CCI Acquisition and the TexRAD Acquisition are set out below under the heading "Principal terms of the Acquisitions". In addition, the Company has today conditionally raised £300,000 by way of the Subscription. In connection with the Proposals, the

Company also proposes to apply for the admission of the Enlarged Issued Share Capital to trading on AIM. The implementation of all of the Proposals is conditional, *inter alia*, upon the approval of the Resolutions by Shareholders at the General Meeting and on Admission. It is expected that Admission will become effective and dealings in the Enlarged Issued Share Capital will commence on AIM on 19 May 2014.

The main purpose of this document is to give you the reasons for, and details of, the Proposals, to explain why the Board considers that they are in the best interests of the Company and its Shareholders as a whole and to recommend that you vote in favour of the Resolutions.

### **Information on Feedback**

As Shareholders will be aware, following a significant decline in fortunes over a number of years, the Company found the markets that it had been operating in to be very challenging and decided to undertake a review of its business. The decision was made in May 2012 to dispose of the Company's loss making education businesses, Feedback Instruments Limited and Feedback Inc. Following these disposals and as a result of an insufficient turnaround in the Company's remaining activities, in May 2013 the Company took the decision to dispose of Feedback Data plc, principally due to the fact that the revenue and profits derived from Feedback Data plc were not sufficient to fully offset the central costs associated with the Company being on AIM. Feedback Data plc was the Company's only trading business at the time of its disposal and, consequently, following shareholder approval at a general meeting on 30 May 2013, Feedback became an investing company pursuant to Rule 15 of the AIM Rules and adopted a new investing policy.

Subsequent to becoming an investing company Feedback disposed of its freehold property in July 2013 for net cash proceeds of £940,000. This sum was used to extinguish the Company's outstanding indebtedness of approximately £200,000 with the remaining balance being retained for working capital purposes and to help the Company make investments in accordance with its investing policy.

As at 31 March 2014 Feedback had cash resources of approximately £560,000.

### **Historical financial information on Feedback**

The net asset value of the Company at 31 May 2013 was £761,000 (2012: £1,112,000). The Company announced its audited final results for the year ended 31 May 2013 on 9 November 2013. Subsequent to this announcement the Company also announced its unaudited interim results for the six months ended 30 November 2013 on 19 February 2014.

Your attention is drawn to the Company's audited report and accounts for the years ended 31 May 2011, 2012 and 2013 and the unaudited half yearly report to 30 November 2013 (together the "Accounts"). The Accounts are incorporated by reference and are available from the Company's website [www.fbk.com/category/financial-reports/](http://www.fbk.com/category/financial-reports/). The financial information on the Company is included in the Company's financial statements and the notes on them.

Shareholders may request a hard copy of the Accounts from the Company's registered office by writing to the Company at 26 Red Lion Square, London WC1R 4AG or telephoning +44 (0) 20 3289 7747. Hard copies of the Accounts will be despatched as soon as possible and, in any event, within two business days of the receipt of a request. Shareholders who do not make a request will not be sent hard copies of the Accounts.

### **Information on CCI**

#### ***Background information on CCI***

CCI specialises in providing software that helps doctors use medical images in diagnosis and treatment. Since its foundation, CCI has focused on supporting the needs of Papworth Hospital, the UK's largest specialist cardiothoracic hospital, and other facilities where its software is used to support diagnosis, treatment planning, treatment response and knowledge sharing within multi-disciplinary teams.

CCI's core product, the Cadran image platform, provides a comprehensive range of PACS services designed to offer both clinical and productivity benefits. Connecting with and accessing images from

all types of digital imaging equipment, such as CT and PET scanners, Cadran enables connectivity with devices using the DICOM standard. Cadran is built around its Image Storage Manager which is a scalable system designed both to deliver images on demand and provide long-term and secure archiving of sensitive data. Images are served in an interface certified for clinical use that allows doctors to display, review and manipulate the images whilst using in-line measurement and analysis tools to assist with diagnosis and quantifying treatment responses. Relevant information can be accessed by users from any workstation connected to the platform. Web functions are added to enable access to static and dynamic images over an intranet or internet using standard web browsers. Advanced compression and transmission techniques typically mean bandwidth consumption is minimised and images load at a faster pace, particularly useful for remote reviewing and teaching applications.

CCI has worked with TexRAD since 2011 and has been responsible for developing the platform that can be installed on a single workstation, on a local server or on centrally hosted virtual machines.

CCI’s products under development are designed to enable a multi-site multi-disciplinary team approach to using medical images, a feature of complex decision making in fields such as cardiothoracic and cancer care.

**Competition**

The PACS market grew rapidly in the early 2000s after small companies worked closely with major centres to produce integrated systems that offered clinical and workflow benefits. Following much consolidation, the Directors believe that CCI’s competitors in the UK PACS market can generally be categorised into two groups: (i) large established global OEMs supplying imaging hardware to medical markets, such as GE Healthcare (USA), Siemens (Germany), Philips (The Netherlands), Toshiba Medical systems (Japan), and (ii) smaller software companies who have found their niche providing imaging services to regional hospitals or to specialist interests, such as CCI’s focus on cardiothoracic and its development of the multi-client simultaneous rendering of images for collaborative working between locations.

**Financial summary of CCI**

The table below contains information extracted from the audited financial information for CCI for the three financial periods ended 31 January 2014.

	Year to 31 January 2012 £	Year to 31 January 2013 £	Year to 31 January 2014 £
Revenue	210,207	188,879	267,142
Cost of Sales	(73,594)	(64,528)	(102,275)
Gross Profit	136,613	124,351	164,867
Administrative expenses	(172,661)	(168,296)	(170,695)
<b>Operating Loss</b>	<b>(36,048)</b>	<b>(43,945)</b>	<b>(5,828)</b>
<b>(Loss)/Profit for the year</b>	<b>(21,990)</b>	<b>(29,933)</b>	<b>1,866</b>

Further financial information on CCI is set out in Part III(a) of this document.

**Information on TexRAD**

**Background information on TexRAD**

TexRAD offers an innovative quantitative tool to those researching the diagnosis, prognosis and treatment response of cancer. The technology enables quantitative textural analysis of heterogeneity to be found in routinely acquired clinical diagnostic images which could serve to risk stratify tumours and assist in response evaluation. Research customers have shown that using TexRAD’s quantitative textural analysis, heterogeneity could further add value to existing markers of tumour size, density and perfusion as a quantitative imaging biomarker and potentially assist in clinical decision making by optimising care pathways for improved patient outcomes and provide cost-effective patient management.

Between 2004 and 2011, researchers from the University of Sussex's Department of Engineering collaborated with Brighton & Sussex Medical School to develop an innovative algorithm that quantified textures in medical images. Following early adoption and promising findings by research groups, TexRAD was incorporated in February 2011 in order to translate a novel research tool into commercial products.

Current treatment decisions for patients with cancer are primarily based on the extent of tumour spread (i.e. tumour stage). Diagnostic imaging, especially CT and PET are essential to determining the stage for many cancers. However, patients with the same tumour stage often follow differing clinical courses and may therefore require different treatments. This has resulted in a need for additional methods to assess cancer severity so that treatment can be selected to more closely match the likely clinical course. Medical images such as CT scans and MRI scans are used to make decisions on patient care and treatment but are limited to what the human eye can see. Diagnostic imaging systems have generally enhanced fine detail (i.e. high spatial frequency information) with the aim of optimising anatomical resolution. However, experience from the automated identification of military targets indicated that important discriminatory information is to be found within coarser variations in image brightness (i.e. lower spatial frequencies). If pronounced, these variations can be perceived as abnormalities of texture.

TexRAD's proprietary technology employs filters specifically to highlight these coarser features and uses histogram analysis to quantify and assess the distribution of grey-levels, coarseness and regularity within a lesion. By using filters that extract and enhance for image features at larger scales, the effect of noise is reduced whilst biological heterogeneity is enhanced. TexRAD allows heterogeneity parameters measured at different spatial scales to be compared and presented as 'texture ratios' or 'texture spectra' enabling quantitative assessment of imaging biomarkers within a tumour.

TexRAD has recently commenced the process necessary to achieve regulatory approval that will enable its use in clinical practice and add quantitative textural analysis to trials of pharmaceuticals under development. Revenues to date have primarily come from leading medical research centres where TexRAD is being applied in a wide range of studies including colorectal, breast, lung, prostate, oesophageal, head and neck, and renal cancers. TexRAD has supported customers around the world including:

- University College London Hospitals, London, UK
- The Institute of Cancer Research Royal Marsden Hospital, Surrey, UK
- University of Cambridge, Cambridge, UK
- Aarhus University Hospitals, Aarhus, Denmark
- European Institute of Oncology, Milan, Italy
- Johns Hopkins University, Baltimore, Maryland, USA
- Massachusetts General Hospital, Boston, Massachusetts, USA
- Tata Memorial Hospital, Mumbai, India

### ***Competition***

As far as the Directors are aware, TexRAD is the only commercially available software offering analysis of image texture at user-defined spatial scales. TexRAD is protected by a patent (pending in EU and USA, granted in Canada) and the searches undertaken in taking out the patent have not identified any likely challenges. So far as the Directors are aware, other research groups have predominantly focused on segmenting and classifying lesion/organ/tissue as benign or malignant and have not focused as much on prognosis and treatment response markers. TexRAD's approach is to first establish the biological correlates and relevant image features and then show their association to patient outcome and disease-severity. TexRAD's comparison studies have either shown complementarity or superior prognostic performance for TexRAD compared to other imaging biomarkers such as CT perfusion and PET measurements of glucose uptake. Modelling studies have also indicated a complementary role for TexRAD alongside clinical biomarkers such as performance status.

Emerging competitor serum and tissue-based biomarkers such as the promising prognostic markers for CRC and NSCLC, microRNA analysis and microsatellite instability testing, are comparable in cost to TexRAD. Although not tested in the same cohorts, the reported prognostic performance measures for these biomarkers are comparable or lower than those for TexRAD. Tissue-based biomarkers are also constrained by their invasive nature and by tumour heterogeneity resulting in biopsy sampling error. By being image-based, TexRAD can non-invasively evaluate larger tumour volumes and exploit tumour heterogeneity rather than being constrained by this fundamental property of malignancy.

### ***Financial summary of TexRAD***

The table below contains information extracted from the audited financial information for TexRAD for the three financial periods ended 31 January 2014.

	17 months to 31 July 2012 £	12 months to 31 July 2013 £	Six months to 31 January 2014 £
Revenue	3,167	76,261	52,886
Cost of sales	(1,000)	(47,359)	(26,927)
Gross Profit	2,167	28,902	25,959
Administrative expenses	(18,226)	(55,473)	(40,825)
<b>Loss before income tax</b>	<b>(16,059)</b>	<b>(26,571)</b>	<b>(14,866)</b>
<b>Loss for the period</b>	<b>(16,059)</b>	<b>(26,571)</b>	<b>(14,866)</b>

Further financial information on TexRAD is set out in Part III(b) of this document.

### **Current trading and prospects**

#### ***CCI***

Due to the high percentage of longstanding customer agreements which provide recurring revenue, trading in CCI has been in line with management's expectations during the first quarter of the financial year. CCI continues to undertake a programme of consultancy developments which lead to additional project based revenues. CCI has also commenced work on developing a multidisciplinary team toolkit, which it proposes to launch as a stand-alone product later this year. The Directors consider this product to be a milestone in the development of the business as it provides new opportunities in the cardiothoracic sector and expands the markets in which CCI operates.

#### ***TexRAD***

TexRAD continues to make revenues working with its research customers. The Directors are encouraged by the current pipeline and by a number of recent sales that moved to an accelerated completion. TexRAD's current intention is, following regulatory approval, to launch an updated version of its product for the clinical trials market in late 2014 and to secure early adopter clinical customers looking to use quantitative textural analysis to measure treatment response. The Directors expect modest revenues from new markets in the first 12 months following such launch but consider adoption in clinical use as a strategic priority.

### **Corporate vision and strategy**

In an environment with ever more powerful computing possibilities, new drugs under development, and the constant need to evaluate the effectiveness of complex treatment choices, medical imaging is an integral and growing part of medical practice.

The Directors' vision is to build on CCI's image processing and analysis expertise with TexRAD's novel quantification technique to position Feedback as a medical imaging tools company. The mission of the Enlarged Group is to extract every potential benefit from medical images. The Board proposes to develop innovative techniques and improved workflows for practitioners involved in medical research



and treating patients. The Enlarged Group intends to build products that put new and more effective tools into the hands of clinical decision makers, with a view to improving patient care and reducing costs.

TexRAD has already proven its value in medical research and is now working towards regulatory approval when it can be used to enrich clinical trials and help understand the effects of new pharmaceuticals. It is intended that products will be developed to help medical decision makers evaluate the treatment choices on a patient-by-patient basis and which are intended to support industry moves towards a personalised approach to patient care. As its technologies are manufacturer neutral, and can be used with historical images, for example, on longitudinal research projects and to monitor disease progression, the addressable market will include all existing specialist imaging centres.

As the market develops, the Directors intend to base the business model on the clinical use of its tools designed to identify imaging biomarkers that can be used in the early detection of cancer, in determining prognosis and predicted outcomes and in evaluating treatment response.

The Directors believe that Feedback can create shareholder value growth in the medium and longer term through CCI and TexRAD's expertise in cardiac imaging and oncology by further developing existing products whilst moving into the clinical trials market, and developing new tools to measure patients' treatment response. The Directors intend to fund these developments from existing revenue streams in the research market, the Company's cash resources and from grant funding (where available). There will be potential new sources of revenue when TexRAD has completed its regulatory approval process.

In addition to existing CCI and TexRAD products, the Company will look for opportunities to widen its offerings in its target markets through collaborations and corporate activity which may include mergers and acquisitions.

### **Reasons for the Proposals**

The Directors believe that the Proposals offer an exciting growth opportunity for the Company and its Shareholders and that the Enlarged Group has the potential to benefit from:

- the fact that the CCI and TexRAD businesses are complementary to each other;
- an enhanced ability to attract and incentivise key management;
- an enhanced corporate profile as a public company;
- the availability of the Company's cash reserves and resources to CCI and TexRAD and the potential to provide CCI and TexRAD with an opportunity to access new capital for future research and development; and
- an ability to use quoted shares as consideration for strategic acquisitions.

### **Regulatory environment**

In order to market its technologies as a medical device for use in clinical trials, TexRAD must undergo a process of regulatory approval. The Directors believe that TexRAD and CCI are working towards the necessary European and USA regulatory requirements including Medical Devices Directive 93/42/EEC, ISO13485:2003, and Code of Federal Regulations Title 21 Part 11 (which defines criteria under which FDA considers electronic records and electronic signatures to be trustworthy, reliable, and equivalent to paper records). A regulatory pathway for TexRAD's medical device products has been identified and it has selected a preferred supplier to assist in getting approval with the US Food and Drug Administration and the UK Medicines and Healthcare Products Regulatory Agency.

### **Principal terms of the Acquisitions**

#### ***CCI***

Under the terms of the CCI Acquisition Agreement, the Company has conditionally agreed to acquire the entire issued share capital of CCI from the CCI Vendors for a total consideration of £213,200, to be satisfied by £13,200 in cash and the balance by the issue of the CCI Consideration Shares (representing 8.39 per cent. of the Enlarged Issued Share Capital) on Admission.



During the period between the date of the execution of the CCI Acquisition Agreement and Completion, the CCI Vendors have undertaken to operate the business of CCI in the normal manner of such business. The CCI Acquisition Agreement contains certain warranties (subject to certain limitations of liability) and undertakings given by the CCI Vendors in favour of the Company.

### **TexRAD**

Under the terms of the TexRAD Acquisition Agreement, the Company has conditionally agreed to acquire the entire issued share capital of TexRAD (other than a nine per cent. stake in TexRAD that is already held by CCI) from the TexRAD Vendors for a total consideration of £240,700. In addition, TexRAD has also reached agreement with the University of Sussex that, conditional on Admission, certain intellectual property rights held by the University of Sussex relating to TexRAD will also be transferred to TexRAD for a total consideration of £20,000. The aggregate total of £260,700 is to be satisfied by £13,200 in cash and the balance by the issue of the TexRAD Consideration Shares and the IP Consideration Shares (together representing 10.38 per cent. of the Enlarged Issued Share Capital) on Admission. As additional consideration, the TexRAD Vendors will also receive the TexRAD Warrants.

The TexRAD Warrants will be issued such that 4,550,000 warrants will have an exercise price of £0.0125 and a vesting period of between two and 10 years from the date of Admission; and 18,200,000 warrants will have an exercise price of £0.03 and a vesting period of between three and 10 years from the date of the Admission.

During the period between the date of the execution of the TexRAD Acquisition Agreement and Completion, the TexRAD Vendors have undertaken to operate the business of TexRAD in the normal manner of such business. The TexRAD Acquisition Agreement contains certain warranties (subject to certain limitations of liability) and undertakings given by the TexRAD Vendors in favour of the Company.

Completion of the Acquisitions is conditional, *inter alia*, on the passing of the Resolutions and Admission becoming effective by not later than 19 May 2014. Subject to the conditions being satisfied, Completion is expected to take place upon Admission.

Further details of the Acquisition Agreements are set out in paragraph 7 of Part V of this document.

### **Reasons for the Subscription and use of funds**

The proceeds of the Subscription will be used to help grow the CCI and TexRAD businesses, specifically to invest in sales, marketing, regulatory approval processes and to provide additional working capital for the Enlarged Group and to pay the various fees and expenses incurred by the Company in respect of the Proposals.

### **Details of the Subscription**

Under the terms of the Subscription Letters, Tom Charlton, Trevor Brown and Roy Ruffler have conditionally agreed to subscribe for an aggregate of 24,000,000 Subscription Shares at the Subscription Price to raise £300,000 (before expenses) for the Company.

The Subscription is conditional, *inter alia*, upon Admission.

The Subscription Shares, the CCI Consideration Shares and the TexRAD Consideration Shares, when issued and fully paid, will rank equally in all respects with the issued Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after Admission.

It is expected that Admission will become effective and dealings in the Enlarged Issued Share Capital will commence on 19 May 2014.

Following the Subscription and completion of the Acquisitions, the Company will have 190,746,746 Ordinary Shares in issue and admitted to trading on AIM.

## Related party transaction

Trevor Brown and Tom Charlton, Non-executive Directors of the Company, have agreed to subscribe for 10,400,000 Subscription Shares each, as part of the Subscription. In addition, as one of the CCI Vendors, Tom Charlton will be receiving 2,232,600 CCI Consideration Shares pursuant to the CCI Acquisition. Following Admission their holding in the Enlarged Issued Share Capital will be as follows:

	Number of Subscription Shares subscribed for	Number of Consideration Shares received	Shareholding Following Admission	Percentage holding of the Enlarged Issued Share Capital
Trevor Brown	10,400,000	—	49,589,111	26.00
Tom Charlton	10,400,000	2,232,600	46,717,408	24.49

Trevor Brown and Tom Charlton are classified as related parties of the Company for the purposes of the AIM Rules by virtue of them having a substantial shareholding (as defined by the AIM Rules) in the Company and by virtue of them being Directors. The independent Directors for the purposes of the Subscription, being Nick Shepherd and Simon Barrell, consider, having consulted with the Company's Nominated Adviser, Sanlam Securities UK Limited, that the terms of the Subscription are fair and reasonable insofar as Shareholders are concerned.

The CCI Acquisition is also classified as a related party transaction for the purposes of the AIM Rules. This is due to the fact that Tom Charlton is a Director and major shareholder of the Company and a significant shareholder of CCI. The independent Directors for the purposes of the CCI Acquisition, being the Directors other than Tom Charlton, consider, having consulted with the Company's Nominated Adviser, Sanlam Securities UK Limited, that the terms of the CCI Acquisition are fair and reasonable insofar as the Shareholders are concerned.

As at the date of this document, CCI has outstanding debts owed to Tom Charlton amounting to £189,000. Conditional on Admission, CCI will repay these debts utilising funds from Feedback which will be made available to it pursuant to the Shareholder Loan from Tom Charlton. The Shareholder Loan is for £189,000, does not accrue interest and is repayable on the earlier of 1 December 2016 and the satisfaction of certain conditions, further details of which are set out in paragraph 7.1.7 of Part V of this document.

Entry into the Shareholder Loan is also classified as a related party transaction for the purposes of the AIM Rules. This is due to the fact that Tom Charlton is a Director and substantial shareholder in the Company. The independent Directors, being the Directors other than Tom Charlton, consider, having consulted with the Company's Nominated Adviser, Sanlam Securities UK Limited, that the terms of the Shareholder Loan are fair and reasonable insofar as the Shareholders are concerned.

In advising the independent directors, Sanlam Securities UK Limited has taken into account the commercial judgement of the independent directors.

## Directors and Senior Management

**Nick Shepherd** (*Chairman and Chief Executive*) aged 48, has been the Executive Chairman of Feedback since February 2011. Prior to that, Mr Shepherd worked for eight years as an independent consultant to a number of hardware and software technology and service businesses enabled by technology. Earlier in his career Mr Shepherd was the General Manager of the London, Edinburgh and Belfast Gazettes.

**Simon Barrell** (*Non-executive Director*) aged 55, qualified as a chartered accountant with Arthur Young in 1983. He then joined an accountancy practice in Nairobi, Kenya as a Senior Manager. On his return to the UK in 1987, he joined Binder Hamlyn. In 1994 Mr Barrell was appointed finance director of Napier Brown & Company Limited and subsequently was appointed finance director of Napier Brown Foods Plc in December 2003. Since leaving Napier Brown Foods Plc in 2005 Mr Barrell has been finance director in an executive and non-executive capacity for a number of public companies and continues to act as an adviser to listed and non-listed companies. Mr Barrell joined the Board of Feedback in November 2012.

**Trevor Brown** (*Non-Executive Director*) aged 67, joined the board of Feedback in January 2014. Mr Brown has been a strategic investor in real estate and equities for more than 30 years. He was most recently a director of Advanced Oncotherapy plc where he was involved in the strategy of transition to the provision of advanced cancer treatment services.

**Tom Charlton** (*Non-Executive Director*) aged 56, joined the board of Feedback in January 2014. Mr Charlton previously served as a director of Feedback between January 2003 and November 2004 and has been a significant shareholder in the company since December 1997. He acted as Chairman of Pinnacle Staffing Group plc from September 2008 until April 2011. Earlier in his career he was a managing director of Merrill Lynch Investment Managers and a director of Mercury Asset Management Ltd.

### **Senior Management**

**Dr Balaji Ganeshan** (*Scientific Director, TexRAD*) aged 32, has been the Scientific Director of TexRAD since incorporation and before that was instrumental in the invention, research and development of the original IP in his various capacities as a PhD researcher, post-doctorate researcher, principal investigator and project manager. He now takes the lead in sales and marketing of TexRAD in the clinical research market and is also a Senior Research Associate at the Institute of Nuclear Medicine at the University College London, UK and is a Visiting Research Fellow with the Brighton & Sussex Medical School, University of Sussex.

**Mike Hayball** (*Managing Director, CCI*) aged 47, is the architect of the TexRAD software and has been instrumental in its development as a commercial system. He started his career as a medical physicist at Addenbrooke's Hospital in Cambridge where he took his MSc in Radiation Physics. At Addenbrooke's he worked on the first CT perfusion implementation for modern CT scanners, leading to publication in *The Lancet* in 1991. From there he went on to work on cardiac imaging at Papworth Hospital, working with Stephen Brown and Richard Coulden on ECG-triggered spiral CT. In 2001, Mr Hayball and Stephen Brown formed CCI, with Mr Hayball as Managing Director where as well as working on CCI and TexRAD products, he has led projects to develop software for a number of other medical imaging companies.

**Dr Stephen Brown** (*Operations Director, CCI*) aged 44, is CCI's systems architect and regulatory lead. He completed an industry sponsored Solid State Physics PhD at the University of Cambridge, before going on to work for a number of years in industry. In 1997, Dr Brown joined the Papworth Radiology Development Group where he was involved in a number of research projects looking at ECG triggered CT, CT coronary calcium measurement and analysis of MR and nuclear medicine images. In 2001, Dr Brown and Mr Hayball formed CCI, where he is also involved in software development and customer liaison.

### **Lock-in and orderly markets arrangements**

The CCI Vendors and the TexRAD Vendors have agreed pursuant to the CCI Acquisition Agreement and the TexRAD Acquisition Agreement respectively not to dispose of any Ordinary Shares that they have received pursuant to those agreements and the TexRAD IP Assignments (subject to certain limited exceptions) until 12 months after Admission (in aggregate 35,800,000 Ordinary Shares, equivalent to 18.77 per cent. of the Enlarged Issued Share Capital). In addition, the CCI Vendors and the TexRAD Vendors have undertaken that for a further period of 12 months they will not dispose of any of the Consideration Shares (subject to certain limited exceptions) without the consent of the Company other than through the Company's broker at the relevant time.

Further details of these arrangements are set out in paragraphs 7.1.5 and 7.1.6 of Part V of this document.

### **Options**

The Board believes that the recruitment, motivation and retention of key employees is vital for the successful growth of the Enlarged Group. The Board considers that an important element in achieving these objectives is the ability to incentivise and reward staff by reference to the market performance of

the Company in a manner which aligns the interests of those staff with the interest of Shareholders generally. The Company will utilise its Existing Share Option Plan pursuant to which Options have been and will be granted to directors and employees of the Enlarged Group.

It has been agreed that, for tax reasons, Options to acquire 4,000,000 Ordinary Shares that were granted prior to the date of this document be surrendered and replaced with new Options over the same number of Ordinary Shares. In addition, further Options over 13,800,000 Ordinary Shares have been granted, conditional on Admission. The table below sets out details of all such Options.

	No. of Ordinary Shares under Option	Exercise Price	Vesting period	Issued under the EMI scheme
Simon Barrell	800,000	1.25p	1 year	Not EMI
Nick Shephard	1,000,000*	1.25p	Immediate	EMI
	3,000,000*	1.25p	1 year	EMI
	1,000,000	1.25p	1 year	EMI
Mike Hayball	1,200,000	1.25p	1 year	EMI
	2,000,000	3.00p	1 year	EMI
	2,000,000	5.00p	1 year	EMI
Deryan Gilbert	1,600,000	1.25p	1 year	EMI
Stephen Brown	1,200,000	1.25p	1 year	EMI
	2,000,000	3.00p	1 year	EMI
	2,000,000	5.00p	1 year	EMI
	17,800,000			

\* Issued in replacement of existing options

The total number of Ordinary Shares that may be committed under the Existing Share Option Plan will not exceed 10 per cent. of the Enlarged Group's issued ordinary share capital from time to time. Further details of the Existing Share Option Plan and the Non-Executive Option are set out in paragraph 4 of Part V of this document.

### Corporate governance

The Board recognises the importance of sound corporate governance and with that aim, the Company has adopted policies and procedures, which reflect the principles of the UK Corporate Governance Code, as published by the Financial Reporting Council's Committee on Corporate Governance (commonly known as the "UK Corporate Governance Code") and appropriate to the Company's size. The Company does not fully comply with the UK Corporate Governance Code but it is intended that the Company will comply post Admission.

Following Admission, the Board will meet monthly to review key operational issues and the strategic development of the Enlarged Group. The financial performance of the Enlarged Group will be reported and monitored. All matters of a significant nature will continue to be discussed in the forum of a board meeting. The Board will be responsible for internal controls to minimise the risk of financial or operational loss or material misstatement. The controls established will be designed to meet the particular needs of the Company having regard to the nature of its business.

The Company has also established an Audit Committee and a Remuneration Committee with formally delegated duties and responsibilities. The Audit Committee consists of Trevor Brown and Tom Charlton and the Remuneration Committee consists of Simon Barrell, Trevor Brown and Tom Charlton.

The Audit Committee determines the terms of engagement of the Company's auditors and will determine, in consultation with the auditors, the scope of the audit. The Audit Committee will receive and review reports from management and the Company's auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Company. The Audit Committee has unrestricted access to the Company's auditors.

The Remuneration Committee reviews the scale and structure of the executive directors' and senior employees' remuneration and the terms of their service or employment contracts, including share option schemes and other bonus arrangements. The remuneration and terms and conditions of the Non-Executive Directors are set by the entire board.

The Enlarged Group will try to ensure, in accordance with Rule 21 of the AIM Rules, that the Board and applicable employees do not deal in any Ordinary Shares during a close period (as defined in the AIM Rules) and has, conditional upon Admission, adopted a code on dealings in the Company's securities.

The Directors believe that the Board has sufficient experience in accounting systems and controls which will provide a reasonable basis for them to make proper judgements as to the financial position and prospects of the Enlarged Group.

### **Dividend policy**

The Board's objective is to grow the Enlarged Group's business. Future income generated by the Enlarged Group is likely to be re-invested to implement its growth strategy. In view of this, it is unlikely that the Board will recommend a dividend in the early years following Admission. However, the Board intends that the Company will recommend or declare dividends at some future date once they consider it commercially prudent for the Company to do so, bearing in mind the financial position and resources required for its development.

### **Taxation**

Further information regarding taxation is set out in paragraph 8 of Part V of this document. These details are intended as a general guide only to the position under current UK taxation law as at the date of this document. If a Shareholder is in any doubt as to his or her tax position he or she should consult his or her own independent financial adviser immediately.

### **CREST**

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument in accordance with the CREST Regulations.

The Ordinary Shares will be eligible for CREST settlement. Accordingly, following Admission, settlement of transactions in the Ordinary Shares may take place within the CREST system if a Shareholder so wishes. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so.

### **General Meeting**

The notice convening the General Meeting is set out at the end of this document. A General Meeting has been convened for 10.00 a.m. on 16 May 2014 at the offices of Stephenson Harwood LLP at 1 Finsbury Circus, London EC2M 7SH for the purpose of considering and, if thought fit, passing the following resolutions:

Ordinary resolutions to:

- (1) approve the Acquisitions; and
- (2) authorise the Directors to allot the Consideration Shares, the Subscription Shares and the new Ordinary Shares to be issued pursuant to the TexRAD Warrants and the Non-Executive Option and to generally allot new Ordinary Shares or grant rights to subscribe for or convert any securities into new Ordinary Shares up to a maximum nominal amount of £238,433.43, such amount representing approximately 50 per cent. of the Enlarged Issued Share Capital.

Special resolution:

- (3) conditional on the passing of Resolution 2, to empower the Directors to disapply statutory pre-emption rights in respect of the Subscription Shares and the new Ordinary Shares to be issued



pursuant to the TexRAD Warrants and the Non-Executive Option and generally up to a maximum nominal amount of £143,060.06 such amount representing approximately 30 per cent. of the Enlarged Issued Share Capital.

To be passed, Resolutions 1 and 2 require a majority of more than 50 per cent. of the Shareholders voting in person or by proxy in favour of the relevant Resolution and Resolution 3 requires a majority of not less than 75 per cent. of the Shareholders voting in person or by proxy in favour.

### **Irrevocable undertakings to approve the Proposals**

The Directors have irrevocably undertaken to the Company to vote in favour of the Resolutions to be proposed at the General Meeting, in respect of their aggregate beneficial holdings totalling 78,273,919 Existing Ordinary Shares, representing 59.78 per cent. of the Existing Ordinary Shares.

Further details on the Irrevocable Undertakings are set out in paragraph 7.1.3 of Part V of this document.

### **Admission and dealings**

Application will be made to the London Stock Exchange for the Enlarged Issued Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Enlarged Issued Share Capital will commence on 19 May 2014.

### **Further information**

The attention of Shareholders is drawn to the information contained in Parts II to V of this document which provides additional details on the Proposals and the Enlarged Group.

### **Action to be taken**

A Form of Proxy is enclosed with this document for use by Shareholders in connection with the General Meeting. Whether or not you intend to be present at the General Meeting, Shareholders are asked to complete, sign and return the Form of Proxy in accordance with the instructions printed thereon. To be valid, completed Forms of Proxy must be received by Share Registrars, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL or by scan and email to proxies@shareregistrars.uk.com, as soon as possible, but in any event, so as to arrive not later than 10.00 a.m. on 14 May 2014, being 48 hours before the time appointed for the holding of the General Meeting.

The completion and return of the Form of Proxy will not preclude Shareholders from attending the General Meeting and voting in person should they wish to do so. Accordingly, whether or not Shareholders intend to attend the General Meeting they are urged to complete and return the Form of Proxy as soon as possible.

### **Recommendation**

The Directors believe that the terms of the Proposals are fair and reasonable and are in the best interests of the Company and its Shareholders as a whole.

Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolutions as they have irrevocably committed to do so in respect of their aggregate beneficial holdings totalling 78,273,919 Existing Ordinary Shares, representing 59.78 per cent. of the Existing Ordinary Shares.

Yours faithfully

**Nick Shephard**  
*Chairman*

## PART II

### Risk factors

Potential investors and Shareholders (as appropriate) should carefully consider the risks described below before making a decision to invest in the Company or to vote in favour of the Resolutions. This Part II contains what the Directors believe to be the principal risk factors associated with an investment in the Company. It should be noted that this list is not exhaustive and that other risk factors will apply to an investment in the Company. If any of the following risks actually occur, the Enlarged Group's business, financial condition and/or results or future operations could be materially adversely affected. In such circumstances, the trading price of the Ordinary Shares could decline and an investor may lose all or part of his investment.

There can be no certainty that the Enlarged Group will be able to implement successfully the strategy set out in this document. Additional risks and uncertainties not currently known to the Directors or which the Directors currently deem immaterial, may also have an adverse effect on the Enlarged Group.

This document contains forward-looking statements that involve risks and uncertainties. The Enlarged Group's actual results could differ materially from those anticipated in the forward-looking statements as a result of many factors, including the risks faced by the Enlarged Group which are described below and elsewhere in this document. Prospective investors and Shareholders should carefully consider the other information in this document. The risks listed below do not necessarily comprise all the risks associated with an investment in the Enlarged Group.

An investment in the Company may not be suitable for all recipients of this document. Investors and Shareholders are accordingly advised to consult an independent financial adviser duly authorised under the Financial Services and Markets Act 2000 and who specialises in advising upon the acquisition of shares and other securities before making a decision to invest or to vote in favour of the Resolutions.

#### **Risks Related to the Business of the Enlarged Group**

##### *The Enlarged Group's future business performance depends on the award of contracts*

The Enlarged Group's success depends on its ability to renew contracts with existing clients and to attract new clients. A substantial portion of the Enlarged Group's future revenues will be directly or indirectly derived from new contracts driven by market conditions. Failure to gain new business or renew contracts may adversely affect the Enlarged Group's future.

The Enlarged Group's dependence on the award or renewal of contracts means that its revenue stream is not constant and has the potential to be particularly sporadic. Delays in revenue delivery in future accounting periods may adversely affect the Enlarged Group's results and, therefore, the market price of its shares.

##### *Regulatory approval*

The development, evaluation and marketing of the Enlarged Group's products and on-going research and development activities are subject to regulation by governments and regulatory agencies in all territories within which the Company intends to market its products (whether itself or through a partner) and there can be no assurance that any of the Enlarged Group's products will successfully complete the trial process or that regulatory approvals to market these products will ultimately be obtained. Failure to obtain regulatory approvals for its products could threaten the Enlarged Group's ability to trade in the long term.

The time taken to obtain regulatory approval varies between territories and there can be no assurance that any of the Enlarged Group's products will be approved in any territory within the timescale envisaged by the Board, or at all, and this may result in a delay, or make impossible, the commercial



exploitation of the Enlarged Group's products. Furthermore, each regulatory authority may impose its own requirements and may refuse to grant, or may require additional data before granting, an approval, even though the relevant product may have been approved by another country's authority.

If regulatory approval is obtained, the product will be subject to continual review and there can be no assurance that such an approval will not be withdrawn or restricted. Changes in applicable legislation or regulatory policies, or discovery of problems with the product may result in the imposition of restrictions on the product, its sale, including withdrawal of the product from the market, or may otherwise have an adverse effect on the Enlarged Group's business and/or revenue streams.

#### *Protection of intellectual property*

There is no guarantee that the Enlarged Group's business model will not infringe patents or other intellectual property belonging to third parties. The Enlarged Group may need to utilise alternative technologies or reach commercial terms on the licensing of other parties' intellectual property rights. There can be no guarantee that the Enlarged Group will be able to obtain access to such alternative technologies or be able to licence, on commercially acceptable terms or at all, such intellectual property rights.

In the event that third parties allege infringement by the Enlarged Group of their intellectual property, even if the Enlarged Group is ultimately able to successfully defend itself against such allegations, the costs associated with such defence may be significant and the Enlarged Group may endure a long period of uncertainty regarding the outcome of such allegations. Any such circumstances may have a material adverse effect on the Enlarged Group's business, financial condition, trading performance and/or prospects.

#### **Risk Factor**

##### *Loss of key contracts due to change of control*

The Enlarged Group has built up a number of longstanding relationships with certain suppliers and customers on which it continues to capitalise. These relationships operate in accordance with certain key contracts and terms of business. A number of these key contracts contain change of control clauses which could provide an opportunity to terminate or renegotiate those agreements upon completion of the Acquisitions.

Any loss of or change in the Enlarged Group's relationships with its customers or suppliers (including the supply on less favourable terms), or becoming insolvent, could have an adverse effect on the Enlarged Group's business.

##### *Liabilities under service contracts*

Certain contracts entered into by the Enlarged Group require it to indemnify the client against certain losses resulting from the performance of the contract. There have been no claims to date but, in the event such liabilities arise, they could have an adverse impact on the Enlarged Group.

##### *Termination of contracts*

While the Company is not aware of any client that may wish to terminate a material contract, for this reason, many of the contracts can be terminated on four months' or shorter notice by the client and should any such contracts be terminated the Enlarged Group would lose the benefit of the contract. The loss of a major client such as Papworth Hospital, which accounts for a significant amount of the Enlarged Group's business and revenues, may have an impact on the Enlarged Group's revenues and profitability.

##### *Dependence upon key executives and personnel*

The Enlarged Group's future success is substantially dependent upon its senior management. The loss of any member of the Enlarged Group's senior management could harm or delay the business whilst management time is directed to finding suitable replacements or if no suitable replacement is available to the Enlarged Group. In either case this could have a material adverse effect on the future of the

Enlarged Group's business. While the Enlarged Group has entered into service agreements with each of the Directors and key Senior Management, the retention of their services cannot be guaranteed. The Enlarged Group intends to obtain key man insurance in respect of the executive directors named above.

In addition, the Enlarged Group may not be able to identify, attract, train, motivate and retain a sufficient number of professional staff with the requisite educational background and industry experience to continue to carry out its business plan.

#### *Management of growth*

The Directors expect the Company to grow organically and by acquisition. Failure to successfully manage such growth and the integration of any acquisitions and new customers may have a material adverse impact on the Enlarged Group's business.

#### *Competition*

The Enlarged Group may face significant competition, including from domestic and overseas competitors who have greater capital and other resources and superior brand recognition than the Enlarged Group and may be able to provide better products or adopt more aggressive pricing policies. There is no assurance that the Enlarged Group will be able to compete successfully in such a marketplace.

#### *The Enlarged Group's objectives may not be fulfilled*

The value of an investment in the Company is dependent upon the Enlarged Group achieving the aims set out in this document. There can be no guarantee that the Enlarged Group will achieve the level of success that the Board expects.

#### *Internal Systems and Controls*

The Enlarged Group does not currently have all the internal systems and controls which investors would expect from a larger, more established business. On Admission, the Board intends to take steps to ensure that systems and controls (appropriate for a group of the size and of the nature of the Enlarged Group) are adopted and reviewed regularly.

#### *Other directorships/interests*

It is possible that members of the Board may, following Admission, be interested in or act, in a limited quality, in the management or conduct of the affairs of other companies. Should any conflicts of interest be identified, they will be declared to the Board and dealt with appropriately.

#### *Economic, political, judicial, administrative, taxation or other regulatory matters*

The Enlarged Group may be adversely affected by changes in economic, political, judicial, administrative, taxation or other regulatory factors, as well as other unforeseen matters.

#### *Requirement for further funds*

The existing resources of the Enlarged Group may not be sufficient for the future working capital requirements of the Enlarged Group or allow the Enlarged Group to exploit new opportunities. It may therefore be necessary for the Company to raise further funds in the future, which may be by way of issue of further Ordinary Shares on a non-pre-emptive basis.

### **Taxation Framework**

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

## **General risks**

If any or all of the above risks actually occur, the Enlarged Group's business, financial conditions, results or future operations could be adversely affected. In such a case, the price of the Ordinary Shares could decline and investors may lose all or part of their investment. Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect upon the Enlarged Group.

## **General Market Risks**

### *General Economic Conditions*

Market conditions may affect the ultimate value of the Company and, after Completion, the Enlarged Group's share price regardless of operating performance. The Enlarged Group could be affected by unforeseen events outside its control, including, natural disasters, terrorist attacks and political unrest and/or government legislation or policy. Market perception of companies involved in the supply of medical equipment may change which could impact on the value of investors' holdings and impact on the ability of the Enlarged Group to raise further funds by an issue of further shares in the Company. General economic conditions may affect exchange rates, interest rates and inflation rates. Movements in these rates will have an impact on the Company's cost of raising and maintaining debt financing.

*There may not be sufficient liquidity in the market for the Ordinary Shares in order for Shareholders to sell their Ordinary Shares*

Whilst the Company is applying for the admission of the Ordinary Shares to trading on AIM, there can be no assurance that an active trading market for the Ordinary Shares will develop, or if developed, that it will be maintained. AIM is a market for emerging or smaller growing companies and may not provide the liquidity normally associated with the Official List of the London Stock Exchange or other exchanges.

The future success of AIM and liquidity in the market for the Ordinary Shares cannot be guaranteed. In particular, the market for the Ordinary Shares may be, or may become, relatively illiquid (particularly given the lock-in arrangements described in this document) and therefore the Ordinary Shares may be or may become difficult to sell.

An investment in the Company may not be suitable for all recipients of this document. Accordingly investors are strongly advised to consult an independent financial adviser authorised for the purpose of FSMA who specialises in the acquisition of shares and other securities in the UK before making any decision to invest.

*The price of the Ordinary Shares may be volatile*

The market price of the Ordinary Shares could be subject to significant fluctuations due to a change in investor sentiment regarding the Ordinary Shares or other securities related to the industry or in response to various facts and events, including variations in the Enlarged Group's interim or full year operating results and business developments of the Enlarged Group and/or competitors. In addition, the market price of the Ordinary Shares may not reflect the underlying value of the Enlarged Group.

The market price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, including those referred to in this Part II, as well as stock market fluctuations and general economic conditions that may substantially affect the market price of the Ordinary Shares, regardless of the actual performance of the Enlarged Group.

*Shareholders may suffer significant further dilution*

Following the completion of the Proposals, the Enlarged Issued Share Capital will be 190,746,746 Ordinary Shares. In addition, sales, or the possibility of sales, of substantial numbers of Ordinary Shares in the public or private market following Admission could have an adverse effect on the market price of the Ordinary Shares.

*Additional capital and dilution*

The Company may require additional capital in the future for expansion and/or business development which may significantly dilute the interests of Shareholders. If the Company is unable to obtain financing on terms acceptable to it then it may be forced to curtail its planned development. If additional funds are raised through the issuance of new equity or equity-linked securities in the Company other than on a pro-rata basis to Shareholders, the percentage ownership of Shareholders may be reduced. There is no guarantee that any future capital raisings will be successful.

**Although the Directors will seek to minimise the impact of the above risk factors, investment in the Company should only be made by investors able to sustain a total loss of their investment.**

**Investors in the United Kingdom are strongly recommended to consult an investment adviser authorised under FSMA (who specialises in investments of this nature) before making a decision to invest. Investors outside the United Kingdom should seek advice from an appropriately authorised adviser in their local jurisdiction.**

## PART III(a)

### Accountant's Report on the financial information of Cambridge Computed Imaging Limited



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26 Red Lion Square  
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The Directors  
Sanlam Securities UK Limited  
10 King William Street  
London  
EC4N 7TW

30 April 2014

Dear Sirs

We report on financial information set out below on Cambridge Computed Imaging Limited. This has been prepared for inclusion in the AIM admission Document (the "Document") dated 30 April 2014 of Feedback plc (the "Company") on the basis of the principal accounting policies set out in Note 3 to the financial information. This report is required by Schedule Two of the AIM Rules and is given for the purpose of complying with that schedule and for no other purpose.

#### **Responsibilities**

The Directors of the Company are responsible for preparing the Financial Information on the basis set out below and in accordance with applicable International Financial Reporting Standards ("IFRS") as adopted by the European Commission.

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 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, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any person other than the addressees of this letter for any loss suffered by any such person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Paragraph (a) of Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Document.

#### **Basis of opinion**

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

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

### **Opinion**

In our opinion the Financial Information gives, for the purposes of the Document dated 30 April 2014, a true and fair view of the state of affairs of Cambridge Computed Imaging Limited as at the dates stated and of its losses and cash flows for the periods then ended in accordance with the basis of preparation set out below and in accordance with applicable IFRS and has been prepared in a form that is consistent with the accounting policies adopted by the Company.

### **Declaration**

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

Yours faithfully

**Crowe Clark Whitehill LLP**  
*Chartered Accountants*

## Historical Financial Information of CCI

The financial information set out below of CCI for the three years ended 31 January 2014 has been prepared by the directors of CCI on the basis set out in note 3.

The accompanying notes represent an integral part of the financial information.

The financial information contained within this section does not constitute statutory financial accounts within the meaning of section 434 of the 2006 Act.

### Statements of comprehensive income

		Year to 31 January 2012 £	Year to 31 January 2013 £	Year to 31 January 2014 £
Continuing operations				
Revenue	4	210,207	188,879	267,142
Cost of sales		(73,594)	(64,528)	(102,275)
Gross profit		136,613	124,351	164,867
Administrative expenses		(172,661)	(168,296)	(170,695)
<b>Operating loss</b>		(36,048)	(43,945)	(5,828)
Finance costs	6	—	—	(1,396)
<b>Loss before income tax</b>	7	(36,048)	(43,945)	(7,224)
Income tax	8	14,058	14,012	9,090
<b>(Loss)/profit for the year</b>		(21,990)	(29,933)	1,866
<b>Total comprehensive income</b>		(21,990)	(29,933)	1,866



## Statements of financial position

	Notes	As at 31 January 2012 £	As at 31 January 2013 £	As at 31 January 2014 £
<b>Assets</b>				
<b>Non-current assets</b>				
Investment	9	1	1	1
Intangible assets	10	74,655	66,009	55,875
Property, plant and equipment	11	802	544	1,315
		<b>75,458</b>	<b>66,554</b>	<b>57,191</b>
<b>Current assets</b>				
Stock		421	421	—
Trade and other receivables	12	29,313	16,392	37,246
Current tax assets		18,801	7,053	3,612
Cash and cash equivalents	13	15,806	20,023	30,181
		<b>64,341</b>	<b>43,889</b>	<b>71,039</b>
<b>Total assets</b>		<b>139,799</b>	<b>110,443</b>	<b>128,230</b>
<b>Equity</b>				
Called up share capital	14	1,075	1,075	1,075
Share premium		14,925	14,925	14,925
Retained earnings		(138,341)	(168,274)	(166,408)
<b>Total equity</b>		<b>(122,341)</b>	<b>(152,274)</b>	<b>(150,408)</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	15	262,140	262,717	278,638
<b>Total liabilities</b>		<b>262,140</b>	<b>262,717</b>	<b>278,638</b>
<b>Total equity and liabilities</b>		<b>139,799</b>	<b>110,443</b>	<b>128,230</b>

## Statements of changes in equity

	Called up share capital £	Share Premium £	Retained earnings £	Total equity £
<b>1 February 2011</b>	<b>1,075</b>	<b>14,925</b>	<b>(116,351)</b>	<b>(100,351)</b>
Loss for the year	—	—	(21,990)	(21,990)
Total comprehensive income	—	—	(21,990)	(21,990)
<b>31 January 2012</b>	<b>1,075</b>	<b>14,295</b>	<b>(138,341)</b>	<b>(122,341)</b>
Loss for the year	—	—	(29,933)	(29,933)
Total comprehensive income	—	—	(29,933)	(29,933)
<b>31 January 2013</b>	<b>1,075</b>	<b>14,925</b>	<b>(168,274)</b>	<b>(152,274)</b>
Profit for the year	—	—	1,866	1,866
Total comprehensive income	—	—	1,866	1,866
<b>31 January 2014</b>	<b>1,075</b>	<b>14,925</b>	<b>(166,408)</b>	<b>(150,408)</b>

## Statements of cash flows

	Year to 31 January 2012 £	Year to 31 January 2013 £	Year to 31 January 2014 £
<b>Cash flows from operating activities</b>			
Loss before tax	(36,048)	(43,945)	(7,224)
Depreciation charges	2,980	414	1,429
Amortisation of intangibles	91,885	90,744	87,115
Profit on disposal of property, plant and equipment	(250)	—	—
Decrease in stock	—	—	421
Increase/(decrease) in trade and other receivables	10,978	12,921	(20,854)
Increase in trade and other payables	5,830	577	15,921
Interest paid	—	—	1,396
<b>Cash generated from operations</b>	<b>75,375</b>	<b>60,711</b>	<b>78,204</b>
Interest paid	—	—	(1,396)
Taxation received	—	25,760	12,531
<b>Net cash inflow from operating activities</b>	<b>75,375</b>	<b>86,471</b>	<b>89,339</b>
<b>Cash flows from investing activities</b>			
Purchase of intangible assets	(98,024)	(82,098)	(76,981)
Purchase of property, plant and equipment	(1,143)	(156)	(2,200)
Proceeds from the disposal of property, plant and equipment	798	—	—
<b>Net cash outflow from investing activities</b>	<b>(98,369)</b>	<b>(82,254)</b>	<b>(79,181)</b>
<b>(Decrease)/increase in cash and cash equivalents</b>	<b>(22,994)</b>	<b>4,217</b>	<b>10,158</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>38,800</b>	<b>15,806</b>	<b>20,023</b>
<b>Cash and cash equivalents at end of period</b>	<b>15,806</b>	<b>20,023</b>	<b>30,181</b>

## **1. Corporate information**

Cambridge Computed Imaging Limited is a technology company providing software solutions to the medical industry.

Cambridge Computed Imaging Limited is a limited company domiciled in the United Kingdom and incorporated under registered number 04025026 in England and Wales. Cambridge Computed Imaging Limited's registered office is Unit 5, Grange Park, Broadway, Bourn, Cambridge CA23 2TA.

## **2. Adoption of new and revised international financial reporting standards**

No new International Financial Reporting Standards ("IFRS"), amendments or interpretations became effective in 2014 with none having a material effect on this financial information.

At the date of approval of this financial information, the IASB and IFRIC have issued the following standards and interpretations which are not yet effective and have not been early adopted. They are not expected to have a material impact on reported results.

### **IFRS Standards and Interpretations issued (and EU adopted) but not yet effective**

IAS 19 Amendment – Employee Benefits

IFRS 7 and IAS 32 Offsetting financial assets and financial liabilities

IAS 27 Separate Financial Statements

IAS 28 Investments in Associates and Joint Ventures

IFRS 10 Consolidated Financial Statements

IFRS 11 Joint Arrangements

IFRS 12 Disclosure of Interests in Other Entities

IFRS 13 Fair Value Measurement

IFRIC 20: Stripping Costs in the Production Phase of a Surface Mine

IFRS 1 Amendments – Government Loans

Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)

Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

IAS 36 Amendments Recoverable Amount Disclosures for non-Financial Assets

### **IFRS Standards and Interpretations issued by IASB but not yet EU approved**

IFRIC 21 Levies

IFRS 14 Regulatory Deferral Accounts

## **3. Accounting policies**

### **Basis of preparation**

The historical financial information comprises the financial statements of Cambridge Computed Imaging Limited as at 31 January for each of the three years 2012, 2013 and 2014 and is prepared using consistent accounting policies.

The historical financial information has been prepared for the purposes of the acquisition of Cambridge Computed Imaging Limited. Adjustments where appropriate from amounts previously reported in the unaudited statutory financial statements have been made as a result of matters identified through the audit process.

The historical financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU"), IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The historical financial information has been prepared under the historical cost convention. Cambridge Computed Imaging Limited previously reported under UK GAAP. The transition to IFRS had no impact on the company's financial position, 31 January 2014, as there was no measurement differences between UK GAAP and IFRS.

The accounting policies which follow set out the policies applied in preparing the historical financial information.

The historical financial information is presented in pounds sterling, the functional currency of Feedback plc. Cambridge Computed Imaging Limited's functional currency is pounds sterling.

**Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of VAT. The company recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the company's activities, as described below.

Revenue relating to software development that is contracted on a time and materials basis is recognised as the services are performed.

Revenue relating to the sale of software licences is recognised over the period to which the license relates.

Revenue from services provided is determined by management's assessment of the percentage completed of each contract. Management determine the percentage of completion by considering the work performed to date based upon internal reports and agreed project milestones.

**Intangible assets**

*Research and development costs*

The significant intangible assets relate to software development of products that are integral to the trade of CCI. Amortisation is recognised in other operating expenses in the income and expenditure account.

The carrying value of intangible assets is reviewed for impairment whenever events or changes in circumstance indicate that the carrying value may not be recoverable. Impairment losses are recognised in other operating expenses in the income and expenditure account.

Research expenditure is recognised as an expense when incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) being recognised as intangible assets when it is probable that the project will be a success, considering its commercial and technological feasibility, and costs can be measured reliably. Other development expenditure is recognised as an expense when incurred. Development costs previously recognised as an expense were not recognised as an asset in a subsequent period. Development costs that have a finite useful life and that have been capitalised were amortised from the commencement of the commercial production of the product on a straight line basis over a period of 48 months.

**Property, plant and equipment**

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

Plant and machinery	–	33 per cent. reducing balance
Computer equipment	–	50 per cent. reducing balance

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

**Investments**

Investments are stated in the Company's statement of financial position at cost less accumulated impairment losses.

**Taxation**

Tax expense represents the sum of the current tax and deferred tax charge for the year.

## **Current tax**

The current tax payable is based on taxable profit for the year. Where taxable profit differs from profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. Cambridge Computed Imaging Limited's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the year end.

## **Deferred tax**

Deferred taxes are provided in full, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. Deferred taxes are determined using tax rates that have been enacted or substantially enacted and are expected to apply when the related deferred tax asset is realised or the related deferred tax liability is settled.

The principal temporary differences arise from depreciation or amortisation charged on assets and tax losses carried forward. Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

## **Operating leases**

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except if another systematic basis is more representative of the time pattern in which economic benefits will flow to the company.

Lease incentives and similar arrangements of incentives are taken into account when calculating the straight-lined expense and spread over the lease term.

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

## **Critical accounting estimates and judgements**

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities. The estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable and constitute management's best judgement at the date of the financial statements. In the future, actual experience could differ from those estimates.

Further details of estimates and assumptions are set out in each of the relevant accounting policies and detailed notes to the financial statements.

The principal judgements made by management that could have a significant impact upon the company's financial results relate to the following:

- the assertions in the preparation of the financial statements on a going concern basis;
- the recognition of revenue and estimate of deferred and accrued income;
- the treatment of product development costs;
- the assessment and appropriateness of recognition of deferred tax assets;
- the fair value of the financial instruments; and
- the assessment of receivables for impairment.

## **Financial Instruments**

Financial instruments are initially recognised at fair value. Fair value is the amount at which such an instrument could be exchanged in an arm's-length transaction between informed and willing parties.

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least at each statement of financial position date whether or not there is objective evidence that a financial asset is impaired.

Trade and other receivables are recognised initially at fair value and subsequently at amortised costs under the effective interest method. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Cash and cash equivalents comprise cash at bank and in hand as well as short term bank deposits.

Financial liabilities are obligations to pay cash or other financial assets and are recognised when the company becomes party to the contractual provisions of the instrument. All financial liabilities are recorded initially at fair value, net of direct issue costs and subsequently measured at amortised cost using the effective interest method, less settlement payments. Interest related charges are recognised as an expense in finance costs in the income statement.

Finance charges, including premiums payable on settlement or redemption and direct issue costs are charged to the income statement on an accruals basis using the effective interest method. They are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Trade payables are obligations to pay for goods, services and fees that have been either acquired or incurred in the ordinary course of business. Amounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not they are presented as non-current liabilities.

A financial liability is derecognised only when the obligation is discharged, cancelled or expires. Royalty payments are recognised on a straight-line basis throughout the contractually agreed period.

## **Pension costs**

Pension contribution to defined contribution schemes are recognised as they fall due.

## **4. Segment reporting**

Operating segments are based on internal reports about components of the company, which are regularly reviewed and used by the Board of Directors being the Chief Operating Decision Maker ("CODM") for strategic decision making and resource allocation, in order to allocate resources to the segment and to assess its performance.

Cambridge Computed Imaging Limited's operations are centred on software services to its customers. The business is structured as a single entity company and its financial reporting is set to report to the CODM information as a whole. Management therefore considers there to be only a single reporting segment covering the entire company although revenue analysis is provided below. Therefore additional analysis of the figures reported in these financial statements is neither appropriate nor necessary to enable users of the financial statements to evaluate the nature and financial effects of the business activities.



An analysis of revenue is as follows:

	Year ended 31 January 2012 £	Year ended 31 January 2013 £	Year ended 31 January 2014 £
Software services and licences	210,207	188,879	267,142

The geographical split of revenue is as follows:

	Year ended 31 January 2012 £	Year ended 31 January 2013 £	Year ended 31 January 2014 £
UK	210,207	188,879	267,142

## 5. Employees and directors

	Year ended 31 January 2012 £	Year ended 31 January 2013 £	Year ended 31 January 2014 £
Wages and salaries	111,787	114,898	115,728
Social security costs	11,825	12,153	12,534
Other pension costs	11,108	11,452	11,513
	<b>134,720</b>	<b>138,503</b>	<b>139,775</b>

The average monthly number of employees during the periods were as follows:

Directors	2	2	2
Administration and software developers	1	1	1
	£	£	£
Directors' remuneration			
M Hayball	38,462	40,000	41,400
S Brown	38,666	40,000	41,100
	77,128	80,000	82,500
Directors' pension contributions to money purchase schemes	10,533	11,200	11,508

The above analysis represents the compensation for key personnel.

## 6. Finance costs

	Year ended 31 January 2012 £	Year ended 31 January 2013 £	Year ended 31 January 2014 £
Finance costs:			
Bank interest	—	—	1,396
	—	—	<b>1,396</b>

## 7. Loss before tax

The profit before tax is stated after charging:

	Year ended 31 January 2012 £	Year ended 31 January 2013 £	Year ended 31 January 2014 £
Profit on disposal of property, plant and equipment	250	—	—
Depreciation – property, plant and equipment	2,980	414	1,429
Depreciation – intangible assets	91,885	90,744	87,115

## 8. Income tax

### Analysis of the tax charge

	Year ended 31 January 2012 £	Year ended 31 January 2013 £	Year ended 31 January 2014 £
Current tax:			
Current tax credit on profits for the year	14,058	14,012	9,090
Taxation expense credit	<b>14,058</b>	<b>14,012</b>	<b>9,090</b>

### Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	Year ended 31 January 2012 £	Year ended 31 January 2013 £	Year ended 31 January 2014 £
Loss on ordinary activities before tax	(36,048)	(43,945)	(7,224)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20 per cent.	(7,209)	(8,789)	(1,445)
Effects of:			
Capital allowances for period in lower than depreciation	7,659	254	361
Effects of non taxable income expenditure	(50)	—	—
Effects of non deductible expenditure	128	114	50
Effects of Research and development allowances	(14,586)	(5,591)	(8,056)
Total taxation	<b>(14,058)</b>	<b>(14,012)</b>	<b>(9,090)</b>

Cambridge Computed Imaging Limited has had losses to carry forward of approximately £63,000 which will be available to offset against future profits, of which approximately £43,000 will be used against deferred tax liabilities.

## 9. Investments

	Year ended 31 January 2012 £	Year ended 31 January 2013 £	Year ended 31 January 2014 £
Investments	1	1	1

On 11 February 2011 Cambridge Computed Imaging Limited acquired nine per cent. of TexRAD Limited, an unlisted company, which comprises 90, 1p shares.

## 10. Intangible assets

	Development Costs £
<b>Cost</b>	
<b>At 1 February 2011</b>	<b>612,291</b>
Additions	98,024
<b>At 31 January 2012</b>	<b>710,315</b>
Additions	82,098
<b>At 31 January 2013</b>	<b>792,413</b>
Additions	76,981
<b>At 31 January 2014</b>	<b>869,394</b>
<b>Amortisation</b>	
<b>At 1 February 2011</b>	<b>543,775</b>
Charge for year	91,885
<b>At 31 January 2012</b>	<b>635,660</b>
Charge for year	90,744
<b>At 31 January 2013</b>	<b>726,404</b>
Charge for year	87,115
<b>At 31 January 2014</b>	<b>813,519</b>
<b>Net book value</b>	
<b>At 31 January 2014</b>	<b>55,875</b>
<b>At 31 January 2013</b>	<b>66,009</b>
<b>At 31 January 2012</b>	<b>74,655</b>

## 11. Property, plant and equipment

	Plant and machinery £	Computer equipment £	Total £
<b>Cost</b>			
<b>At 1 February 2011</b>	<b>7,646</b>	<b>48,528</b>	<b>56,174</b>
Additions	—	1,143	1,143
Disposals	(987)	—	(987)
<b>At 31 January 2012</b>	<b>6,659</b>	<b>49,671</b>	<b>56,330</b>
Additions	—	156	156
<b>At 31 January 2013</b>	<b>6,659</b>	<b>49,827</b>	<b>56,486</b>
Additions	—	2,200	2,200
<b>At 31 January 2014</b>	<b>6,659</b>	<b>52,027</b>	<b>58,686</b>
<b>Depreciation</b>			
<b>At 1 February 2011</b>	<b>6,938</b>	<b>46,049</b>	<b>52,987</b>
Charge for year	110	2,870	2,980
Disposals	(439)	—	(439)
<b>At 31 January 2012</b>	<b>6,609</b>	<b>48,919</b>	<b>55,528</b>
Charge for year	50	364	414
<b>At 31 January 2013</b>	<b>6,659</b>	<b>49,283</b>	<b>55,942</b>
Charge for year	—	1,429	1,429
<b>At 31 January 2014</b>	<b>6,659</b>	<b>50,712</b>	<b>57,371</b>
<b>Net book value</b>			
<b>At 31 January 2014</b>	<b>—</b>	<b>1,315</b>	<b>1,315</b>
<b>At 31 January 2013</b>	<b>—</b>	<b>544</b>	<b>544</b>
<b>At 31 January 2012</b>	<b>50</b>	<b>752</b>	<b>802</b>

## 12. Trade and other receivables

	As at 31 January 2012 £	As at 31 January 2013 £	As at 31 January 2014 £
Trade receivables	10,300	270	20,000
Other debtors and prepayments	19,013	16,122	17,246
	<b>29,313</b>	<b>16,392</b>	<b>37,246</b>

## 13. Cash and cash equivalents

	As at 31 January 2012 £	As at 31 January 2013 £	As at 31 January 2014 £
Cash at bank	15,806	20,023	30,181

#### 14. Called up share capital

	As at 31 January 2012	As at 31 January 2013	As at 31 January 2014
Number of shares in issue			
A Ordinary £1 shares	1,075	1,075	1,075
B Ordinary £0.01 shares	10	10	10
	£	£	£
A Ordinary shares of £1 each in issue at beginning and end of the year	1,075	1,075	1,075
A Ordinary shares of £0.01 each in issue at beginning and end of the year	—	—	—
	1,075	1,075	1,075

#### 15. Trade and other payables

	As at 31 January 2012 £	As at 31 January 2013 £	As at 31 January 2014 £
Trade payables	12,698	3,217	5,623
Amounts owing to related parties	189,000	189,000	189,000
Social security and other taxes	3,363	3,307	3,367
Accruals and deferred income	57,079	67,193	80,648
	262,140	262,717	278,638

The ageing of the trade payables as at each period end is detailed below:

	As at 31 January 2012 £	As at 31 January 2013 £	As at 31 January 2014 £
0 to 30 days	12,315	2,864	5,623
31 to 60 days	30	—	—
61 to 90 days	—	—	—
Over 90 days	189,353	189,353	189,000
	201,698	192,217	194,623

#### 16. Related party transactions

	As at 31 January 2012 £	As at 31 January 2013 £	As at 31 January 2014 £
Sales to TexRAD Limited	24,000	21,600	38,823
Sales to Imaging Equipment Limited	—	—	14,400
Balances outstanding			
	As at 31 January 2012 £	As at 31 January 2013 £	As at 31 January 2014 £
TexRAD Limited	—	—	12,800
Imaging Equipment Limited	—	—	7,200
Amounts due to T Charlton shareholder	(189,000)	(189,000)	(189,000)
Total	(189,000)	(189,000)	(169,000)

No interest has been charged or credited to these loan amounts.

Sales to TexRAD Limited are defined as related party transactions as Cambridge Computed Imaging Limited owns nine per cent. of TexRAD Limited. The shares in TexRAD Limited were issued to Cambridge Computed Imaging Limited on 12 February 2012 for nil cost.

Sales to Imaging Equipment Limited have been treated as related party transactions as a director of TexRAD Limited owned the company.

Tom Charlton took over a debt due by Cambridge Computed Imaging Limited to Panvista Limited. Tom Charlton owns 14 per cent. of Cambridge Computed Imaging Limited.

## **17. Risk management**

### **General objectives, policies and procedures**

The directors have overall responsibility for the determination of the company's risk management objectives and operating processes that ensure effective implementation of the policies set out below. Directors receive monthly reports through which they review the effectiveness of the processes put in place and the appropriateness of the objectives and policies they set.

The overall objective of the directors is to set policies that seek to reduce risk as far as possible without unduly affecting the company's competitiveness and flexibility. Further details of these policies are set out below:

#### **Credit risk**

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The company is mainly exposed to credit risk from credit sales. It is company policy to assess the credit risk of new customers before entering contracts. Subject to this assessment, the company's standard payment and delivery terms and conditions are offered. Purchase limits are established for each customer.

The directors determine concentrations of credit risk through a monthly review of trade receivables' ageing analysis. Customers placed as high risk are placed on a restricted customer list and future sales made on a prepayment basis, subject to the discretion of the directors and local management.

#### **Currency risks**

The company's operations are located in the United Kingdom. The company's transactions are primarily denominated in sterling with little exposure to foreign currency risks. Due to the limited risks to the company, forward exchange contracts are not considered necessary and are not used. The company does not operate foreign currency bank accounts.

The translation risk on the company's foreign exchange payables and receivables is considered to be immaterial due to their short-term nature.

#### **Liquidity risk**

Liquidity risk arises from the company's management of working capital and the finance charges and principal repayments on its debt instruments.

The company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due.

The directors receive rolling 12 month cash flow projections on a monthly basis as well as information regarding cash investments. At the yearend these projections indicated that the company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to secure new facilities with the bank.

Budgets are set by the directors, enabling the company's cash requirements to be anticipated and any increase in facilities requires the approval of the board of directors.

## Capital management

The company's activities are of a type and stage of development where the most suitable capital structure is that of one almost entirely financed by equities. The directors will reassess the future capital structure when projects under development are sufficiently advanced. The company considers its capital to consist of share capital only.

The company's financial strategy is to utilise its resources and current trading revenue streams to further appraise and test the company's research and development projects. The company keeps investors informed of its progress with its projects through regular announcements and raises additional equity finance at appropriate times.

## Categories of financial instruments

All of the company's financial assets are classified as loans and receivables, and all of the company's financial liabilities are classified as being measured at amortised cost.

	As at 31 January 2012 £	As at 31 January 2013 £	As at 31 January 2014 £
<b>Financial assets</b>			
Trade and other receivables	10,300	270	20,000
Bank balances	15,806	20,023	30,181
<b>Total financial assets</b>	<b>26,106</b>	<b>20,293</b>	<b>50,181</b>
<b>Non financial assets</b>			
Corporation tax recoverable	18,801	7,053	3,612
Other debtors and prepayments	19,013	16,122	17,246
	37,814	23,175	20,858
<b>Total assets per statement of financial position</b>			
Trade and other receivables	48,114	23,445	40,858
Cash and cash equivalents	15,806	20,023	30,181
	63,920	43,468	71,039
<b>Financial liabilities</b>			
Trade and other payables	220,127	211,121	215,248
<b>Total financial liabilities</b>	<b>220,127</b>	<b>211,121</b>	<b>215,248</b>
<b>Non financial liabilities</b>			
Social security and other taxes	3,363	3,307	3,367
Deferred income	38,650	48,290	60,024
	42,013	51,597	63,391
<b>Total liabilities per statement of financial position</b>			
Trade and other payables	262,140	262,717	278,638
	262,140	262,717	278,638



## Disclosure of credit risk

The directors consider that the carrying amount of trade and other receivables approximates to their value.

The analysis of unimpaired trade receivables that are past due at the end of the period is detailed below:

	As at 31 January 2012 Gross £	As at 31 January 2013 Gross £	As at 31 January 2014 Gross £
0 to 30 days	234	270	7,200
30 to 60 days	8,866	—	2,880
60 to 90 days	—	—	9,920
Over 90 days	1,200	—	—
	10,300	270	20,000

## 18. Financial commitments

The company leases its property. The property lease lapsed in 2006, although Cambridge Computed Imaging Limited continues to occupy the premises.

The total future minimum operating lease payments are due as follows:

	As at 31 January 2012 £	As at 31 January 2013 £	As at 31 January 2014 £
Not later than one year	11,541	8,295	8,295

## 19. Controlling interest

There is no overall controlling interest in the company.

## 20. Subsequent events

As at 31 January 2014, Cambridge Computed Imaging Limited has outstanding debts owed to Tom Charlton amounting to £189,000. Conditional on Admission, Cambridge Computed Imaging Limited will repay these debts utilising funds from Feedback which will be made available pursuant to the Shareholder Loan from Tom Charlton.

## PART III(b)

### Accountant's Report on the Financial Information of TexRAD Limited



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The Directors  
Sanlam Securities UK Limited  
10 King William Street  
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30 April 2014

Dear Sirs

We report on the financial information set out below on TexRAD Limited. This has been prepared for inclusion in the AIM admission Document (the "Document") dated 30 April 2014 of Feedback plc (the "Company") on the basis of the principal accounting policies set out in Note 3 to the financial information. This report is required by Schedule Two of the AIM Rules and is given for the purpose of complying with that schedule and for no other purpose.

#### **Responsibilities**

The Directors of the Company are responsible for preparing the Financial Information on the basis set out below and in accordance with applicable International Financial Reporting Standards ("IFRS") as adopted by the European Commission.

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 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, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any person other than the addressees of this letter for any loss suffered by any such person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Paragraph (a) of Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Document.

#### **Basis of opinion**

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

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

### **Opinion**

In our opinion the Financial Information gives, for the purposes of the Document dated 30 April 2014, a true and fair view of the state of affairs of TexRAD Limited as at the dates stated and of its losses and cash flows for the periods then ended in accordance with the basis of preparation set out below and in accordance with applicable IFRS and has been prepared in a form that is consistent with the accounting policies adopted by the Company.

### **Declaration**

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

Yours faithfully

**Crowe Clark Whitehill LLP**  
*Chartered Accountants*

## Historical Financial Information of TexRAD Limited

The financial information set out below of TexRAD Limited (“TexRAD”) for the period from 12 February 2011 ended 31 January 2014 has been prepared by the directors of TexRAD on the basis set out in note 3.

The accompanying notes represent an integral part of the financial information.

The financial information contained within this section does not constitute statutory financial accounts within the meaning of section 434 of the 2006 Act.

### Statements of comprehensive income

		17 months to 31 July 2012 £	12 months to 31 July 2013 £	Six months to 31 January 2014 £
Continuing operations				
Revenue	4	3,167	76,261	52,886
Cost of sales		(1,000)	(47,359)	(26,927)
Gross Profit		2,167	28,902	25,959
Administrative expenses		(18,226)	(55,473)	(40,825)
<b>Loss before income tax</b>		(16,059)	(26,571)	(14,866)
Income tax		—	—	—
<b>Loss for the period</b>		(16,059)	(26,571)	(14,866)
<b>Total comprehensive income</b>		(16,059)	(26,571)	(14,866)

## Statements of financial position

	Notes	As at 31 July 2012 £	As at 31 July 2013 £	As at 31 January 2014 £
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets	8	18,000	29,423	46,938
		18,000	29,423	46,938
<b>Current assets</b>				
Trade and other receivables	9	500	42,237	60,979
Cash and cash equivalents	10	15,376	3,479	2,110
		15,876	45,716	63,089
<b>Total assets</b>		<b>33,876</b>	<b>75,139</b>	<b>110,027</b>
<b>Equity</b>				
Called up share capital	11	10	10	10
Share premium		39,990	39,990	39,990
Retained earnings		(16,059)	(42,630)	(57,496)
<b>Total equity</b>		<b>23,941</b>	<b>(2,630)</b>	<b>(17,496)</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	13	9,935	77,769	127,523
Current tax liabilities		—	—	—
<b>Total liabilities</b>		<b>9,935</b>	<b>77,769</b>	<b>127,523</b>
<b>Total equity and liabilities</b>		<b>33,876</b>	<b>75,139</b>	<b>110,027</b>

## Statements of changes in equity

	Called up share capital £	Share Premium £	Retained earnings £	Total equity £
<b>12 February 2011</b>	—	—	—	—
Issue of shares	10	39,990	—	40,000
Total comprehensive income	—	—	(16,059)	(16,059)
<b>31 July 2012</b>	<b>10</b>	<b>39,990</b>	<b>(16,059)</b>	<b>23,941</b>
Total comprehensive income	—	—	(26,571)	(26,571)
<b>31 July 2013</b>	<b>10</b>	<b>39,990</b>	<b>(42,630)</b>	<b>(2,630)</b>
Total comprehensive income	—	—	(14,866)	(14,866)
<b>31 January 2014</b>	<b>10</b>	<b>39,990</b>	<b>(57,496)</b>	<b>(17,496)</b>

## Statements of cash flows

	17 months to 31 July 2012 £	12 months to 31 July 2013 £	Six months to 31 January 2014 £
<b>Cash flows from operating activities</b>			
Loss before tax	(16,059)	(26,571)	(14,866)
Amortisation	6,000	4,800	2,703
Increase in trade and other receivables	(500)	(41,737)	(18,742)
Decrease in trade and other payables	9,935	67,834	49,754
<b>Cash (used in)/generated from operations</b>	<b>(624)</b>	<b>4,326</b>	<b>18,849</b>
<b>Cash flows from investing activities</b>			
Purchase of intangible assets	(24,000)	(16,223)	(20,218)
<b>Net cash (outflow) from investing activities</b>	<b>(24,000)</b>	<b>(16,223)</b>	<b>(20,218)</b>
<b>Cash flows from financing activities</b>			
Issue of share capital	40,000	—	—
<b>Net cash outflow from financing activities</b>	<b>40,000</b>	<b>—</b>	<b>—</b>
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>15,376</b>	<b>(11,897)</b>	<b>(1,369)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>—</b>	<b>15,376</b>	<b>3,479</b>
<b>Cash and cash equivalents at end of period</b>	<b>15,376</b>	<b>3,479</b>	<b>2,110</b>



## **1. Corporate information**

TexRAD is a technology company providing software solutions to the medical industry.

TexRAD is a limited company domiciled in the United Kingdom and incorporated under registered number 07535227 in England and Wales. Its registered office is The Barn, Manor Farm, Church Lane, Chilcompton, Somerset BA3 4HP.

## **2. Adoption of new and revised international financial reporting standards**

No new International Financial Reporting Standards (“IFRS”), amendments or interpretations became effective in 2014 with none having a material effect on this financial information.

At the date of approval of this financial information, the IASB and IFRC have issued the following standards and interpretations which are not yet effective and have not been early adopted. They are not expected to have a material impact on reported results.

### **IFRS Standards and Interpretations issued (and EU adopted) but not yet effective**

IAS 19 Amendment – Employee Benefits

IFRS 7 and IAS 32 Offsetting financial assets and financial liabilities

IAS 27 Separate Financial Statements

IAS 28 Investments in Associates and Joint Ventures

IFRS 10 Consolidated Financial Statements

IFRS 11 Joint Arrangements

IFRS 12 Disclosure of Interests in Other Entities

IFRS 13 Fair Value Measurement

IFRIC 20: Stripping Costs in the Production Phase of a Surface Mine

IFRS 1 Amendments – Government Loans

Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)

Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

IAS 36 Amendments Recoverable Amount Disclosures for non-Financial Assets

### **IFRS Standards and Interpretations issued by IASB but not yet EU approved**

IFRIC 21 Levies

IFRS 14 Regulatory Deferral Accounts

## **3. Accounting policies**

### **Basis of preparation**

The historical financial information comprises the financial statements of TexRAD for each of the two periods ended 31 July 2012 and 2013 and the six months ended 31 January 2014 and is prepared using consistent accounting policies.

The historical financial information has been prepared for the purposes of the acquisition of TexRAD Limited.

The historical financial information has been prepared in accordance with IFRS as adopted by the European Union (“EU”), IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The historical financial information has been prepared under the historical cost convention. TexRAD previously reported under UK GAAP. The transition to IFRS had no impact on the company’s financial position, financial performance and cash flows at 31 July 2012, 2013 and 31 January 2014 as there were no measurement differences between UK GAAP and IFRS.

The accounting policies which follow set out the policies applied in preparing the historical financial information. Adjustments where appropriate from amounts previously reported in the unaudited statutory financial statements have been made as a result of matters identified through the audit process.

The historical financial information is presented in pounds sterling the functional currency of Feedback plc. TexRAD's functional currency is also pounds sterling.

### **Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of VAT. The company recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of TexRAD's activities, as described below.

Revenue relating to software development that is contracted on a time and materials basis is recognised as the services are performed.

Revenue relating to the sale of software licences is recognised over the period to which the license relates.

Revenue from services provided is determined by management's assessment of the percentage completed of each contract. Management determine the percentage of completion by considering the work performed to date based upon internal reports and agreed project milestones.

### **Intangible assets**

#### ***Patents***

Intangible assets acquired separately were measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses.

#### ***Research and developments costs***

The significant intangible assets relate to software development of products that are integral to the trade of TexRAD. Amortisation is recognised in other operating expenses in the income and expenditure account.

The carrying value of intangible assets is reviewed for impairment whenever events or changes in circumstance indicate that the carrying value may not be recoverable. Impairment losses are recognised in other operating expenses in the income and expenditure account.

Research expenditure is recognised as an expense when incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) being recognised as intangible assets when it is probable that the project will be a success, considering its commercial and technological feasibility, and costs can be measured reliably. Other development expenditure is recognised when an expense as incurred. Development costs previously recognised as an expense were not recognised as an asset in a subsequent period. Development costs that have a finite useful life and that have been capitalised were amortised from the commencement of the commercial production of the product on a straight line basis over a period of 48 months.

### **Taxation**

Tax expense represents the sum of the current tax and deferred tax charge for the year.

#### **Current tax**

The current tax payable is based on taxable profit for the year. Where taxable profit differs from profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. TexRADs liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the year end.

## **Deferred tax**

Deferred taxes are provided in full, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. Deferred taxes are determined using tax rates that have been enacted or substantially enacted and are expected to apply when the related deferred tax asset is realised or the related deferred tax liability is settled.

The principal temporary differences arise from depreciation or amortisation charged on assets and tax losses carried forward. Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

## **Critical accounting estimates and judgements**

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities. The estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable and constitute management's best judgement at the date of the financial statements. In the future, actual experience could differ from those estimates.

Further details of estimates and assumptions are set out in each of the relevant accounting policies and detailed notes to the financial statements.

The principal judgements made by management that could have a significant impact upon the company's financial results relate to the following:

- the assertions in the preparation of the financial statements on a going concern basis;
- the recognition of revenue and estimate of deferral and accrued income;
- the treatment of product development costs;
- the assessment and appropriateness of recognition of deferred tax assets; and
- the assessment of receivables for impairment.

## **Financial Instruments**

Financial instruments are initially recognised at fair value. Fair value is the amount at which such an instrument could be exchanged in an arm's-length transaction between informed and willing parties.

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least at each statement of financial position date whether or not there is objective evidence that a financial asset is impaired.

Trade and other receivables are recognised initially at fair value and subsequently at amortised costs under the effective interest method. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Cash and cash equivalents comprise cash at bank and in hand as well as short term bank deposits.

Financial liabilities are obligations to pay cash or other financial assets and are recognised when the company becomes party to the contractual provisions of the instrument. All financial liabilities are recorded initially at fair value, net of direct issue costs and subsequently measured at amortised cost using the effective interest method, less settlement payments. Interest related charges are recognised as an expense in finance costs in the income statement.

Finance charges, including premiums payable on settlement or redemption and direct issue costs are charged to the income statement on an accruals basis using the effective interest method. They are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Trade payables are obligations to pay for goods, services and fees that have been either acquired or incurred in the ordinary course of business. Amounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not they are presented as non-current liabilities.

A financial liability is derecognised only when the obligation is discharged, cancelled or expires. Royalty payments are recognised on a straight-line basis throughout the contractually agreed period.

#### **Pension costs**

Pension contribution to defined contribution schemes are recognised as they fall due.

#### **4. Segment reporting**

Operating segments are based on internal reports about components of TexRAD, which are regularly reviewed and used by the Board of Directors being the Chief Operating Decision Maker (“CODM”) for strategic decision making and resource allocation, in order to allocate resources to the segment and to assess its performance.

TexRAD’s operations are centred on software services to its customers. The business is structured as a single entity company and its financial reporting is set to report to the CODM information as a whole. Management therefore considers there to be only a single reporting segment covering the entire company although revenue analysis is provided below. Therefore additional analysis of the figures reported in these financial statements is neither appropriate nor necessary to enable users of the financial statements to evaluate the nature and financial effects of the business activities.

An analysis of revenue is as follows:

	17 months to 31 July 2012 £	12 months to 31 July 2013 £	Six months to 31 January 2014 £
Software services and licences	3,167	76,261	52,886

The geographical split of revenue is as follows:

	17 months to 31 July 2012 £	12 months to 31 July 2013 £	Six months to 31 January 2014 £
UK	667	15,033	27,190
Europe	2,500	27,735	6,744
USA	—	33,493	18,952
	3,167	76,261	52,886

## 5. Employees and directors

	17 months to 31 July 2012 £	12 months to 31 July 2013 £	Six months to 31 January 2014 £
Wages and salaries	—	13,826	16,000
Social security costs	—	410	2,208
	—	14,236	18,208
The average monthly number of employees who were remunerated during the periods were as follows:			
Directors	1	1	1
	£	£	£
Directors' remuneration			
Dr Balaji Ganeshan	—	13,826	16,000

The above analysis represents the compensation for key personnel

## 6. Loss before tax

The loss before tax is stated after charging:

	17 months to 31 July 2012 £	12 months to 31 July 2013 £	Six months to 31 January 2014 £
Amortisation of intangible assets	6,000	4,800	2,703

## 7. Taxation

Analysis of the tax charge:

	17 months to 31 July 2012 £	12 months to 31 July 2013 £	Six months to 31 January 2014 £
Current tax:			
Current tax on profits for the year	—	—	—
Taxation expense	—	—	—

### Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	17 months to 31 July 2012 £	12 months to 31 July 2013 £	Six months to 31 January 2014 £
Loss on ordinary activities before tax	(16,059)	(26,571)	(14,866)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK 20 per cent.	(3,212)	(5,314)	(2,973)
Effects of:			
Amortisation of intangible assets	1,200	960	541
Losses not recognised	2,012	4,354	2,432
Total taxation	—	—	—

TexRAD has tax losses to carry forward of approximately £95,000 which will be available to offset against future projects.

## 8. Intangible assets

	Software development £	Patent £	Total £
<b>Cost</b>			
At 12 February 2011	—	—	—
Additions	24,000	—	24,000
At 31 July 2012	24,000	—	24,000
Additions	—	16,223	16,223
At 31 July 2013	24,000	16,223	40,223
Additions	9,100	11,118	20,218
At 31 January 2014	33,100	27,341	60,441
<b>Amortisation</b>			
At 12 February 2011	—	—	—
Charge for period	6,000	—	6,000
At 31 July 2012	6,000	—	6,000
Charge for year	4,800	—	4,800
At 31 July 2013	10,800	—	10,800
Charge for period	2,703	—	2,703
At 31 January 2014	13,503	—	13,503
<b>Net book value</b>			
As at 31 January 2014	19,597	27,341	46,938
As at 31 July 2013	13,200	16,223	29,423
As at 31 July 2012	18,000	—	18,000

## 9. Trade and other receivables

	As at 31 July 2012 £	As at 31 July 2013 £	As at 31 January 2014 £
Trade receivables	—	34,903	46,909
Other debtors and prepayments	500	7,334	14,070
	500	42,237	60,979

## 10. Cash and cash equivalents

	As at 31 July 2012 £	As at 31 July 2013 £	As at 31 January 2014 £
Cash at bank	15,376	3,479	2,110

## 11. Called up share capital

	As at 31 July 2012 £	As at 31 July 2013 £	As at 31 January 2014 £
<b>Number of shares in issue</b>			
Ordinary shares of £0.01 each in issue at beginning of the period	—	1,000	1,000
Ordinary shares of £0.01 each issued during the period	1,000	—	—
Ordinary shares of £0.01 each in issue at end of the period	1,000	1,000	1,000

	As at 31 July 2012 £	As at 31 July 2013 £	As at 31 January 2014 £
<b>Nominal value of shares in issue</b>			
Nominal value of shares in issue at beginning of the period	—	10	10
Nominal value of shares issued in the period	10	—	—
Nominal value of shares in issue at beginning and end of the period	10	10	10

## 12. Share premium account

	As at 31 July 2012 £	As at 31 July 2013 £	As at 31 January 2014 £
<b>Nominal value of shares in issue</b>			
Premium on shares in issue at beginning of the period	—	39,990	39,990
Premium on shares issued in the period	39,990	—	—
Nominal value of shares in issue at beginning and end of the period	39,990	39,990	39,990

## 13. Trade and other payables

	As at 31 July 2012 £	As at 31 July 2013 £	As at 31 January 2014 £
Trade payables	602	8,740	28,207
Social security and other taxes	—	1,022	6,172
Accruals and deferred income	9,333	68,007	93,144
	9,935	77,769	127,523

The ageing of the trade payables as at the period end is detailed below:

	As at 31 July 2012 £	As at 31 July 2013 £	As at 31 January 2014 £
0 to 30 days	602	366	11,781
31 to 60 days	—	225	2,880
61 to 90 days	—	200	9,920
Over 90 days	—	7,949	3,626
	602	8,740	28,207



## 14. Related party transactions

The company has undertaken transactions with its shareholders and companies controlled by its directors as follows:

		As at 31 July 2012 £	As at 31 July 2013 £	As at 31 January 2014 £
<b>Transactions</b>				
<b>Revenue</b>				
Imaging Equipment Limited*	Invoiced revenue	—	—	73,699
<b>Purchases</b>				
Imaging Equipment Limited	Recharges of expenses	5,034	983	155
Purple Batch Limited (common directors)	Recharges of expenses	—	—	599
Cambridge Computed Imaging Limited	Product development	24,000	—	9,100
Cambridge Computed Imaging Limited	Supply of installation and maintenance services	—	35,423	8,400
University of Sussex	Royalty costs	1,000	10,764	7,932
University of Sussex	Patent	—	9,838	9,437

\* Note charges received and made excluding deferred revenue and costs. These transactions were made on an arm's length basis.

	As at 31 July 2012 £	As at 31 July 2013 £	As at 31 January 2014 £
<b>Outstanding balances</b>			
<b>Debtors</b>			
Imaging Equipment Limited	—	—	46,909
<b>Creditors</b>			
Cambridge Computed Imaging Limited	—	—	12,800
University of Sussex	1,000	18,713	34,969
Total	1,000	18,713	47,769

No interest has been charged or credited to these loan amounts.

## 15. Risk management

### General objectives, policies and procedures

The directors have overall responsibility for the determination of the company's risk management objectives and operating processes that ensure effective implementation of the policies set out below. Directors receive monthly reports through which they review the effectiveness of the processes put in place and the appropriateness of the objectives and policies they set.

The overall objective of the directors is to set policies that seek to reduce risk as far as possible without unduly affecting the company's competitiveness and flexibility. Further details of these policies are set out below:

### Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The company is mainly exposed to credit risk from credit sales. It is company policy to assess the credit risk of new customers before entering contracts. Subject to this assessment, the company's standard payment and delivery terms and conditions are offered. Purchase limits are established for each customer.

The directors determine concentrations of credit risk through a monthly review of trade receivables' ageing analysis. Customers placed as high risk are placed on a restricted customer list and future sales made on a prepayment basis, subject to the discretion of the directors and local management.

### **Currency risks**

The company's operations are located in the United Kingdom. The company's transactions are primarily denominated in sterling with little exposure to foreign currency risks. Due to the limited risks to the company, forward exchange contracts are not considered necessary and are not used. The company does not operate foreign currency bank accounts.

The translation risk on the company's foreign exchange payables and receivables is considered to be immaterial due to their short-term nature.

### **Liquidity risk**

Liquidity risk arises from the company's management of working capital and the finance charges and principal repayments on its debt instruments.

The company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due.

The directors receive rolling 12 month cash flow projections on a monthly basis as well as information regarding cash investments. At the yearend these projections indicated that the company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to secure new facilities with the bank.

Budgets are set by the directors, enabling the company's cash requirements to be anticipated and any increase in facilities requires the approval of the board of directors.

### **Capital management**

The company's activities are of a type and stage of development where the most suitable capital structure is that of one almost entirely financed by equities. The directors will reassess the future capital structure when projects under development are sufficiently advanced. The company considers its capital to consist of share capital only.

The company's financial strategy is to utilise its resources and current trading revenue streams to further appraise and test the company's research and development projects. The company keeps investors informed of its progress with its projects through regular announcements and raises additional equity finance at appropriate times.

## Categories of financial instruments

All of the company's financial assets are classified as loans and receivables, and all of the company's financial liabilities are classified as being measured at amortised cost.

	As at 31 July 2012 £	As at 31 July 2013 £	As at 31 January 2014 £
<b>Financial assets</b>			
Trade receivables	—	34,903	46,909
Bank balances	15,376	3,479	2,110
<b>Total financial assets</b>	<b>15,376</b>	<b>38,382</b>	<b>49,019</b>
<b>Total assets per statement of financial position</b>			
Trade and other receivables	500	42,237	60,979
Cash and cash equivalents	15,376	3,479	2,110
	15,876	45,716	63,089
<b>Financial liabilities</b>			
Trade and other payables	602	8,740	28,207
<b>Total financial liabilities</b>	<b>602</b>	<b>8,740</b>	<b>28,207</b>
<b>Non-financial liabilities</b>			
Social security and other taxes	—	1,022	6,172
Accruals and deferred income	9,333	68,007	93,144
	9,333	69,029	99,316
<b>Total liabilities per statement of financial position</b>			
Trade and other payables	9,935	77,769	127,523

## Disclosure of credit risk

The directors consider that the carrying amount of trade and other receivables approximates to their value.

The analysis of unimpaired trade receivables that are past due at the end of the period is detailed below:

	As at 31 July 2012 Gross £	As at 31 July 2013 Gross £	As at 31 January 2014 Gross £
0 to 30 days	—	20,000	8,866
30 to 60 days	—	—	(1,618)
60 to 90 days	—	1,949	2,263
Over 90 days	—	—	—
	—	21,949	9,511

## 16. Controlling interest

There is no overall controlling interest in TexRAD.

## PART III(c)

### Unaudited interim financial information of TexRAD for the six months ended 31 January 2014

Set out below are the audited results of TexRAD for the six months ended 31 January 2014, together with the unaudited results for the comparative six month period ended 31 January 2013.

#### Statements of Consolidated Comprehensive Income

The statements of consolidated comprehensive income of TexRAD for the six months ended 31 January 2014 and the six months ended 31 January 2013 are set out below:

#### Statements of comprehensive income

	Notes	Six months to 31 January 2014 (Audited) £	Six months to 31 January 2013 (Unaudited) £
Continuing operations			
Revenue	4	52,886	38,064
Cost of sales		(26,927)	(29,798)
Gross Profit		25,959	8,266
Administrative expenses		(40,825)	(24,177)
<b>Loss before income tax</b>		<b>(14,866)</b>	<b>(15,911)</b>
Income tax		—	—
<b>Loss for the year</b>		<b>(14,866)</b>	<b>(15,911)</b>
<b>Total comprehensive income</b>		<b>(14,866)</b>	<b>(15,911)</b>

## Statement of financial position

	Notes	As at 31 January 2014 £	As at 31 January 2013 £
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets		46,938	23,874
		<b>46,938</b>	<b>23,874</b>
<b>Current assets</b>			
Trade and other receivables		60,979	11,057
Cash and cash equivalents		2,110	37,955
		63,089	49,012
<b>Total assets</b>		<b>110,027</b>	<b>72,886</b>
<b>Equity</b>			
Called up share capital	5	10	10
Share premium	6	39,990	39,990
Retained earnings		(57,496)	(31,970)
<b>Total equity</b>		<b>(17,496)</b>	<b>8,030</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		127,523	64,856
Current tax liabilities		—	—
<b>Total liabilities</b>		<b>127,523</b>	<b>64,856</b>
<b>Total equity and liabilities</b>		<b>110,027</b>	<b>72,886</b>

## Statement of changes in equity

	Called up share capital £	Share Premium £	Retained earnings £	Total equity £
<b>31 July 2012</b>	<b>10</b>	<b>39,990</b>	<b>(16,059)</b>	<b>23,941</b>
Total comprehensive income	—	—	(15,911)	(15,911)
<b>31 January 2013</b>	<b>10</b>	<b>39,990</b>	<b>(31,970)</b>	<b>8,030</b>
Total comprehensive income	—	—	(10,660)	(10,660)
<b>31 July 2013</b>	<b>10</b>	<b>39,990</b>	<b>(42,630)</b>	<b>(2,630)</b>
Total comprehensive income	—	—	(14,866)	(14,866)
<b>31 January 2014</b>	<b>10</b>	<b>39,990</b>	<b>(57,496)</b>	<b>(17,496)</b>

## Statement of cash flows

	Six months to 31 January 2014 £	Six months to 31 January 2013 £
<b>Cash flows from operating activities</b>		
Loss before tax	(14,866)	(15,911)
Amortisation	2,703	2,400
Increase in trade and other receivables	(18,742)	(10,557)
Increase in trade and other payables	49,754	54,921
<b>Cash generated from operations</b>	<b>18,849</b>	<b>30,853</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible assets	(20,218)	(8,274)
<b>Net outflow from investing activities</b>	<b>(20,218)</b>	<b>(8,274)</b>
<b>(Decrease)/Increase in cash and cash equivalents</b>	<b>(1,369)</b>	<b>22,579</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>3,479</b>	<b>15,376</b>
<b>Cash and cash equivalents at end of period</b>	<b>2,110</b>	<b>37,955</b>



## Notes to the Interim Financial Information

### 1. Presentation currency

The Financial Information has been presented in Great British Pounds.

### 2. Summary of significant accounting policies

#### *Basis of preparation*

The Financial Information has been prepared in accordance with International Financial Reporting Standards (“IFRS”) and on the historical cost convention, unless otherwise indicated in this summary of significant accounting policies.

### 3. Income tax expense

The tax charge on profits assessable has been calculated at UK rates, based on existing legislation, interpretation and practices in respect thereof.

### 4. Segment reporting

Operating segments are based on internal reports about components of the company, which are regularly reviewed and used by the Board of Directors being the Chief Operating Decision Maker (“CODM”) for strategic decision making and resource allocation, in order to allocate resources to the segment and to assess its performance.

The company’s operations are centred on software services to its customers. The business is structured as a single entity company and its financial reporting is set to report to the CODM information as a whole. Management therefore considers there to be only a single reporting segment covering the entire company although revenue analysis is provided below. Therefore additional analysis of the figures reported in these financial statements is neither appropriate nor necessary to enable users of the financial statements to evaluate the nature and financial effects of the business activities.

An analysis of revenue is as follows:

	Six months ended 31 January 2014 £	Six months ended 31 January 2013 £
Software services and licences	52,886	38,064

The geographical split of revenue is as follows:

	Six months ended 31 January 2014 £	Six months ended 31 January 2013 £
UK	27,190	12,033
Europe	6,744	11,745
USA	18,952	14,286
	52,886	38,064

### 5. Called up share capital

	As at 31 January 2014	As at 31 January 2013
<b>Number of shares in issue</b>		
Ordinary shares of £0.01 each in issue at beginning and end of the period	1,000	1,000

	As at 31 January 2014 £	As at 31 January 2013 £
<b>Nominal value of shares in issue</b>		
Nominal value of shares in issue at beginning and end of the period	10	10

#### 6. Share premium account

	As at 31 January 2014 £	As at 31 January 2013 £
<b>Nominal value of shares in issue</b>		
Premium on shares in issue at beginning and end of the period	39,990	39,990

#### 7. Related party transactions

The company has undertaken transactions with its shareholders and companies controlled by its directors as follows:

		As at 31 January 2014 £	As at 31 January 2013 £
<b>Transactions</b>			
<b>Revenue</b>			
Imaging Equipment Limited*	Invoiced revenue	73,699	—
<b>Purchases</b>			
Imaging Equipment Limited	Recharges of expenses	155	612
Purple Batch Limited (common directors)	Recharges of expenses	599	—
Cambridge Computed Imaging Limited	Product development	9,100	—
Cambridge Computed Imaging Limited	Supply of installation and maintenance services	8,400	21,600
University of Sussex	Royalty costs	7,932	10,567
University of Sussex	Patent	9,437	8,274

\* Note charges received and made excluding deferred revenue and costs

	As at 31 January 2014 £	As at 31 January 2013 £
<b>Outstanding balances</b>		
<b>Debtors</b>		
Imaging Equipment Limited	46,909	—
<b>Creditors</b>		
Cambridge Computed Imaging Limited	12,800	68
University of Sussex	34,969	—
<b>Total</b>	<b>47,769</b>	<b>68</b>

No interest has been charged or credited to these loan amounts.

## PART IV

### Unaudited Pro Forma Statement of Aggregated Net Assets



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Sanlam Securities UK Limited  
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30 April 2014

Dear Sirs

#### **Introduction**

We report on the unaudited pro forma financial information of Feedback plc (the “Company”) and its subsidiaries (together, the “Enlarged Group”) set out in Part IV (a) of the AIM Admission Document (the “Document”) dated 30 April 2014, which has been prepared on the basis described, for illustrative purposes only, to provide information about how the Acquisitions and Subscription might have affected the net assets presented on the basis of the accounting policies adopted by the Company in preparing the unaudited financial information for the period ended 30 November 2013 for the Company and the audited financial information for the period ended 31 January 2014 for Cambridge Computed Imaging Limited and TexRAD Limited. This report is required by Schedule Two of the AIM Rules and is given for the purpose of complying with that scheduled and for no other purpose.

#### **Responsibilities**

It is the responsibility of the directors and the proposed directors of the Company (the “Directors”) to prepare the unaudited pro forma financial information in accordance with Schedule Two of the AIM Rules.

It is our responsibility to form an opinion on the financial information as to the proper compilation of the unaudited pro forma financial information and to report that opinion to you.

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

#### **Basis of opinion**

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

considering the evidence supporting the adjustments and discussing the unaudited pro forma financial information with the Directors.

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 reasonable assurance that the unaudited pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

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

### **Opinion**

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;  
and
- (b) such basis is consistent with the accounting policies of the Company.

### **Declaration**

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

Yours faithfully

**Crowe Clark Whitehill LLP**

## PART IV(a)

### Unaudited Pro Forma Statement of Aggregated Net Assets

Set out below is an unaudited pro forma statement of aggregated net assets of the Enlarged Group, which has been prepared on the basis of the Company's unaudited financial information at 30 November 2013 and the audited financial information of Cambridge Computed Imaging Limited ("CCI") and TexRAD Limited ("TexRAD") at 31 January 2014, as adjusted for the Subscription proceeds, as set out in the notes below. The unaudited pro forma statement has been prepared for illustrative purposes only and, because of its nature, will not represent the actual consolidated financial position of the Company at the date of Admission.

#### Unaudited pro forma statement of aggregated net assets

	The Company (Note 1) GBP 000's Unaudited	CCI (Note 2) GBP 000's Audited	TexRAD (Note 3) GBP 000's Audited	Subscription proceeds (Note 4) GBP 000's Unaudited	Cash element of purchase of CCI and TexRAD (Note 5) GBP 000's Unaudited	Transaction costs (Note 5) GBP 000's Unaudited	Pro forma net assets of the Group GBP 000's Unaudited
<b><i>Non-current asset</i></b>							
Property, plant and equipment	—	1	—	—	—	—	1
Intangible assets	—	56	47	—	643	—	746
	—	57	47	—	643	—	747
<b><i>Current assets</i></b>							
Trade receivables	—	37	61	—	—	—	98
Other receivables	17	4	—	—	—	—	21
Cash and cash equivalents	696	30	2	300	(30)	(247)	751
	713	71	63	300	(30)	(247)	870
<b><i>Current liabilities</i></b>							
Trade and other payables	88	90	128	—	(4)	—	302
Amounts owing to related parties	—	189	—	—	—	—	189
	88	279	128	—	(4)	—	491
<b><i>Net assets</i></b>	<b>625</b>	<b>(151)</b>	<b>(18)</b>	<b>300</b>	<b>617</b>	<b>(247)</b>	<b>1,126</b>

#### Notes:

- The financial information relating to the Company has been extracted without adjustment from the Company's Interim Report for the six months ended 30 November 2013. No account has been taken of the activities of the Company subsequent to 30 November 2013.
- The audited statement of financial position of Cambridge Computed Imaging Limited as at 31 January 2014 has been extracted without adjustment from the audited financial information set out in Part III(a) of the Admission Document. No account has been taken of the activities of Cambridge Computed Imaging Limited subsequent to 31 January 2014.
- The audited statement of financial position of TexRAD Limited as at 31 January 2014 has been extracted without adjustment from the audited financial information set out in Part III(b) of the Admission Document. No account has been taken of the activities of TexRAD Limited subsequent to 31 January 2014.
- On 30 April 2014 the Company has conditionally raised £300,000 (gross) by way of the Subscription.
- The acquisitions of CCI and TexRAD, and the underlying IP relating to TexRAD, for a total consideration of £473,900 were satisfied by £26,400 (plus £4,000 in VAT) in cash and the balance by the issue of the Consideration Shares. The associated transaction costs of the Acquisitions and readmission of the Enlarged Group to AIM were approximately £247,000.

An adjustment has been made to reflect the estimated goodwill of £643,000 arising on the acquisition of CCI and TexRAD. This is an approximation only and may differ from the goodwill in the consolidated financial statements of the Enlarged Group. In calculating goodwill, no fair value adjustments have been made as a result of the acquisitions of CCI and TexRAD.

## PART V

### Additional information

#### 1 The Company and its subsidiaries

1.1 The Company was incorporated and registered in England and Wales under the 1948 Act on 11 February 1958 under the name of Feedback Limited with registered number 598696 as a private company with limited liability. Upon its re-registration as a public limited company on 19 October 1981, the Company changed its name to Feedback plc. The principal legislation under which the Company operates is the 2006 Act.

1.2 The Company has the following direct subsidiaries:

Name	Country of incorporation	Status	Percentage of issued share capital
Brickshield Limited	UK	Dormant	100
Feedback Black Box Company Limited	UK	Dormant	100
Feedback Data GmbH	Germany	Being wound-up	100

1.3 Upon Admission and Completion, the Company will have the following additional subsidiaries (each of which is incorporated in England and Wales):

Name	Percentage of issued share capital
CCI	100
TexRAD	100*

\* Nine per cent. of the issued share capital of TexRAD is held by CCI (which will upon Admission become a wholly owned subsidiary of Feedback)

1.4 The Company is domiciled in the United Kingdom. The registered office of the Company is 26 Red Lion Square, London WC1R 4AG and the telephone number of the registered office is 02032897747. Upon Admission the Company's principal place of business will be Unit 5, Grange Park, Broadway, Bourn, Cambridgeshire CB23 2TA.

1.5 The ISIN for the Ordinary Shares is GB0003340550.

1.6 The liability of the members of the Company is limited.

#### 2 Share capital

2.1 On 28 September 2011 the Company issued 21,800,000 new Ordinary Shares for cash at £0.0125 per Ordinary Share. No other alterations in the issued share capital of the Company have taken place since 1 June 2010.

2.2 At the General Meeting the following resolutions will be put to Shareholders in relation to the share capital of the Company:

2.2.1 in substitution for any previous authority, the Directors will be generally and unconditionally authorised, in accordance with section 551 of the 2006 Act to allot shares or grant options or other rights to subscribe for shares in the Company up to an aggregate nominal amount of £484,608.43 of which equity securities with an aggregate nominal value of up to (i) £60,000 are to be issued pursuant to the Subscription, (ii) £89,500 are to be issued pursuant to the Acquisitions and the TexRAD IP Assignment, (iii) £56,875 are to be issued pursuant to the TexRAD Warrants, (iv) up to £2,000 are to be issued pursuant to the Non-Executive Option, (v) £37,800 may be issued pursuant to the Shareholder Loan, and (vi) £238,433.43 (amounting to 50 per cent. of the Enlarged Issued Share Capital) will be authorised for allotment for general corporate purposes provided that this authority will expire (unless renewed, varied or revoked by the Company in general meeting) at the conclusion of the next annual general meeting of

the Company following the passing of the resolution, or if earlier, the date falling 15 months after the date on which the resolution was passed, save that the Directors may, before the expiry, make an offer or agreement which would or might require shares, options or other rights to subscribe for shares to be allotted after such expiry and the Directors may allot shares, options or other rights to subscribe for shares pursuant to such offer or agreement as if the authority had not expired; and

2.2.2 the Directors will be given power in accordance with section 570 of the 2006 Act to allot equity securities (within the meaning of section 560 of the 2006 Act (i) pursuant to the authorities conferred by the resolutions details of which are set out in paragraphs 2.2.1(i), 2.2.1(iii), 2.2.1(iv) and 2.2.1(v), (ii) in respect of issues by way of rights to shareholders and (iii) otherwise up to an aggregate nominal amount of £143,060.06 (representing 30 per cent. of the Company's Enlarged Issued Share Capital) as if section 561 of the 2006 Act did not apply to the allotment provided that such power will expire (unless renewed, varied or revoked by the Company in general meeting) at the conclusion of the next annual general meeting of the Company following the passing of this resolution, or if earlier, the date falling 15 months after the date on which the resolution was passed save that the Directors may, before the expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to such offer or agreement as if the authority had not expired.

2.3 As at the date of this document, and following Admission, the Company's issued share capital is, and will be, as follows:

	Existing		Following Admission	
	Nominal Value	Number of Ordinary Shares	Nominal Value	Number of Ordinary Shares
Issued and fully paid	£327,366.86	130,946,746	£476,866.87	190,746,746

The number of ordinary shares of 0.25p each issued as at 31 May 2013 (being the end of the Company's financial year) was 130,946,746.

2.4 Pursuant to the Acquisitions (and subject to the satisfaction of the conditions relating to the Acquisition), the Company will issue the CCI Consideration Shares to the CCI Vendors and the TexRAD Consideration Shares to the TexRAD Vendors. The Consideration Shares will be issued pursuant to the 2006 Act. The Consideration Shares will be denominated in sterling. The Consideration Shares will be issued upon Admission.

2.5 Pursuant to the TexRAD Acquisition Agreement (and subject to the satisfaction of the conditions relating to the Acquisition), the Company will issue the TexRAD Vendors with warrants to acquire 25 million new Ordinary Shares. Five million of such TexRAD Warrants will have an exercise price of £0.0125 per new Ordinary Share and must be exercised in the period between two and 10 years from Admission and 20 million of such TexRAD Warrants will have an exercise price of £0.03 per new Ordinary Share and must be exercised in the period between three and 10 years from Admission.

2.6 Pursuant to the Subscription Letters (and subject to, *inter alia*, Admission) the Company will issue the Subscription Shares to the Subscribers. The Subscription Shares will be issued pursuant to the 2006 Act. The Subscription Shares will be denominated in sterling. The Subscription Shares will be issued upon Admission.

2.7 Pursuant to the Non-Executive Option (and subject to, *inter alia*, Admission) the Company will issue Simon Barrell with options to acquire 800,000 new Ordinary Shares at an exercise price of £0.0125 per new Ordinary Share. Further details of the Non-Executive Option are set out at paragraph 4.2 below.



- 2.8 Pursuant to the Shareholder Loan, the Company may elect in certain circumstances to convert the principal sum of the loan of up to £189,000 into New Ordinary Shares. Further details of the Shareholder Loan are set out in in paragraph 7.1.7 below.
- 2.9 As at the date of this document, there are Options outstanding over 4,000,000 Ordinary Shares as referred to in paragraph 5.2 below. In addition, Options over a further 13,800,000 Ordinary Shares have been granted, conditional on Admission.

	No. of Ordinary Shares under Option	Exercise Price	Vesting period
Simon Barrell	800,000	1.25p	1 year
Nick Shephard	1,000,000*	1.25p	Immediate
	3,000,000*	1.25p	1 year
	1,000,000	1.25p	1 year
Mike Hayball	1,200,000	1.25p	1 year
	2,000,000	3.00p	1 year
	2,000,000	5.00p	1 year
Deryan Gilbert	1,600,000	1.25p	1 year
Stephen Brown	1,200,000	1.25p	1 year
	2,000,000	3.00p	1 year
	2,000,000	5.00p	1 year
	17,800,000		

\* issued in replacement of existing Options

- 2.10 Save pursuant to the Subscription and save as disclosed in this paragraph 2 and paragraph 5.2 below, no capital of the Company is proposed to be issued or is under option or is agreed to be put under option, nor does the Company hold any of its shares in treasury.
- 2.11 Save as disclosed in this paragraph 2, there are no convertible securities, exchangeable securities or securities with warrants in the Company.
- 2.12 There are no shares in the Company in issue which do not represent capital.
- 2.13 There are no shares in the Company held by or on behalf of the Company itself or by subsidiaries of the Company.
- 2.14 There are no acquisition rights or obligations over authorised but unissued capital, or any undertaking to increase the capital, of the Company.
- 2.15 There have been no takeover bids by third parties in respect of the Company's shares which have occurred during the last financial year of the current financial year.
- 2.16 The Ordinary Shares are in registered form and subject to the provisions of the CREST Regulations. The Board may permit the holding of any class of shares in uncertificated form and title to such shares may be transferred by means of a relevant system (a defined in the CREST Regulations). The Registrar is in charge of monitoring the Company's register of members. No temporary documents of title will be issued.
- 2.17 The currency of the issue is pounds sterling.

### **3 Constitutional documents and other relevant laws and regulations**

#### **3.1 Articles of association**

The Articles of Association of the Company, adopted pursuant to a special resolution passed on 21 May 2008 and as amended by special resolution passed on 2 September 2011 contain, *inter alia*, provisions to as set out in paragraphs 3.2 to 3.15 below.



### 3.2 *Voting rights*

Subject to paragraph 3.7 below, and to any special rights or restrictions as to voting upon which any shares may for the time being be held, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by its duly appointed representative shall have one vote and on a poll every member present in person or by representative or proxy shall have one vote for every Ordinary Share held by him. A proxy need not be a member of the Company.

### 3.3 *Variation of rights*

Whenever the share capital of the Company is divided into different classes of shares the special rights attached to any class may be varied or abrogated either with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class and may be so varied and abrogated whilst the Company is a going concern or during or in contemplation of a winding up. To every such separate general meeting (except an adjourned meeting), the quorum shall be two persons at least holding or representing by proxy one-third in nominal value of the issued shares of that class. These conditions are not more significant than required by law.

### 3.4 *Alteration of capital*

The Company may by ordinary resolution consolidate and divide all or any of its share capital into shares of a larger nominal value, sub-divide all or any of its shares into shares of a smaller nominal value, cancel any shares not taken, or agreed to be taken, by any person and diminish the amount of its capital by the amount of the shares so cancelled.

The Company may, subject to any conditions, authorities and consents required by law, by special resolution reduce or cancel its share capital or any capital redemption reserve or share premium account.

Subject to and in accordance with the provisions of the 2006 Act, the Company may purchase its own shares (including any redeemable shares) with and subject to all prior authorities of the Company in general meeting as specified under the 2006 Act provided that the Company may not purchase any of its shares if as a result of the purchase of the shares there would no longer be any member holding shares in the Company other than redeemable shares.

These conditions are not more stringent than required by law.

### 3.5 *Transfer of shares*

A member may transfer all or any of his shares (1) in the case of certificated shares by transfer in writing in any usual or common form or in any other form acceptable to the Directors and may be under hand only and (2) in the case of uncertificated shares, in the manner provided for in the rules and procedures of the operator of the relevant system and in accordance with and subject to the CREST Regulations. The instrument of transfer of a certificated share shall be signed by or on behalf of the transferor. Subject to paragraph 3.7 below, the Articles contain no restrictions on the free transferability of fully paid shares provided that the transfer is in respect of only one class of share and is accompanied by the share certificate and any other evidence of title required by the Directors and that the provisions in the Articles relating to the deposit of instruments for transfer have been complied with.

The Company will not close the register of members in respect of a share, class of share, renounceable right of allotment of a share or other security (title to units of which is permitted to be transferred by computer-based systems and procedures in accordance with the CREST Regulations) without the consent of the operator of the computer-based system and/or procedure. The registration of transfers may be suspended at such times and for such periods as the Directors may determine either generally or in respect of any class of shares. The register of members shall not be closed for more than thirty days a year.

Subject to the requirements of the UK Listing Authority and/or the London Stock Exchange, as appropriate, the Company shall register a transfer of title to any uncertificated share or any renounceable right to allotment of a share held in uncertificated form in accordance with the CREST Regulations but so that the Directors may refuse to register such transfer in any circumstance permitted or required by the CREST Regulations.

The Directors may, in their absolute discretion and without assigning any reason therefor refuse to register any transfer of shares not being fully paid shares, provided that the Directors shall not exercise their discretion in such a way as to prevent dealings in shares listed on any securities exchange or market taking place on an open or proper basis. In exceptional circumstances approved by the United Kingdom Listing Authority (if relevant) and the London Stock Exchange, approval of transfers of fully paid certificated shares may be refused by the Board.

The Directors may also decline to register a transfer of shares representing 0.25 per cent. or more in nominal value of the issued shares of their class after there has been a failure to comply with any notice under section 793 of the 2006 Act requiring the disclosure of information relating to interests in the shares concerned. Such refusal may continue until not more than seven days after the failure has been remedied or receipt by the company of notice that there has been a transfer of the shares pursuant to an arm's length sale.

### 3.6 *Dividends*

- 3.6.1 Subject to the 2006 Act or any other statutes in force, the Company may by ordinary resolution declare dividends provided that no dividend shall exceed the amount recommended by the Directors. The Directors may from time to time declare and pay the fixed dividend on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for payment thereof and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates in respect of such periods as appear to the Directors to be justified.
- 3.6.2 Subject to the rights of any persons, if any, holding shares with special dividend rights, and subject to paragraph 3.7 below, all dividends shall be apportioned and paid *pro rata* according to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid. No amount paid or credited as paid in advance of calls shall be regarded as paid on shares for this purpose.
- 3.6.3 No dividend or other moneys payable on or in respect of a share shall bear interest against the company.
- 3.6.4 The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists, and may deduct from any dividend all sums of money (if any) presently payable by a member to the Company on account of calls or otherwise in relation to shares of the Company.
- 3.6.5 The Directors may withhold payment of dividends payable upon shares representing at least 0.25 per cent. or more in nominal value of the issued shares of their class after there has been a failure to comply with any notice under section 793 of the 2006 Act requiring the disclosure of information relating to interests in the shares concerned. This restriction shall cease to be applicable not more than seven days after the failure has been remedied or receipt by the company of notice that there has been a transfer of the shares pursuant to an arm's length sale.
- 3.6.6 The waiver in whole or in part of any dividend on any share by any document shall be effective only if such document is signed by the holder thereof and delivered to the

Company and if or to the extent that the same is accepted as such or acted upon by the Company.

- 3.6.7 There are no dividend restrictions attaching to the Ordinary Shares, provided they are fully paid up. Dividends on shares not fully paid-up are apportioned and paid pro-rata to the amounts paid on shares during any portion or portions of the period in respect of which the dividend is paid. Payments of dividends may be made by any method the directors consider appropriate.

### 3.7 *Suspension of rights*

If a member or any other person appearing to be interested in shares of the Company fails after the date of service of a notice to comply with the statutory disclosure requirements then:

- 3.7.1 if the shares are held in certificated form from the time of such failure until not more than 7 days after the earlier of (a) receipt by the Company of notice that there has been a transfer of the shares by an arm's length sale and (b) due compliance, to the satisfaction of the Company, with the statutory disclosure requirements (if the Directors so resolve) such member shall not be entitled to vote or to exercise any right conferred by membership at meetings of the Company in respect of the shares which are the subject of such notice. Where the holding represents more than 0.25 per cent. of the issued shares of that class (and if the Directors so resolve), the payment of dividends may be withheld, and such member shall not be entitled to transfer such shares otherwise than by an arm's length sale; and
- 3.7.2 if the shares are held in uncertificated form, the Directors may serve upon the registered holder of such shares a notice requiring the holder to convert his holding of uncertificated shares into certificated form within such period as is specified in the notice and require the holder to continue to hold such shares in certificated form for so long as such failure continues. If the holder shall fail to convert his holding within the specified time, the Directors are empowered to authorise some person to take all such steps and issue such instructions as may be necessary in the name of the holder of such shares to effect the conversion of such shares to certificated form. Such steps shall be as effective as if they had been taken by the registered holder of the relevant uncertificated shares. Once such conversion to certificated form has been effected, the above rules in relation to shares in certificated form shall apply.

### 3.8 *Pre-emption rights*

There are no rights of pre-emption under the Articles in respect of transfers of issued Ordinary Shares.

In certain circumstances, Shareholders may have statutory pre-emption rights under the 2006 Act in respect of the allotment of new shares in the Company. These statutory pre-emption rights would require the Company to offer new shares for allotment to existing Shareholders on a *pro rata* basis before allotting them to other persons. In such circumstances, the procedure for the exercise of such statutory pre-emption rights would be set out in the documentation by which such shares would be offered to the Company's shareholders.

### 3.9 *General meetings*

An annual general meeting of the Company shall be held in each year in addition to any other meetings which may be held in that year and at such time and place as may be determined by the Directors, but in any case within six months beginning with the day following the accounting reference date.

The Directors may convene a general meeting whenever they think fit. General meetings shall also be convened on a requisition of the members of the Company as provided for by the 2006 Act or, if the Directors fail to convene a general meeting within 28 days from the date of the

deposit of the requisition, a meeting may be convened by such requisitionists as provided by the 2006 Act.

21 clear days' notice in respect of an annual general meeting and every general meeting at which it is proposed to pass a resolution of which special notice is required and 14 clear days' notice in respect of every other annual or general meeting shall be given to all members (other than those who, under the provisions of the Articles or otherwise, are not entitled to receive notices from the Company), but the accidental omission to give such notice to, or the non-receipt of such notice by, any member or Director or the auditors shall not invalidate any resolution passed or any proceeding at such meeting.

Every notice shall specify the place, the day and the hour of the meeting and in the case of special business, the nature of such business and shall also state with reasonable prominence that a member entitled to attend and vote at the meeting, may appoint a proxy to attend and vote on a poll thereat instead of him and that the proxy need not also be a member. In the case of a meeting convened for passing a special resolution the notice shall also specify the intention to propose the resolution as a special resolution as the case may be.

For the purposes of serving notice of meetings, the Directors may determine that the persons entitled to receive such notice of meeting are those persons entered on the register of members at the close of business on a day determined by the Directors provided that such date may not be more than 21 days before the date on which the relevant notice of meeting is sent.

For the purpose of determining which persons are entitled to attend and vote at any general meeting and how many votes such persons may cast, the Company may specify in the relevant notice of general meeting a time, not more than 48 hours before the time fixed for the meeting, by which a person must be entered on the register of members in order to have the right to attend and vote at the meeting.

Every notice calling a general meeting shall specify the place, day and hour of the meeting. In the case of a general meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of such business, and if any resolution is to be proposed as a special resolution, the notice shall contain a statement to that effect.

No business shall be transacted unless the requisite quorum is present when the meeting proceeds to business. Two members present in person or by proxy shall be a quorum for all purposes. If within 15 minutes (or such longer interval not exceeding one hour as the chairman thinks fit) from the time appointed for the general meeting a quorum is not present, if convened on the requisition of the members the meeting shall be dissolved. In any other case the meeting shall be adjourned to such other day (being not less than 7 days thereafter) and at the same time and place as specified for the purpose in the notice convening the meeting, or (if not so specified) to such other day as the chairman shall determine. The Company shall give at least seven clear days' notice of any meeting adjourned through lack of quorum in the like manner as in the case of the original meeting.

The chairman of a general meeting may, at any time without the consent of the members, adjourn any general meeting at which a quorum is present where it appears to him or her that the members wishing to attend cannot easily be accommodated, the conduct of a person or persons prevents or is likely to prevent the orderly conduct of business, or an adjournment is otherwise necessary so that the business of the meeting may be properly conducted.

The chairman of a general meeting may also adjourn such a meeting with the consent of any general meeting at which a quorum is present. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.

Any proposed amendment to an ordinary resolution shall, unless the amendments be proposed by the chairman of a general meeting, not be valid unless notice of such proposed amendment shall have been received at the registered office of the Company at least 48 hours prior to the

time of the meeting or adjourned meeting. No amendment (other than a clerical amendment to correct a patent error) may be considered or voted on in relation to a special resolution.

### 3.10 *Directors*

The business and affairs of the Company shall be managed by the Directors, who may exercise all such powers of the Company as are not by any statute or by the Articles required to be exercised by the Company in general meeting and for such purposes the Directors may establish any local group, divisional board, agency or committee for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may appoint any persons to be members of such local group, divisional board, agency or committee or any managers or agents and may fix their remuneration and may delegate to any of them and to delegate to any them to fill any vacancies therein and to act upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person so appointed and may annul or vary any such delegation but no person dealing in good faith and without notice of such annulment of variation shall be affected thereby.

The Directors may arrange that any branch of the business carried on by the Company or any other business in which the Company may be interested shall be carried on by or through one or more subsidiary companies, and they may on behalf of the Company make such arrangements as they think advisable for taking the profits or bearing the losses of any branch or business so carried on or for financing, assisting or subsidising any such subsidiary company or guaranteeing its contracts, obligations or liabilities.

Subject to the Articles, the Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. The quorum necessary for the transaction of the business is two unless otherwise resolved by the Directors. A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.

Save as mentioned below, a Director shall not vote in respect of any matter in which (together with any interest of any person connected with him) he has, directly or indirectly, any material interest (otherwise than by virtue of his interest in shares or debentures or other securities of the Company) or in relation to which he has a duty which conflicts or may conflict with the interests of the Company. A Director shall not be counted in the quorum at any meeting in relation to any resolution in which he is debarred from voting.

A Director who to his knowledge is in any way, whether directly or indirectly, interested in an arrangement or contract, or proposed arrangement or contract with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration (if known), or at the first meeting of the Board after he knows that he has become so interested.

Subject to the 2006 Act, a Director shall (in the absence some other material interest than is indicated below), be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:

- 3.10.1 the giving to him of any guarantee, security or indemnity in respect of money lent or obligation incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;
- 3.10.2 giving to a third party any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part either alone or jointly with others, under a guarantee or indemnity or by the giving of security;
- 3.10.3 where the Company or any of its subsidiaries is offering securities in which offer the director is or may be entitled to participate as the holder of securities or in the underwriting or sub-underwriting in which the Director is to participate;



- 3.10.4 relating to another Company in which he and any persons connected with him do not to his knowledge have voting rights as a member or through direct or indirect holding of financial instruments in shares representing one per cent. or more of either any class of the equity share capital, or the voting rights in such company;
- 3.10.5 relating to an arrangement for the benefit of the employees of the Company or any of its subsidiaries which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates; or
- 3.10.6 concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors of the benefit of persons including Directors.
- 3.11 Unless otherwise determined by the Company by ordinary resolution, there shall be paid to the Directors such sum as the Board may from time to time determine (not exceeding in aggregate £100,000 per annum or such larger sum as the Company in general meeting shall from time to time determine) such sum shall be divided among the Directors in such manner and proportion as they may agree or in default of such determination, equally. Any such remuneration may be increased separately by the Board if such increase is solely to meet the costs of any UK VAT properly payable on such remuneration of a recipient who holds the appointment of Director or Chairman in the course of his trade, profession or vocation.
- 3.12 Subject to the provisions of the 2006 Act every Director, secretary or other officer of the Company (other than an auditor) is entitled to be indemnified against all costs, charges, losses, damages and liabilities incurred by him in the actual purported exercise or discharge of his/her duties or exercise of his/her powers or otherwise in relation to them.
- 3.13 Unless and until otherwise determined by ordinary resolution of the Company, the number of Directors shall be not less than two nor more than 12. There is no age limit nor any share qualification for Directors.
- 3.14 Subject to the 2006 Act, the Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking property and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or any third party.
- 3.15 The Board must restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation in to its subsidiaries so as to secure that the aggregate principal amount outstanding of all borrowings by the Company and its subsidiaries does not, without the previous sanction of an ordinary resolution, exceed an amount equal to two times the adjusted capital and reserves.
- 3.16 *Other relevant laws and regulations*

*3.16.1 Disclosure of interests in shares*

A shareholder in a public company incorporated in the UK whose shares are admitted to trading on AIM is required pursuant to Rule 5 of the Disclosure and Transparency Rules to notify the Company of the percentage of his voting rights if the percentage of voting rights which he holds as a shareholder or through his direct or indirect holding of financial instruments reaches, exceeds or falls below certain thresholds.

Pursuant to Part 22 of the 2006 Act and the Articles, the Company is empowered by notice in writing to require any person whom the Company knows, or has reasonable cause to believe to be or, at any time during the three years immediately preceding the date on which the notice is issued, interested in the Company's shares, within a reasonable time to disclose to the Company particulars of any interests, rights, agreements or arrangements affecting any of the shares held by that person or in which such other person as aforesaid is interested.

### 3.16.2 Takeovers

The Takeover Code applies to the Company. The Takeover Panel has statutory powers to enforce the Takeover Code in respect of companies whose shares are admitted to trading on AIM.

Under Rule 9 of the City Code a person who acquires, whether by a single transaction or by a series of transactions over a period of time, shares which (taken with shares held or acquired by persons acting in concert with him) carry 30 per cent, or more of the voting rights of a company is normally required to make a cash offer for all the outstanding shares of that company at not less than the highest price paid by him or them or any persons acting in concert during the offer period and in the 12 months prior to its commencement. This requirement would also be triggered by an acquisition of shares by a person holding (together with its concert parties) shares carrying between 30 and 50 per cent, of the voting rights in the company if the effect of such acquisition was to increase that person's percentage of the voting rights.

Further, pursuant to sections 979 to 982 of the 2006 Act, where the offeror has by way of a takeover offer as defined in section 974 of the 2006 Act acquired or unconditionally contracted to acquire not less than 90 per cent, in value of the shares to which an offer relates and where the shares to which the offer relates represent not less than 90 per cent, of the voting rights in the company to which the offer relates, the offeror may give a compulsory acquisition notice to the holder of any shares to which the offer relates which the offeror has not acquired or unconditionally contracted to acquire, and which he wishes to acquire, to acquire those shares on the same terms as the general offer.

Pursuant to sections 983 to 985 of the 2006 Act, where an offeror makes a takeover offer as defined by section 974 of the 2006 Act and, by virtue of acceptances of the offer and any other acquisitions holds or has agreed to acquire not less than 90 per cent, of the shares in the target (or if the offer relates to a class of shares 90 per cent, of the shares in that class) and which carry not less than 90 per cent, of the voting rights in the target, then a minority shareholder who has not accepted the offer may require the offeror to acquire his shares in the target on the same terms as the general offer.

### 3.16.3 Return of Capital

Subject to any preferred, deferred or other special rights, or subject to such conditions or restrictions to which any shares in the capital of the Company may be issued, on a winding-up or other return of capital, the holders of Ordinary Shares are entitled to share in any surplus assets *pro rata* to the amount paid up on their Ordinary Shares. A liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the 2006 Act, divide amongst the members in specie or in kind the whole or any part of the assets of the Company (whether or not the assets shall consist of property of one kind or shall consist of property of different kinds), those assets to be set at such value as he deems fair. A liquidator may also vest the whole or any part of the assets of the Company in trustees on trusts for the benefit of the members as the liquidator shall think fit.

- 3.17 Save as set out in paragraph 5.8 below, the Company is not aware of any person who directly or indirectly, jointly or severally, exercises or could exercise control over the Company nor is it aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company.

## 4 Options

A summary of the main features of the Existing Share Option Plan and the Non-Executive Option are set out below. For the purpose of the summary, references to the Board shall mean the board of directors of the Company from time to time or a duly authorised committee of it.

#### 4.1 *The Existing Share Option Plan*

The Existing Share Option Plan was amended and restated by the Board on 29 April 2014. The Existing Share Option Plan allows the grant of enterprise management incentive share options (“Options”). The Company is proposing to grant certain Options under the Existing Share Option Plan conditional upon Admission.

The Existing Share Option Plan is administered by the Board.

##### *Eligibility*

Employees who spend at least 25 hours per week or, if less, 75 per cent. of their working time, on the business of the Company or its subsidiaries and who do not have a material interest in any member of the Group will be eligible to be granted an Option under the Existing Share Option Plan at the discretion of the Board.

##### *Timing of grant*

An Option may be granted within the period of 42 days commencing on the date:

- (i) of announcement by the Company of its results for any period or the issue by the Company of any prospectus, listing particulars, admission or re-admission document or other document containing equivalent information relating to an Ordinary Share; or
- (ii) of any announcement of amendments to be made to the Income Tax (Earnings and Pensions) Act 2003 or such date on which any such amendments come into force; or
- (iii) at any other time at which the Board determines exceptional circumstances exist which justify the grant of Options.

However, no Options may be granted at a time when the grant would be prohibited by, or would be a breach of, any law or regulation with the force of law or any of the AIM Rules or any other rule, code or set of guidelines (such as a personal dealing code adopted by the Company) which apply at the relevant time.

##### *Exercise Price*

The Board may, in its discretion, determine the exercise price of an Option, which, if the Option is to be satisfied using Ordinary Shares, shall not be less than the nominal value of an Ordinary Share.

##### *Plan Limits*

No Option shall be granted on any date or any proposed date if, as a result the aggregate number of Ordinary Shares issued or committed to be issued pursuant to Options granted under the Existing Share Option Plan and options granted under all other employees’ share schemes established by the Company during the ten years preceding such date would exceed 10 per cent, of the issued ordinary share capital of the Company on that date.

No Option can be granted to any eligible employee if as a result, the total value (calculated at the date of grant) of Ordinary Shares subject to Options granted to such eligible employee under the Existing Share Option Plan and options granted pursuant to a company share option plan would exceed £250,000 or such other limit as may be imposed by the relevant legislation.

##### *Vesting*

Unless otherwise specified at the date of grant, an Option shall vest as to: 33 per cent. on the first anniversary of the date of grant; 33 per cent. on the second anniversary of the date of grant; and 34 per cent. on the third anniversary of the date of grant.



### *Exercise of Options*

In the ordinary course, an Option will normally only be exercisable to the extent it has vested, and any applicable performance conditions have been satisfied or waived. Any unexercised Option shall lapse on the tenth anniversary of the date of grant.

### *Cessation of employment*

If an Option holder ceases employment because of injury, disability, redundancy, or because the company that employs him ceases to be a member of the Enlarged Group or because the business or part of the business to which his employment relates is transferred out of the Enlarged Group, an Option may be exercised until the expiry of the period of 90 days commencing on the day following the date of cessation of employment. The Board may determine that if an Option holder ceases employment for any other reason, his Option may still be exercisable.

In the event of an Option holder's death, an Option may be exercised by his personal representatives within 12 months of the date of death.

In each of the cases outlined above, the Board will determine the extent to which an Option may be exercised taking into account the extent to which it has vested and any conditions applicable to the Option have been met as at the date of the relevant event, and any other factors that the Board considers to be relevant in determining the extent of exercise.

If an Option holder ceases employment with a member of the Enlarged Group for any reason other than those set out above, his Option shall lapse on the date of cessation of employment.

### *Change of control*

In the event of a takeover of the Company, Options will normally vest in full and any other conditions of exercise will be ignored. Options may be exercised within 90 days starting on the day following the date of the change of control as a result of a general offer to acquire the whole of the issued share capital of the Company or all of the shares of the same class as the Ordinary Shares. In the event that the Court sanctions a compromise or arrangement under section 899 of the 2006 Act, Options may be exercised within 90 days of the Court sanctioning such compromise or arrangement. Options will be exercisable for six months from the date a resolution is passed for a voluntary winding-up.

In the event that the Company is acquired by another company, the Option holder may, with the agreement of the acquiring company, release his Options in consideration of the grant to him of a new option which satisfies certain conditions.

### *Variation of share capital*

On a variation of the share capital of the Company by way of consolidation, subdivision, bonus issue or reduction of capital, the number of Ordinary Shares and the denomination of Ordinary Shares subject to any Option, and the acquisition price for each of those Ordinary Shares, shall be adjusted in whatever manner the auditors of the Company (or any other agreed share valuers) confirm in writing to be fair and reasonable, provided that:

- (a) the aggregate amount payable on the exercise of an Option in full is not increased;
- (b) the acquisition price for an Ordinary Share is not reduced below its nominal value;
- (c) following the adjustment the Ordinary Shares continue to satisfy the conditions specified in the legislation that governs enterprise management incentive schemes and shall not give rise to a disqualifying event (as defined in the relevant legislation); and
- (d) any approvals as may be required from HMRC for such adjustments have been obtained.

### *Alterations to the rules of the Existing Share Option Plan*

The Board may, at any time, amend the rules of the Existing Share Option Plan in any respect provided that: (a) the prior approval of the Company in general meeting is obtained for amendments to the rules of the Existing Share Option Plan relating to the overall limits on the issue of new shares; and (b) the approval of the majority of affected Option holders is obtained for any amendments which affect adversely in any way any rights already acquired by Option holders.

### *Non transferability*

Options are non-transferable. Options may only be exercised by persons to whom they are granted (or, in the case of death, by their personal representatives).

#### 4.2 *The Non-Executive Option*

In addition to the Existing Share Option Plan, an option over a further 800,000 Ordinary Shares has been granted to Simon Barrell, conditional on Admission, pursuant to the Non-Executive Option. The price and exercise period of such option is set out in paragraph 5.2 below and the other terms of the Non-Executive Option are equivalent to those granted under the Existing Share Option Plan. The Non-Executive Option does not count towards the Existing Share Option Plan's 10 per cent. plan limit detailed above.

## 5 **Directors' and other interests**

5.1 The interests of the Directors (including the interests of their spouses and infant children and the interests of any persons connected with them within the meaning of sections 252 to 255 and 820 to 825 of the 2006 Act), all of which are beneficial, in the issue share capital of the Company, as at the date of this document and as they are expected to be upon Admission are as follows:

Name	As at the date of this document		Upon Admission	
	Ordinary Shares	Per cent. of existing issued share capital	Ordinary Shares	Per cent. of Enlarged Issued Share Capital
Nick Shephard	5,000,000	3.82	5,000,000	2.62
Trevor Brown	39,189,111	29.93	49,589,111	26.00
Tom Charlton	34,084,808	26.03	46,717,408	24.49
Simon Barrell	—	—	—	—

5.2 The following Directors are also interested in the following unissued Ordinary Shares pursuant to Options granted by the Company under the Existing Share Option Plan:

Name	Date of Grant	No of Ordinary Shares	Exercise Price (p)	Exercise Period
Nick Shephard	30.4.2014	1,000,000	1.25	30.4.14 to 30.4.24
Nick Shephard	30.4.2014	3,000,000	1.25	30.4.14 to 30.4.24
Nick Shephard*	Admission	1,000,000	1.25	19.5.15 to 19.5.24
Simon Barrell*	Admission	800,000	1.25	19.5.15 to 19.5.24

\*these Options have been granted conditional on Admission

5.3 Up to 15.12 million Ordinary Shares may be issued in certain circumstances to Tom Charlton pursuant to the Shareholder Loan, further details of which are set out in paragraph 7.1.7 below.

5.4 Save as disclosed in paragraphs 5.1 to 5.3 above, none of the Directors has any interests in the share capital or loan capital of the Company or any of its subsidiaries nor does any person connected with the Directors (within the meaning of sections 252 to 255 and 820 to 825 of the 2006 Act) have any such interests, whether beneficial or non-beneficial.

5.5 In addition to their directorships in the Company, the Directors have held the following directorships and/or been a partner in the following partnerships within the five years prior to the date of this document:

	Current Directorships/Partnerships	Past Directorships/Partnerships
Nick Shephard	Brickshield Ltd Feedback Black Box Company Ltd, (Formerly Source Computers Ltd) Layers Consulting Ltd (formerly Rakkanteki Ltd)	Feedback Data GmbH Feedback Data plc Feedback Instruments Ltd Feedback Inc Trinity Management UK Ltd Trinity Strategy Ltd Wescott Technology Ltd
Simon Barrell	—	Ciao Australia Pty Ltd Healthcare Holding plc IBP Limited Matisse Holdings plc Octagonal PLC Phoenix Opportunities Limited (formerly MadWaves (UK) Ltd) Toluna Germany GmbH ToLuna India Private Limited Toluna plc
Trevor Brown	Braveheart Investment Group plc	Advanced Oncotherapy plc Free Association Books Limited Free Publishing Limited Queens Park Property Limited
Tom Charlton	Panvista Technologies Ltd	Blackday Ltd The Compliance Company (GB) Ltd Grosvenor Nursing Agency Limited Holt Doctors Limited Homer Ltd Mayfair Specialist Nurses Limited MMI (UK) Ltd Nurse Brokers Ltd Panvista Limited PHC Luton Limited Pinnacle Staffing Group EBT Limited Pinnacle Staffing Group plc PP Luton Limited

5.6 Mr Charlton was a director of the following companies which went into receivership or liquidation in the last five years:

- 5.6.1 On 1 September 2008 Mr Charlton was appointed as a director of PHC Luton Limited. On 7 April 2011 Mr Charlton resigned from the board. On 9 June 2011 an administrator was appointed and the company was liquidated on 26 February 2014. The deficit to preferential creditors and unsecured creditors was £1,659,287.
- 5.6.2 On 6 August 2004 Mr Charlton was appointed as a director of Panvista Limited. Panvista Limited was dissolved on 8 November 2011. Mr Charlton was a director at that time. Mr Charlton was the only creditor not satisfied in full.
- 5.6.3 On 1 September 2008 Mr Charlton was appointed as a director of Pinnacle Staffing Group plc. On 7 April 2011 Mr Charlton resigned from the board. On 28 February 2012 a liquidator was appointed and the company was liquidated on 12 February 2014. The deficit to unsecured creditors was £228,367.27.

- 5.6.4 On 1 September 2008 Mr Charlton was appointed as a director of Nurse Brokers Limited. On 7 April 2011 Mr Charlton resigned from the board. On 5 March 2014 a Winding Up Order was granted under the Insolvency Act 1986.
  - 5.6.5 On 1 September 2008 Mr Charlton was appointed as a director of Mayfair Specialist Nurses Limited. On 7 April 2011 Mr Charlton resigned from the board. On 5 March 2014 a Winding Up Order was granted under the Insolvency Act 1986.
  - 5.6.6 On 1 September 2008 Mr Charlton was appointed as a director of Grosvenor Nursing Agency Limited. On 7 April 2011 Mr Charlton resigned from the board. On 28 September 2012 a Winding Up Order was granted under the Insolvency Act 1986.
  - 5.6.7 On 20 May 2009 Mr Charlton was appointed as a director of The Compliance Company (GB) Limited. On 7 April 2011 Mr Charlton resigned from the board. On 5 March 2012 a Winding Up Order was granted under the Insolvency Act 1986.
  - 5.6.8 On 1 September 2008 Mr Charlton was appointed as a director of Homer Limited. On 7 April 2011 Mr Charlton resigned from the board. On 5 March 2014 a Winding Up Order was granted under the Insolvency Act 1986.
  - 5.6.9 On 1 September 2008 Mr Charlton was appointed as a director of Pinnacle Staffing Group EBT Limited. On 7 April 2011 Mr Charlton resigned from the board. The company was dissolved on 13 March 2012.
  - 5.6.10 On 1 September 2008 Mr Charlton was appointed as a director of PP Luton Limited. On 7 April 2011 Mr Charlton resigned from the board. The company was dissolved on 25 September 2012.
- 5.7 Save as disclosed in paragraph 5.6 above, no Director:
- 5.7.1 has any unspent convictions in relation to indictable offences; or
  - 5.7.2 has been bankrupt or the subject of an individual voluntary arrangement, or has had a receiver appointed to any such asset of such director; or
  - 5.7.3 has been a director of any company which, while he or she was a director or within 12 months after he or she ceased to be a director, had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration or company voluntary arrangement, or made any composition or arrangement with its creditors generally or with any class of its creditors; or
  - 5.7.4 has been a partner of any partnership which, while he or she was a partner or within 12 months after he or she ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset; or
  - 5.7.5 has had any public criticism by statutory or regulatory authorities (including recognised professional bodies); or
  - 5.7.6 has been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

- 5.8 Save as disclosed in paragraph 5.1 above, and as set out below, the Directors are not aware of any person who, directly or indirectly had or will have an interest in three per cent. or more of the voting rights of the Company which is notifiable to the Company under the Disclosure and Transparency Rules as at the date of this document and upon Admission:

Name	As at the date of this document		Upon Admission	
	Ordinary Shares	Per cent. of existing issued share capital	Ordinary Shares	Per cent. of Enlarged Issued Share Capital
W R Ruffler	9,397,893	7.18	12,597,893	6.60
Prof J H Westcott	5,999,287	4.58	5,999,287	3.15

- 5.9 The Shareholders listed in paragraph 5, being the Company's major Shareholders, do not have different voting rights from other Shareholders.
- 5.10 There are no outstanding loans granted or guarantees provided by the Enlarged Group to or for the benefit of any of the Directors and, save as disclosed in paragraph 7.1.7, there are no outstanding loans or guarantees provided by the Directors to or for the benefit of the Enlarged Group.
- 5.11 Save as disclosed in this paragraph 5, no Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Enlarged Group taken as a whole and which was effected by the Enlarged Group during the current or immediately preceding financial year, or during any earlier financial year and which remains in any respect outstanding or unperformed.
- 5.12 None of the Directors nor any member of a Director's family is dealing in any related financial product (as defined in the AIM Rules) whose value in whole or in part is determined directly or indirectly by reference to the price of the Ordinary Shares, including a contract for differences or a fixed odds bet.

## 6 Directors' service agreements and terms of office

- 6.1 Nick Shepherd has entered into a service agreement with the Company as its chairman and chief executive dated 11 August 2011. The Agreement is subject to termination upon six months' notice by either party. The agreement provides for an annual salary of £100,000, the award of a bonus (on the terms of any bonus scheme that the Board, in their discretion, may decide), membership of a private medical scheme, life assurance cover and for 25 paid working days holiday each year. Mr Shepherd is subject to non-competition and non-solicitation covenants for a period of six to 12 months following termination of his employment and to a confidentiality undertaking that is without limit in time.
- 6.2 The services of Simon Barrell as non-executive director are provided under the terms of a letter of appointment between him and the Company dated 12 November 2012 subject to termination upon at least one month's notice. SGB Consulting is paid £24,000 per annum for the provision of consultancy services.
- 6.3 The services of Trevor Brown and Tom Charlton as non-executive directors are provided under the terms of letters of appointment between them and the Company dated 13 January 2014 and subject to termination upon at least one month's notice. Neither Mr Brown nor Mr Charlton receive any fees from the Company for their services as non-executive directors.
- 6.4 Details of the length of time in which the Directors who are currently in office have been in office are set out below:

Name	Commencement of period of office
Nick Shepherd	11 February 2011
Simon Barrell	12 November 2012
Trevor Brown	13 January 2014
Tom Charlton	13 January 2014

## 7 Material contracts

7.1 The contracts set out below (together with the related party transactions set out at paragraph 9), not being contracts entered into in the ordinary course of business, have been entered into by the Company during the two years preceding the date of this document and are or may be material.

7.1.1 On 31 May 2013 the Company entered into a share purchase agreement with Belgravium Technologies Plc (“Belgravium”) for the sale by the Company of the entire issued share capital of Feedback Data plc for £600,000. The outstanding material provisions relate to customary tax covenants which are subject to standard limitations.

7.1.2 On 23 May 2012 the Company entered into a sale and purchase agreement with Feedback Strategic Improvement Limited (“FSIL”) for the sale by the Company of the entire issued share capital of Feedback Instruments Limited (“FIL”) and Feedback, Incorporated (“FI”). FSIL paid consideration of £2.00 to the Company for the shares of FIL and FI. The outstanding material provisions relate to indemnities in relation to contamination, pensions and tax and are subject to standard limitations.

7.1.3 The Company has received irrevocable undertakings in relation to in aggregate 78,273,919 Ordinary Shares representing 59.78 per cent. of the issued share capital of the Company at the date of this Document to vote in favour of the Resolutions at the General Meeting. The irrevocable undertakings cease to be binding, *inter alia*, in the event of the acceptance of a takeover offer (or the execution of an irrevocable commitment to accept a takeover offer).

7.1.4 An introduction agreement dated 30 April 2014 between (1) Sanlam Securities, (2) the Directors, and (3) the Company (the “Introduction Agreement”) pursuant to which the Company agrees to apply for the Admission before 19 May 2014 and to grant Sanlam Securities all relevant authorities and powers reasonably required for the purposes of obtaining Admission. The agreement is conditional, *inter alia*, upon Admission taking place on or before 19 May 2014 or such later date as Sanlam Securities and the Company may agree. The Company will pay to Sanlam Securities a corporate finance fee. The agreement provides for the Company to pay all expenses of and incidental to the application for Admission.

The agreement contains, *inter alia*, undertakings and warranties given by the Company in favour of Sanlam Securities as to the accuracy of information contained in this document and other matters relating to the Group and its business and an indemnity from the Company in favour of Sanlam Securities. Warranties have also been given by the Directors as to information relating to themselves and in relation to working capital.

Sanlam Securities may terminate the Introduction Agreement in specified circumstances prior to Admission, *inter alia* in the event of a breach of the warranties contained in the agreement, or a breach of the agreement which is or will be, or where any event or omission relating to the Group is or will be, in the opinion of Sanlam Securities, material in the context of the Admission.

7.1.5 On 30 April 2014, the Company entered into a share sale and purchase agreement with Michael Hayball, Stephen Brown, Richard Coulden, Tom Charlton and Richard Black for the purchase of the entire issued share capital of CCI for a purchase price of £213,200, which shall be satisfied by £13,200 in cash and the balance by the issue of the CCI Consideration Shares to the CCI Vendors. The agreement is conditional on, *inter alia*, Admission. The CCI Vendors gave certain undertakings in relation to the disposal of their ordinary shares as summarised in Part I of this document. The agreement also contains certain restrictive covenants which apply to certain CCI Vendors.

7.1.6 On 30 April 2014, the Company entered into a share sale and purchase agreement with Professor Christopher Chatwin, Dr Balaji Ganeshan, Miles (Medical) Pty Limited, the University of Sussex, Miles Investments (QLD) Pty Ltd and Imaging Equipment



(Holdings) Limited for the purchase of the entire issued share capital of TexRAD (other than those shares already held by CCI) for a purchase price of £240,700 to be satisfied by £13,200 in cash and the balance by the issue of the TexRAD Consideration Shares to the TexRAD Vendors and the issue of the TexRAD Warrants (as detailed in paragraph 7.1.15 below). The agreement is conditional on, *inter alia*, Admission. The TexRAD Vendors gave certain undertakings in relation to the disposal of their ordinary shares as summarised in Part I of this document. The agreement also contains certain restrictive covenants which apply to the TexRAD Vendors.

- 7.1.7 On 30 April 2014, Feedback entered into a loan agreement with Tom Charlton. The Shareholder Loan, which is conditional upon Admission, is for a principal sum of £189,000 and will be used by the Company to fund CCI for the purpose of repaying certain outstanding amounts due and payable by CCI to Mr Charlton. The Shareholder Loan will be repaid on the earlier of (i) 1 December 2016 or (ii) such date that certain conditions are satisfied relating to the dilution of Mr Charlton's shareholding in the Company to less than 10 per cent. of the Ordinary Shares then in issue. Feedback also has the right after 1 June 2016, at its sole discretion, to issue up to 15.12 million new Ordinary Shares at a deemed issue price of £0.0125 per Ordinary Share in satisfaction of the loan. No interest shall accrue on the Shareholder Loan.
- 7.1.8 The Company has entered into a subscription letter with Tom Charlton dated 30 April 2014 pursuant to which Mr Charlton has agreed to subscribe, conditional on (*inter alia*) Admission, for 10,400,000 new Ordinary Shares at the Subscription Price.
- 7.1.9 The Company has entered into a subscription letter with Trevor Brown dated 30 April 2014 pursuant to which Mr Brown has agreed to subscribe, conditional on (*inter alia*) Admission, for 10,400,000 new Ordinary Shares at the Subscription Price.
- 7.1.10 The Company has entered into a subscription letter with Roy Ruffler dated 30 April 2014 pursuant to which Mr Ruffler has agreed to subscribe, conditional on (*inter alia*) Admission, for 3,200,000 new Ordinary Shares at the Subscription Price.
- 7.1.11 On 4 March 2013 the Company entered into an engagement letter with Peterhouse Corporate Finance Limited ("Peterhouse") pursuant to which Peterhouse agreed to act as joint broker to the Company. The Company has agreed to pay Peterhouse a retainer and commission on any funds raised for the Company by Peterhouse. The Company has agreed to pay any expenses of Peterhouse in connection with the engagement and the letter contains an indemnity from the Company in favour of Peterhouse. The Company may terminate Peterhouse's appointment with three months' notice subject to a minimum period of engagement of six months and either party may terminate immediately in the event of material breach.
- 7.1.12 The deed granting the Non-Executive Option referred to in paragraph 4.2 above.
- 7.1.13 On 30 July 2013 Brickshield Limited, a wholly owned subsidiary of the Company, entered into an agreement with Orbit South Housing Association Limited (Exempt Charity) in relation to the disposal of the former Feedback factory at Park Road, Crowborough, East Sussex TN6 2QR for the consideration of £940,000 in relation to the property and £20,000 in relation to certain reports relating to the property.
- 7.1.14 The intellectual property assignment agreement referred to in paragraph 7.2.2 below.
- 7.1.15 Upon completion of the TexRAD Acquisition the Company will execute a warrant instrument issuing 22,750,000 warrants in favour of the TexRAD Vendors. The TexRAD Warrants will be issued such that 4,550,000 warrants will have an exercise price of £0.0125 and a vesting period of between two and 10 years from the date of Admission; and 18,200,000 warrants will have an exercise price of £0.03 and a vesting period of between three and 10 years from the date of Admission.

7.2 The contracts set out below, not being contracts entered into in the ordinary course of business, have been entered into by TexRAD during the two years preceding the date of this document and are or may be material.

7.2.1 On 13 September 2012, TexRAD entered into a software licence agreement and strategic partnership with Imaging Endpoints II, LLC (“IE2”) in which TexRAD granted IE2 the exclusive licence to use TexRAD Research Software in the state of Arizona in the USA, and to use TexRAD Clinical Trial Software worldwide. The contract terminates on 12 September 2014. IE2 has given covenants and undertakings to TexRAD to, *inter alia*, use best endeavours to promote the TexRAD software in its own promotions and not directly or indirectly promote or sell products in competition with TexRAD for 12 months following the termination of this contract. TexRAD has given covenants and undertakings to IE2 that, *inter alia*, TexRAD will work with IE2 on an exclusive basis for imaging core lab purposes, that it will not compete with IE2, granting IE2 the right to audit TexRAD to ensure compliance with this licence agreement.

7.2.2 On 30 April 2014, TexRAD entered into an intellectual property assignment agreement with the Company and the University of Sussex (“UoS”) under which UoS assigned its right, title and interest in its intellectual property rights in the TexRAD image analysis software to TexRAD for consideration of £20,000 which will be satisfied by the issue to UoS of the IP Consideration Shares at Admission.

7.3 The contracts set out below, not being contracts entered into in the ordinary course of business, have been entered into by CCI during the two years preceding the date of this document and are or may be material.

7.3.1 On 11 March 2013, CCI entered into a supply contract for the provision of IT and software systems with Papworth NHS Hospital Trust (“Papworth”). The contract terminates on 10 March 2016, and in exchange for the provision of IT and software systems to Papworth, CCI is to be paid a fixed price per annum subject to a yearly increase in line with the retail price index.

## **8 Taxation in the UK**

### *Taxation of dividends*

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

The income tax rates are 10 per cent., 32.5 per cent. or 37.5 per cent. of the gross dividend received depending on the taxable income of the individual. A deemed tax credit of 10 per cent. of the gross dividend is deemed to arise, the effect of which is to reduce the effective tax rates to zero per cent., 25 per cent. and approximately 30.6 per cent. of the actual dividend received respectively.

UK resident and ordinary resident individuals who are not domiciled in the UK and pay tax on a remittance basis, will be taxed on dividends paid by the company, but only if they are remitted to the UK.

A UK-tax resident corporate shareholder of non-redeemable ordinary shares in the Company that receives a dividend paid by the Company will not be subject to tax in respect of that dividend subject to certain exceptions.

Trustees of discretionary trusts receiving dividends from shares are also liable to account for income tax at the dividend trust rate, currently 30.6 per cent. of the net dividend

UK pension funds and charities are generally exempt from tax on dividends that they receive.

### *Anti-avoidance*

A UK resident corporate shareholder who, together with connected or associated persons, control the Company should note the provisions of the Controlled Foreign Companies legislation.



### *Taxation of chargeable gains*

- (a) A UK resident, ordinarily resident and domiciled individual shareholder who disposes (or is deemed to dispose) of all or any of the Shares acquired they may be liable to capital gains tax in relation thereto at rates up to 28 per cent., subject to any available exemptions or reliefs in accordance with taxation of Chargeable Gains Act 1992 s.126. In addition, an individual UK shareholder who ceases to be resident or ordinarily resident in the UK for a period of less than five years and who disposes of the shares held prior to departure during that period of temporary non residence may, under anti-avoidance legislation, be liable to capital gains tax on his or her return to the UK.
- (b) UK resident and ordinary resident individuals who are not domiciled in the UK and pay tax on a remittance basis, will be taxed on any capital gains made by them on the disposal of shares in the Company, but only if the proceeds are remitted to the UK.
- (c) Subject to exemptions a UK resident corporate shareholder disposing of its shares in the Company may be liable to corporation tax on chargeable gains arising on the disposal at the corporation tax rate applicable to its taxable profits (currently 20 per cent. – 23 per cent.).

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

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

### *Inheritance tax*

Individuals and Trustees subject to IHT in relation to a shareholding in the Company may be entitled to business property relief of up to 100 per cent. after a holdings period of two years providing that all the relevant conditions for the relief are satisfied at the appropriate time.

### *Stamp Duty and Stamp Duty Reserve Tax*

No stamp duty will be payable on the issue of ordinary shares. An instrument effecting or evidencing the issue or transfer of ordinary shares which is executed in the UK or, where executed outside of the UK, which relates to any matter or thing done in the UK may not, except in criminal proceedings, be given in evidence or be available for any purpose in the UK unless it is duly stamped. Whether or not an instrument is stamped, however, will not affect the registration of the transfer in the Company's registers of ordinary shares so long as that register is kept outside of the UK. No stamp duty reserve tax ("SDRT") will be chargeable on the issue or transfer of the ordinary shares where the Company's registers of ordinary shares is kept outside of the UK.

**This summary of UK taxation issues can only provide a general overview and is not a description of all the tax considerations that may be relevant to the decision to invest in the Company.**

## **9 Related Party transactions**

9.1 The Group has entered into the following related party transactions:

- 9.1.1 a loan agreement between Tom Charlton and Feedback dated 30 April 2014 pursuant to which Tom Charlton has agreed to provide a loan of £189,000 to Feedback as summarised in paragraph 7.1.7 of this Part V;
- 9.1.2 Tom Charlton and Trevor Brown are participating in the Subscription as described in Part I of this document and each entered into Subscription Letters as summarised in paragraph 7.1.8 and 7.1.9 of this Part V;
- 9.1.3 the Directors option arrangements, details of which are set out in paragraph 5 of this Part V; and
- 9.1.4 Tom Charlton is a CCI Vendor as described in Part I of this document and a party to the CCI Acquisition Agreement which is summarised in paragraph 7.1.5 of this Part V.

## **10 Working capital**

In the opinion of the Directors, having made due and careful enquiry, the working capital available to the Enlarged Group, taking into account the net proceeds of the Subscription upon Admission, will be sufficient for its present requirements, that is for at least 12 months from the date of Admission.

## **11 Litigation**

- 11.1 There are no, and during the 12 month period prior to the date of this document there have not been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have, or have had in the recent past, significant effects on the Enlarged Group financial position or profitability.
- 11.2 There are no, and during the 12 month period prior to the date of this document there have not been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which CCI is aware) which may have, or have had in the recent past, significant effects on CCI's financial position or profitability.
- 11.3 There are no, and during the 12 month period prior to the date of this document there have not been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which TexRAD is aware) which may have, or have had in the recent past, significant effects on TexRAD's financial position or profitability.

## **12 General**

- 12.1 Save as disclosed in this document, there are no patents, or other intellectual property rights, licences or any industrial, commercial or financial contracts which are or may be material to the business or profitability of the Enlarged Group.
- 12.2 Save as disclosed in this document, there are no environmental issues that may affect the Enlarged Group's utilisation of its tangible fixed assets.
- 12.3 Other than the current application for Admission, the Ordinary Shares have not been admitted to dealings on any recognised investment exchange nor has any application for such admission been made nor are there intended to be any other arrangements for dealings in the Ordinary Shares.
- 12.4 No person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has:
- (a) received, directly or indirectly, from the Company within the 12 months preceding the date of application for Admission; or
  - (b) entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from the Company on or after Admission, any of the following:
    - (i) fees totalling £10,000 or more;
    - (ii) securities in the Company with a value of £10,000 or more calculated by reference to the Subscription Price; or
    - (iii) any other benefit with a value of £10,000 or more at the date of Admission.
- 12.5 Save as disclosed in this document, there has been no significant change in the financial or trading position of the Company since 31 May 2013 the date to which its most recent audited accounts have been drawn up.
- 12.6 Save as disclosed in this document, there has been no significant change in the financial or trading position of CCI since 31 January 2014 the date to which its most recent audited accounts have been drawn up.
- 12.7 Save as disclosed in this document, there has been no significant change in the financial or trading position of TexRAD since 31 July 2013 the date to which its most recent audited accounts have been drawn up.

- 12.8 Where information has been sourced from a third party, the Company confirms that this information has been accurately reproduced and as far as the Company is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 12.9 The financial information set out in this document does not constitute statutory accounts within the meaning of section 434 of the 2006 Act. Statutory accounts have been delivered to the Registrar of Companies for the Company for the periods ended 31 May 2011, 31 May 2012, and 31 May 2013. haysmacintyre, of 26 Red Lion Square, London WC1R 4AG, have been the auditors of the Company for the three financial years ended 30 May 2013 and auditors' reports in respect of each statutory accounts have been made under section 495 of the 2006 Act and each report was an unqualified report and did not contain a statement under sections 498(2) or (3) of the 2006 Act.
- 12.10 The financial information set out in this document does not constitute statutory accounts within the meaning of section 434 of the 2006 Act. Statutory accounts have been delivered to the Registrar of Companies for CCI for the periods ended 31 January 2012 and 31 January 2013.
- 12.11 The financial information set out in this document does not constitute statutory accounts within the meaning of section 434 of the 2006 Act. Statutory accounts have been delivered to the Registrar of Companies for TexRAD for the periods ended 31 July 2012 and 31 July 2013.
- 12.12 The accounting reference date of the Company is 31 May.
- 12.13 Crowe Clark Whitehill LLP has given and has not withdrawn its written consent to the inclusion in this document of its Accountant's Reports set out in Part III(a) and Part III(b) and the letter relating to the unaudited pro forma statement of net assets set out in Part IV of this document in the form and context in which they appear and has authorised its Accountant's Reports for the purposes of the AIM Rules for Companies.
- 12.14 Sanlam Securities has given and not withdrawn its written consent to the issue of this document with references to it in the form and context in which such references are included.
- 12.15 Peterhouse Corporate Finance Limited has given and not withdrawn its consent to the issue of this document with references to it in the form and context in which such references are included.
- 12.16 The average number of employees employed by the Company, CCI and TexRAD during the last three financial periods ended 31 May 2013, 31 January 2014 and 31 July 2013 respectively are set out below:

	31 May 2011	31 May 2012	31 May 2013
<b>Feedback</b>			
Average number of employees	76	67	18
<hr/>			
	31 January 2012	31 January 2013	31 January 2014
<b>CCI</b>			
Average number of employees	3	3	3
<hr/>			
	31 July 2012	31 July 2013	31 January 2014
<b>TexRAD</b>			
Average number of employees	1	1	1

### 13 Availability of document

Copies of this document will be available free of charge to the public at the offices of Sanlam Securities during normal business hours on any weekday (Saturdays and public holidays excepted) until the date falling one month after the date of Admission.

Dated 30 April 2014

# FEEDBACK PLC

*(Incorporated and registered in England and Wales with registration number 598696)*

NOTICE IS HEREBY GIVEN that a general meeting of the Company will be held at the offices of Stephenson Harwood LLP, 1 Finsbury Circus, London EC2M 7SH, on 16 May 2014 at 10.00 a.m. (the “General Meeting”) for the purpose of considering and, if thought fit, passing the following resolutions of which resolutions 1 and 2 will be proposed as ordinary resolutions and resolution 3 will be proposed as a special resolution:

## **Ordinary Resolutions**

### **1. That:**

- (i) the proposed acquisition of the entire issued share capital of Cambridge Computed Imaging Limited on the terms of a share purchase agreement dated 30 April 2014 and made between the Company and the CCI Vendors (as defined in the admission document dated 30 April 2014 of which this notice forms part (the “Admission Document”)); and
- (ii) the proposed acquisition of the entire issued share capital of TexRAD Limited on the terms of a share purchase agreement dated 30 April 2014 and made between the Company and the TexRAD Vendors (as defined in the Admission Document),

be and are hereby approved for all purposes including, without limitation, the purposes of Rule 14 of the AIM Rules for Companies published by London Stock Exchange plc (the “Acquisitions”) and the Directors be and are authorised to waive, amend, vary or extend any of the conditions and terms of the Acquisitions.

### **2. That** the Directors be generally and unconditionally authorised for the purposes of Section 551 of the Companies Act 2006 (the “Act”), to exercise all the powers of the Company to allot shares in the Company and grant rights to subscribe for, or convert any security into, shares in the Company:

- (i) up to a maximum nominal value (within the meaning of Section 551(3) and (6) of the Act) of £89,500.00 in connection with the Acquisitions (as defined in the Admission Document);
- (ii) up to a maximum nominal value (within the meaning of Section 551(3) and (6) of the Act) of £56,875.00 in connection with the TexRAD Warrants (as defined in the Admission Document);
- (iii) up to a maximum nominal value (within the meaning of Section 551(3) and (6) of the Act) of £60,000.00 in respect of the Subscription (as defined in the Admission Document);
- (iv) up to a maximum nominal value (within the meaning of Section 551(3) and (6) of the Act) of £2,000.00 in respect of the Non-Executive Option (as defined in the Admission Document);
- (v) up to a maximum nominal value (within the meaning of Section 551(3) and (6) of the Act) of £37,800.00 in respect of the Shareholder Loan (as defined in the Admission Document); and
- (vi) up to a maximum nominal value (within the meaning of Section of the Company 551(3) and (6) of the Act) of £238,433.43 (being 50 per cent. of the issued share capital of the Company immediately following Admission) to such persons and at such times and on such terms as the directors think fit.

these authorisations to expire at the conclusion of the next Annual General Meeting of the Company (or, if earlier, on 30 November 2015) (save that the Company may before such expiry make any offer or agreement which would or might require shares to be allotted or rights to be granted, after such expiry and the directors may allot shares, or grant rights to subscribe for or to

convert any security into shares, in pursuance of any such offer or agreement as if the authorisations conferred hereby had not expired).

### **Special Resolutions**

3. **That** subject to the passing of Resolution 2 above, the directors be given power pursuant to Sections 570(1) and 573 of the Act (in substitution for any existing powers) to allot equity securities (as defined in Section 560 of the Act) of the Company for cash pursuant to the authorisation granted under Resolution 2(ii), 2(iii), 2(iv) and 2(v) above, as if section 561 of the Act did not apply to any such allotment or sale, provided that this power shall be limited to the allotment of equity securities for cash:
- (a) in the case of the authorisation granted under Resolution 2(vi) above, in connection with or pursuant to an offer of or invitation to acquire equity securities in favour of holders of Ordinary Shares in proportion (as nearly as practicable) to the respective number of Ordinary Shares held by them on the record date for such allotment or sale but subject to such exclusions or other arrangements as the directors may consider necessary or appropriate to deal with fractional entitlements, record dates or legal, regulatory or practical difficulties which may arise under the laws of or the requirements of any regulatory body or stock exchange in any territory or any other matter whatsoever; and
  - (b) in the case of the authorisation granted under resolution 2(vi) above and otherwise than pursuant to sub-paragraph 3(a) above, up to an aggregate nominal amount of £143,060.06 (being 30 per cent. of the issued share capital of the Company immediately following Admission),

and shall expire at the conclusion of the next Annual General Meeting of the Company (or, if earlier, on 30 November 2015), save that the Company may before such expiry make any offer or agreement that would or might require equity securities to be allotted, or treasury shares to be sold, after such expiry and the directors may allot equity securities, or sell treasury shares in pursuance of any such offer or agreement as if the power conferred hereby had not expired.

BY ORDER OF THE BOARD

**Nick Shephard**  
*Chairman*

*Registered Office*  
26 Red Lion Square  
London  
WC1R 4AG  
30 April 2014

**Notes:**

- 1 Members are entitled to appoint a proxy to exercise all or any of the rights to attend and to speak and vote on their behalf at the General Meeting. A shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the company. A Form of Proxy which may be used to make such an appointment and give proxy instructions accompanies this notice. If you do not have a Form of Proxy and believe that you should have one, or if you require additional forms, please contact the Company or you may photocopy the Form of Proxy.
- 2 A Form of Proxy is enclosed. To be effective, the Form of Proxy, together with any power of attorney or other written authority under which it is signed, or a notarially certified copy or a certified copy in accordance with the Powers of Attorney Act 1971 of such power or written authority must be completed and signed and to be valid the proxy must be duly executed and deposited with the Company at the offices of the Company's registrars, Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL, by not later than 10.00 a.m on 14 May 2014.
- 3 To be valid any Form of Proxy or other instrument appointing a proxy must be received by post or by hand (during normal business hours only) at Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL no later than 10.00 a.m on 14 May 2014.
- 4 The return of a completed Form of Proxy will not prevent a shareholder attending the General Meeting and voting in person if he/she wishes to do so.
- 5 To be entitled to attend and vote at the General Meeting (and for the purpose of determination by the Company of the votes they may cast), shareholders must be registered in the register of members of the Company ("Register of Members") at 10.00 a.m. on 14 May 2014 (or, in the event of any adjournment, 10.00 a.m. on the date which is two days before the time of the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
- 6 In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of any other joint holders. For these purposes, seniority shall be determined by the order in which the names stand in the Register of Members in respect of the joint holding.
- 7 In the case of a corporation, the Form of Proxy must be executed under its common seal or signed on its behalf by a duly authorised attorney or duly authorised officer of the corporation.
- 8 A vote withheld option is provided on the Form of Proxy to enable you to instruct your proxy not to vote on any particular resolution. However, it should be noted that a vote withheld in this way is not a "vote" in law and will not be counted in the calculation of the proportion of votes "For" and "Against" a resolution.
- 9 To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. Where you have appointed a proxy and would like to change the instructions using another hard-copy proxy form, please contact Share Registrars Limited. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
- 10 In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly revoking your proxy appointment to Share Registrars Limited. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. In either case, the revocation notice must be received by Share Registrars Limited no later than 10.00 a.m on 14 May 2014. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.
- 11 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting and any adjournments(s) thereof by using the procedures described in the CREST Manual, CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manuals. The message must be transmitted so as to be received by the Company's agent, Share Registrars Limited, (CREST Participant ID: 7RA36) no later than 48 hours before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsor or voting service provider should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) should refer to the sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

